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KENNEDALE CITY COUNCIL AGENDA

REGULAR MEETING VIA VIDEOCONFERENCE
MARCH 16, 2021 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

*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. WORK SESSION

A. WORK SESSION REPORTS

1. Presentation of the independent auditor's report (Comprehensive Annual Financial Report (CAFR)) for the fiscal year ended September 30, 2020
2. Continued discussion and consider providing staff direction regarding capital projects to submit to Tarrant County for inclusion in a proposed County bond authorization election in November, 2021 and/or to include in a local bond election in November, 2021 and/or to fund through the issuance of Certificates of Obligation

B. REQUESTS FOR CLARIFICATION OF ITEMS LISTED ON THE AGENDA

III. 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 or legal issues regarding the Open Meetings Act

1. PZ Case No. 21-03

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
   - Monarch Butterfly Awareness Proclamation
3. Updates from the City Manager
4. Financial Reports for the City

E. CONSENT AGENDA

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

1. Approval of the minutes from the February 16, 2021 regular meeting
2. Approval of the minutes from the February 23, 2021 special meeting
3. Approval of the minutes from the March 9, 2021 special meeting
4. Approval of a Resolution, supporting a grant application for police traffic data and enforcement system
5. Appoint Lakeita Sutton (voting member) and Dennis Brown (alternate) to the Fort Worth Wholesale Water and Wastewater Advisory Committee

F. ITEMS FOR INDIVIDUAL CONSIDERATION

1. Consider acceptance of independent auditor's report (Comprehensive Annual Financial Report (CAFR)) for the fiscal year ended September 30, 2020
2. Consider approval of a Resolution identifying and supporting capital transportation projects to be submitted by the City of Kennedale to Tarrant County for consideration of inclusion in a Tarrant County Bond Program expected to be presented to voters at an election in November 2021, certifying funding for the City's participation in such projects, and certifying time for commencement of construction
3. Consider adoption of a resolution setting a public hearing to be held during the City Council meeting beginning at 5:30 p.m. on Tuesday, April 20, 2021, to consider amendments to the land use assumptions, capital improvements plan, and associated water, wastewater, and roadway impact fees
4. Consider approval of the low bidder, Excel 4 Construction, for the Tarrant County Community Development Block grant (CDBG) project for the rehabilitation of water lines in the 400-600 blocks of Third Street
5. Consider approval of a Resolution adopting policies, procedures, and/or protocols related to City facilities during the novel coronavirus (COVID-19) pandemic

G. PUBLIC HEARINGS

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

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 MARCH 16, 2021 KENNEDALE CITY COUNCIL AGENDA WAS POSTED INSIDE THE MAIN ENTRANCE OF CITY HALL (405 MUNICIPAL DRIVE), IN A PLACE CONVENIENT AND READILY ACCESSIBLE TO THE GENERAL PUBLIC AT ALL TIMES; AND THAT SAID AGENDA WAS POSTED AT LEAST SEVENTY-TWO (72) HOURS PRECEDING THE SCHEDULED TIME OF SAID MEETING, IN ACCORDANCE WITH CHAPTER 551 OF THE TEXAS GOVERNMENT CODE.

Leslie E. Galloway

LESLIE E. GALLOWAY, CITY SECRETARY

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

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STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: MARCH 16, 2021

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

SUBJECT
Presentation of the independent auditor's report (Comprehensive Annual Financial Report (CAFR)) for the fiscal year ended September 30, 2020

ORIGINATED BY
Lakeita Sutton, Director of Finance and Information Technology

SUMMARY
As you will see in the report below, the CAFR included in your packet is watermarked as a draft only because it has not yet been presented to and accepted by the Council. Acceptance of the FY20 CAFR appears on this agenda as Item IV.F.1.

Danny Martinez of BKD will join the meeting to present the CAFR for FY20 (October 1, 2019 – September 30, 2020). He and staff will be available to answer any questions from the Council.

The City's financial statements have been audited by BKD, Independent Certified Public Accountants (CPAs). The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2020, are free of material misstatements.

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

We are proud to report that the independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended September 30, 2020, are fairly presented in conformity with GAAP (Generally Accepted Accounting Principles). The independent auditor's report is presented as the first component of the financial section of the Comprehensive Annual Financial Report (CAFR).

GENERAL NOTES REGARDING THE AUDIT

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

- Page 12 of the CAFR provides the best overview of the current assets of the major governmental funds.
- Page 14 of the CAFR provides the best overview of the operations of the major governmental funds.
- Page 16 and 17 of the CAFR provide the best overview of the Water and Sewer Fund.
- Page 33 and 34 of the CAFR provide the best overview of the City's capital assets.
- Page 36 of the CAFR provides the best overview of the outstanding debts of the City.

BUDGETARY HIGHLIGHTS GENERAL FUND:

FY 2019-2020 FUND BALANCE			
	FY20 AMENDED BUDGET	**AUDITED**	**DIFFERENCE**
General Fund	$ 940,257	$ 2,453,218	$ 1,512,961

The ultimate goal with the City's General Fund is to have a "budgeted" fund balance greater than 25% of total budgeted operating expenses. Only then will the health of the fund have recovered itself from the actions from lowering the tax rate five cents two years ago. The efforts made to improve the general fund, fund balance outcome while attempting to maintain current program levels could not have been achieved without sound financial decisions made by the City Council and Staff. Heavy sacrifices such as no pay increases or step plan implementation in FY 21, savings realized from the forced closure of the Senior Center, and efforts to lift the negative bond rating outlook, has proved difficult for budgeting since 2018.

We are proud to report that these combined efforts to minimize expenditures, achieve greater than anticipated revenues and effectively allocate the use of COVID relief funding has allowed the City to restore its fund balance to the levels outlined in the Fund Balance policy at least two years earlier than expected when the budget was adopted in September 2019. In the original adopted FY 19-20 budget there was an expected draw down of the fund balance by $862,944 resulting in an EOY fund balance percentage of 7.9%. The budget was amended in June of 2020, updating the projected EOY fund balance percentage to 12.5%. The result of the FY 20 audit concluded an EOY fund balance of $2,453,218 which represents a **35% fund balance**. The increase in the fund balance resulted significantly from the following:

- Sales Tax receipts were $363,538 over the original budget (despite the COVID-19 pandemic)
- Property tax was $219,955 over the original budget
- June 2020 COVID allocation in the amount of $420,750, of which approximately $350,000 was used to reduce expenditures in the general fund during FY 20
- Conservative revenue and expenditure projections, that underestimated revenues and overestimated expenditures as recommended by the GFOA
- Direction from S&P in October 2019 to make significant efforts to achieve savings and bring the fund balance back to an acceptable level or face a bond rating downgrade

Of important reference here is the GFOA's recommendation of a conservative financial plan that should *purposely* underestimate revenues and overestimate expenditures. The recommendation further states that financial planning should include proposals where actual results will likely (but not guaranteed) be better than projections. The City's long term financial plan of developing budgets where expenditures no longer exceed revenue, but in the event that they do, there are enough reserves to stay within our established fund reserve policy, is now within sight.

BUDGETARY HIGHLIGHTS OTHER FUNDS:

FY 2019-2020 FUND BALANCE			
	FY 20 BUDGET	AUDITED	DIFFERENCE
Debt Service	$ 571,395	$ 489,285	$ (82,110)
Storm Water	$ (-151,838)	$ 287,257	$ 439,095
Water & Sewer	$ 1,359,937	$ 2,950,612	$ 1,590,675
EDC	$ 434,276	$ 951,704	$ 517,428
Streets	$ 132,425	$ 386,644	$ 254,219

RESPONSE TO MANAGEMENT LETTER
The FY20 audit was successful and produced no findings. Consequently, the two opportunities for improvement from the prior year (Year-end Closing Procedures and Segregation of Duties) have been resolved.

RECOMMENDATION
Staff recommends acceptance of the FY20 CAFR.

ATTACHMENTS

1.	City of Kennedale CAFR Draft 3.11.21 - FOR PACKET	City of Kennedale CAFR Draft 3.11.21 - FOR PACKET.pdf

DRAFT
3/10/2021

City of Kennedale, Texas

Comprehensive Annual Financial Report

For the Fiscal Year Ended

September 30, 2020

DRAFT

DRAFT
3/10/2021

City of Kennedale, Texas
Comprehensive Annual Financial Report
Year Ended September 30, 2020

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March 15, 2021

Honorable Mayor and City Council,
Citizens of Kennedale:

The City of Kennedale (the "City") Financial Management Policies require that the City's Finance Department prepare a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Accordingly, the Comprehensive Annual Financial Report for the City of Kennedale, Texas for the fiscal year ended September 30, 2020, is hereby issued.

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

The City's financial statements have been audited by BKD, Independent Certified Public Accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2020, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended September 30, 2020, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

PROFILE OF THE GOVERNMENT

The City of Kennedale was incorporated in 1947. The City of Kennedale is a first tier suburb of Fort Worth and is located adjacent to Arlington in south Tarrant County. The City currently occupies a land area of 6.2 square miles and serves a population of 8,255. The City is empowered to levy property tax on both real and business personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically, when deemed appropriate by the city council.

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

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

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

FACTORS AFFECTING FINANCIAL CONDITION

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

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

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

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

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

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

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

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

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

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

Long-Term Financial Planning.

CURRENT YEAR PROJECTS

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

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

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

The continued partnership with the City of Arlington is expanding by obtaining drinking water from the City of Arlington. Five out of six planned water connection points have been completed and approved by TCEQ. By the summer of 2021, the City of Kennedale is expected to begin receiving the majority of its water source from the City of Arlington, reducing its reliance on water from the City of Fort Worth or from groundwater wells.

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

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

FUTURE PROJECTS

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

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

RELEVANT FINANCIAL POLICIES

The city will continue controlling expenditures and exploring new revenue opportunities to grow the general fund balance. Efforts have been put in place to restore net working capital in both the Water and Sewer Fund and the General Fund. The City confirmed a bond rating of AA- from Standard & Poor's in the current year despite being placed on a negative outlook by S&P in 2019.

AWARDS AND ACKNOWLEDGEMENTS

Awards. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Kennedale for its CAFR for the fiscal year ended September 30, 2019. This was the fifteenth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both GAAP and applicable legal requirements.

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

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

Respectfully Submitted,

Lakeita Sutton

George Campbell
City Manager

Lakeita Sutton
Director of Finance & IT

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Kennedale
Texas

For its Comprehensive Annual Financial Report
For the Fiscal Year Ended

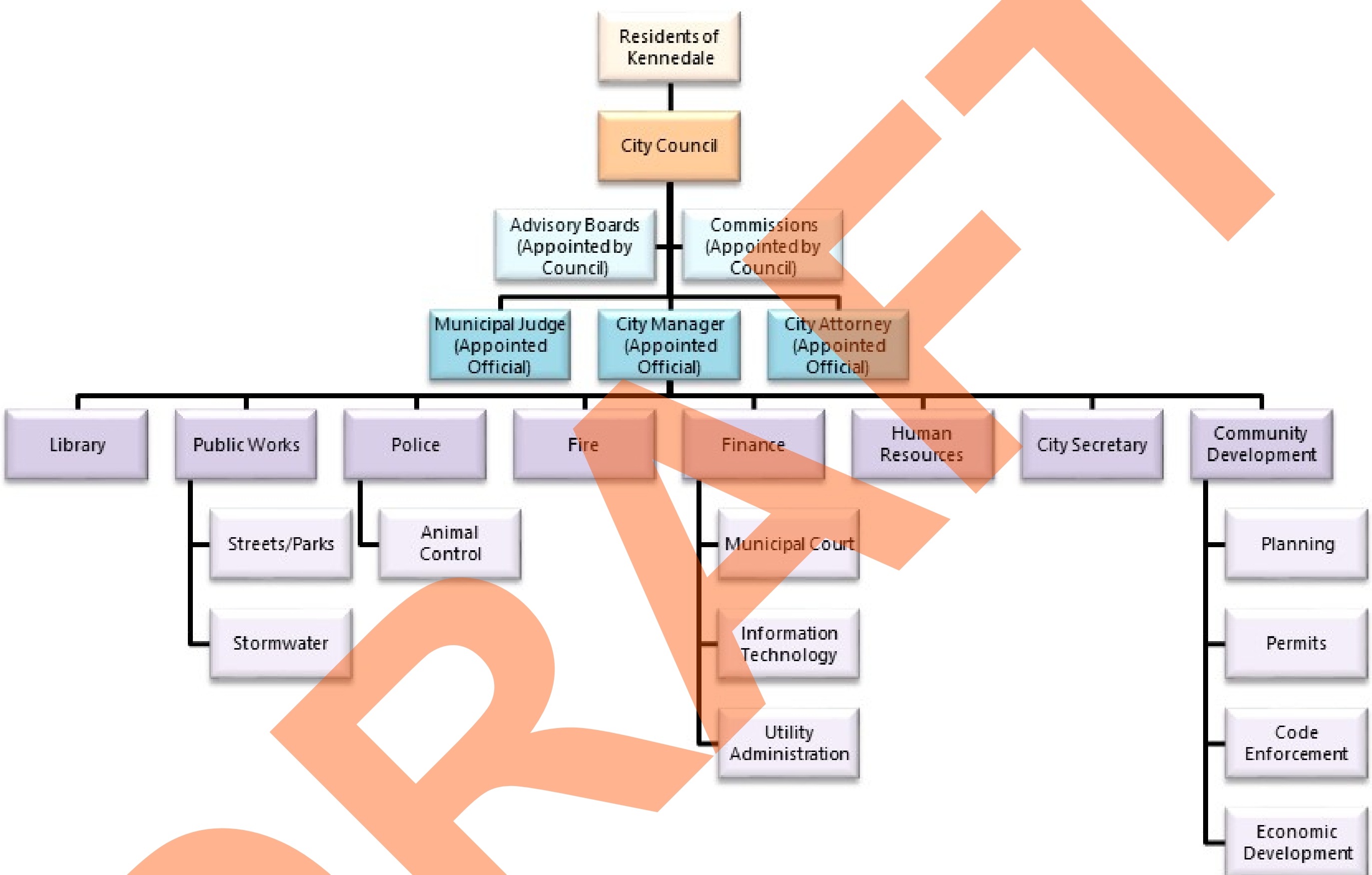
September 30, 2019

Christopher P. Morrill

Executive Director/CEO

DRAFT
3/10/2021

City of Kennedale, Texas
Organizational Chart



DRAFT
3/10/2021

City of Kennedale, Texas

List of Principal Officers

Elected Officials

Mayor	Brian Johnson
Council Member Place 1	Josh Altom
Council Member Place 2	Gary Mitchell
Council Member Place 3	Vacant
Council Member Place 4	Linda Rhodes
Council Member Place 5/ Mayor Pro Tem	Chad Wandel

Appointed & Key Officials

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

Economic Development Corporations Officials

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

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Kennedale, Texas (City) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated March __, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Dallas, Texas
March __, 2021

The Management's Discussion and Analysis (MD&A) section presents a narrative overview and analysis of the financial activities of the City of Kennedale, Texas (City) for the fiscal year ended September 30, 2020. We encourage readers to consider the information presented here in conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities at the end of fiscal year 2020, resulting in $43,386,391 of net position. Net position associated with governmental activities is approximately $27 million, or 62 percent of the total net position of the City. Net position associated with business-type activities is approximately $16 million, or 38 percent of the total net position of the City. The largest portion of net position consists of net investment in capital assets, which is approximately $41 million.
- Unrestricted net position of the City is in a deficit of $0.6 million. Unrestricted net position for governmental activities is in a deficit of $3.8 million. Unrestricted net position for business-type activities is approximately $3.2 million or 21 percent of total net position for business-type activities.
- As of the close of fiscal year 2020, the City's Governmental Funds reported a combined ending fund balance of $6,224,319, an increase of $578,953 from the prior year.
- At the end of the current fiscal year, total fund balance for the General Fund was $3,135,454. This represents approximately 40 percent of General Fund expenditures.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

The City of Kennedale maintains eleven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Debt Service Fund, TIRZ #1 New Hope Fund, and Capital Bond Fund which are considered to be major funds. Data from the other 7 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

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

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

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of September 30, 2020, City assets and deferred outflows of resources exceeded its liabilities and deferred inflows resulting in $43,386,391 of net position.

Statement of Net Position for Governmental and Business-type Activities

	2020			2019		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current and other assets	$ 6,901,210	$ 3,887,916	$ 10,789,126	$ 6,286,730	$ 3,358,195	$ 9,644,925
Capital assets	32,555,757	15,868,721	48,424,478	33,267,332	16,489,218	49,756,550
Total assets	39,456,967	19,756,637	59,213,604	39,554,062	19,847,413	59,401,475
Deferred outflows of resources	574,030	66,631	640,661	1,163,482	153,503	1,316,985
Long-term liabilities	10,083,954	2,486,577	12,570,531	12,680,182	3,057,813	15,737,995
Other liabilities	2,297,052	850,036	3,147,088	2,151,612	763,594	2,915,206
Total liabilities	12,381,006	3,336,613	15,717,619	14,831,794	3,821,407	18,653,201
Deferred inflows of resources	670,014	80,241	750,255	142,903	18,968	161,871
Net position						
Net investment in capital assets	27,372,350	13,173,241	40,545,591	27,195,004	13,397,767	40,592,771
Restricted	3,447,408	-	3,447,408	998,047	92,694	1,090,741
Unrestricted	(3,839,781)	3,233,173	(606,608)	(2,450,204)	2,670,080	219,876
Total net position	$ 26,979,977	$ 16,406,414	$ 43,386,391	$ 25,742,847	$ 16,160,541	$ 41,903,388

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

An additional portion of the City's net position (7.9 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance shows a deficit of $.6 million.

Analysis of City's Operations: The following table provides a summary of the City's operations for the year ended September 30, 2020. Overall, the City had an increase in net position of $1,483,003.

Revenues and Expenses for Governmental and Business-type Activities

	2020			2019		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues						
Program Revenues						
Charges for services	$ 1,557,701	$ 4,482,591	$ 6,040,292	$ 1,313,586	$ 4,467,770	$ 5,781,356
Operating grant and contribution	420,750	-	420,750	154,825	-	154,825
Capital grant and contribution	-	10,099	10,099	-	51,247	51,247
General revenues						
Taxes and fees	8,716,775	-	8,716,775	7,860,810	-	7,860,810
Other	99,966	16,298	116,264	332,551	43,329	375,880
Total revenues	10,795,192	4,508,988	15,304,180	9,661,772	4,562,346	14,224,118
Expenses						
General government	2,105,491	-	2,105,491	1,979,235	-	1,979,235
Public safety	4,950,888	-	4,950,888	5,213,493	-	5,213,493
Public works	1,815,849	-	1,815,849	1,737,211	-	1,737,211
Culture and recreation	420,777	-	420,777	372,805	-	372,805
Interest and fiscal charges	265,057	-	265,057	349,118	-	349,118
Water and sewer	-	4,126,947	4,126,947	-	3,953,898	3,953,898
Storm water drainage	-	136,168	136,168	-	135,739	135,739
Total expenses	9,558,062	4,263,115	13,821,177	9,651,862	4,089,637	13,741,499
Change in Net Position	1,237,130	245,873	1,483,003	9,910	472,709	482,619
Net Position, Beginning of Year, as Previously Reported	25,742,847	16,160,541	41,903,388	25,732,937	15,687,832	41,420,769
Change in Accounting Principle	-	-	-	-	-	-
Net Position, Beginning of Year, As Restated	25,742,847	16,160,541	41,903,388	25,732,937	15,687,832	41,420,769
Net Position, Ending of Year	$ 26,979,977	$ 16,406,414	$ 43,386,391	$ 25,742,847	$ 16,160,541	$ 41,903,388

Governmental Activities: Governmental activities increased the City's net position by $1.237,130. Total revenue for the governmental activities increased from the previous year by $1,133,420. General revenue had a net increase of $623,380. Property tax collections increased as a result of real property appraisals and new business and property additions which continues to grow the local economy. Program Revenues increased as a result of an increase in developmental services fees from new businesses.

Business-type Activities: Net position from business-type activities increased by $245,873. Total revenue for the business-type activities decreased from the previous year by $53,358.

City of Kennedale, Texas

Management's Discussion and Analysis (Unaudited)

September 30, 2020

Financial Analysis of the City's Funds

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

As of the end of the current fiscal year, the City's Governmental Funds reported a combined ending fund balance of $6,224,319, an increase of $578,953 from the prior year. This amount includes fund balance restricted for Capital Projects of $2,839,820, restricted for Grants of $76,472, restricted for Debt Service of $489,285, restricted for Parks of $70,766, restricted for Municipal Court of $43,217 and Public Safety of $4,320. The net unassigned fund balance was $2,030,575, an increase of $1,027,310 from prior year. Components of the net increase of the total fund balance are:

In the General Fund, the final budget projected a $637,285 decrease in fund balance this fiscal year; however, the actual increase was $461,560. Total revenues were $831,258 over budget and total expenditures were under budget by $591,574. Revenues increased from the budget primarily due to increase in franchise tax and an increase in sales tax. Expenditures increased from the budget primarily due to an increase in public works personnel costs.

Proprietary Funds: The City's proprietary funds provide the same type of information found in the government-wide financial statements. Unrestricted net position of the Water and Wastewater Fund at the end of the fiscal year amounted to $2,945,916 and the Storm Water Drainage Fund reported an unrestricted net position of $287,257.

Capital Assets: The City's capital assets for its governmental and business-type activities as of September 30, 2020, amount to $48,424,478 (net of accumulated depreciation). This net investment in capital assets includes land, buildings, park facilities, roads, bridges and water and sewer lines.

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

	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Land	$ 4,206,187	$ 4,206,187	$ 632,490	$ 620,490	$ 4,838,677	$ 4,826,677
Buildings	5,195,573	5,151,356	5,761,788	5,761,788	10,957,361	10,913,144
Machinery and equipment	4,122,617	4,053,981	925,269	1,018,752	5,047,886	5,072,733
Construction in progress	991,972	544,754	575,992	583,539	1,567,964	1,128,293
Infrastructure/water distribution	39,411,897	39,411,897	19,375,874	19,224,629	58,787,771	58,636,526
Accumulated depreciation	(21,372,489)	(20,100,843)	(11,402,692)	(10,719,980)	(32,775,181)	(30,820,823)
Total	$ 32,555,757	$ 33,267,332	$ 15,868,721	$ 16,489,218	$ 48,424,478	$ 49,756,550

Long-term Debt: At the end of the current fiscal year, the City had total bonds outstanding of $8,838,918 and $2,275,000 of tax notes, all being tax supported. The City also has approximately $1,487,180 of additional debt through capital leases.

City of Kennedale, Texas
Management's Discussion and Analysis (Unaudited)
September 30, 2020

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

	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
General obligation bonds	$ 4,728,033	$ 4,069,682	$ 365,288	$ 491,512	$ 5,093,321	$ 4,561,194
Certificates of obligation	2,450,000	4,030,000	1,294,997	1,450,000	3,744,997	5,480,000
Tax notes	2,275,000	2,575,000	-	-	2,275,000	2,575,000
Capital leases	451,985	722,846	1,035,195	1,149,940	1,487,180	1,872,786
Total	$ 9,905,018	$ 11,397,528	$ 2,695,480	$ 3,091,452	$ 12,600,498	$ 14,488,980

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

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

The City Council passed the effective tax rate of .774085 and budgeted to decrease overall city reserves by approximately $309,441. The Council did not continue the next phase of public safety or civilian salary/step plans.

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

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

Requests for Information

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

Basic Financial Statements

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3/10/2021

City of Kennedale, Texas
Statement of Net Position
September 30, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Kennedale Economic Development Corporation
Assets				
Cash and cash equivalents	$ 6,571,983	$ 1,859,323	$ 8,431,306	$ 862,599
Receivables (net of allowance)				
Accounts	219,435	1,188,190	1,407,625	18,179
Taxes	364,113	-	364,113	92,918
Prepaid items	66,280	167,334	233,614	10,000
Inventory	-	57,381	57,381	-
Internal balances	(320,601)	320,601	-	-
Restricted assets				
Cash and cash equivalents	-	295,087	295,087	-
Capital assets				
Land and construction in progress	5,198,159	1,208,482	6,406,641	864,017
Other capital assets, net of accumulated depreciation	27,357,598	14,660,239	42,017,837	3,558,970
Total assets	39,456,967	19,756,637	59,213,604	5,406,683
Deferred Outflows of Resources				
Deferred charge on refunding	91,045	-	91,045	-
Deferred outflows of resources – Pension	1,138,261	64,584	1,202,845	-
Deferred outflows of resources – OPEB	38,688	3,677	42,365	-
Total deferred outflows of resources	1,267,994	68,261	1,336,255	-
Liabilities				
Accounts payable and contracts payable	305,646	107,274	412,920	3,804
Accrued liabilities	232,431	630	233,061	28,188
Accrued interest	25,917	36,718	62,635	17,367
Due to other governments	5,094	-	5,094	-
Deposits	-	295,087	295,087	-
Bonds payable	986,067	296,963	1,283,030	115,081
Tax notes payable	470,000	-	470,000	
Compensated absences	109,843	499	110,342	-
Capital leases	162,054	112,865	274,919	-
Noncurrent liabilities				
Bonds payable	6,191,966	1,363,322	7,555,288	789,704
Tax notes payable	1,805,000	-	1,805,000	
Compensated absences	439,372	1,997	441,369	-
Capital leases	289,931	922,330	1,212,261	-
OPEB liability	185,647	27,202	212,849	-
Net pension liability	1,171,988	171,726	1,343,714	-
Total liabilities	12,380,956	3,336,613	15,717,569	954,144
Deferred Inflows of Resources				
Deferred gain on refunding	95,126	-	95,126	-
Deferred inflows of resources – Pension	1,218,677	76,366	1,295,043	-
Deferred inflows of resources – OPEB	15,684	809	16,493	-
Total deferred inflows of resources	1,329,487	77,175	1,406,662	-
Net Position				
Net investment in capital assets	27,372,350	13,173,241	40,545,591	3,518,202
Restricted for				
Capital projects	2,839,820	-	2,839,820	-
Debt service	489,285	-	489,285	-
Economic development	-	-	-	934,337
Impact fees	-	-	-	-
Municipal court	43,217	-	43,217	-
Parks	70,766	-	70,766	-
Other	4,320	-	4,320	-
Unrestricted (deficit)	(3,805,240)	3,237,869	(567,371)	-
Total net position	$ 27,014,518	$ 16,411,110	$ 43,425,628	$ 4,452,539

City of Kennedale, Texas

Statement of Activities

For the Year Ended September 30, 2020

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Program				
Primary government				
Governmental activities				
General government	$ 2,070,950	$ 748,228	$ 420,750	$ -
Public safety	4,950,888	577,429	-	-
Public works	1,815,849	151,253	-	-
Culture and recreation	420,777	80,792	-	-
Interest and fiscal charges	265,057	-	-	-
Total governmental activities	9,523,521	1,557,701	420,750	-
Business-type activities				
Water and wastewater	4,122,251	4,227,715	-	10,099
Storm water drainage	136,168	254,876	-	-
Total business-type activities	4,258,419	4,482,591	-	10,099
Total primary government	$ 13,781,940	$ 6,040,292	$ 420,750	$ 10,099
Component unit				
Kennedale Economic Development Corporation	$ 736,933	$ 224,073	$ -	$ -
Total component unit	$ 736,933	$ 224,073	$ -	$ -

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

Total general revenues

Change in Net Position

Net Position, Beginning of Year

Net Position, End of Year

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3/10/2021

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit Economic Development Corporation
Governmental Activities	Business-type Activities	Total	
$ (901,972)	$ -	$ (901,972)	$ -
(4,373,459)	-	(4,373,459)	-
(1,664,596)	-	(1,664,596)	-
(339,985)	-	(339,985)	-
(265,057)	-	(265,057)	-
(7,545,070)	-	(7,545,070)	-
-	115,563	115,563	-
-	118,708	118,708	-
-	234,271	234,271	-
$ (7,545,070)	$ 234,271	$ (7,310,799)	$ -
$ -	$ -	$ -	$ (512,860)
$ -	$ -	$ -	$ (512,860)
$ 6,144,664	$ -	$ 6,144,664	$ -
1,765,996	-	1,765,996	548,709
806,115	-	806,115	-
59,584	16,298	75,882	4,870
40,382	-	40,382	175,656
8,816,741	16,298	8,833,039	729,235
1,271,671	250,569	1,522,240	216,375
25,742,847	16,160,541	41,903,388	4,236,164
$ 27,014,518	$ 16,411,110	$ 43,425,628	$ 4,452,539

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3/10/2021

City of Kennedale, Texas

Balance Sheet
Governmental Funds
September 30, 2020

	General Fund	Debt Service	TIRZ #1 New Hope	Capital Bond	Non-major Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	$ 2,900,220	$ 494,373	$ 309,294	$ 2,355,566	$ 512,530	$ 6,571,983
Receivables (net of allowance for uncollectibles)						
Accounts	185,303	-	-	23,070	11,062	219,435
Taxes	349,207	14,906	-	-	-	364,113
Due from other funds	92,125	-	64,511	-	-	156,636
Prepaid expenses	66,280	-	-	-	-	66,280
Advances to other funds	176,235	-	-	-	297,060	473,295
Total assets	$ 3,769,370	$ 509,279	$ 373,805	$ 2,378,636	$ 820,652	$ 7,851,742
Liabilities						
Accounts payable	$ 282,665	$ -	$ -	$ 11,551	$ 11,430	$ 305,646
Accrued liabilities	232,431	-	-	-	-	232,431
Due to other funds	-	-	-	156,636	-	156,636
Due to other governments	5,094	-	-	-	-	5,094
Advance from other funds	-	-	793,896	-	-	793,896
Total liabilities	520,190	-	793,896	168,187	11,430	1,493,703
Deferred Inflows of Resources	113,726	19,994	-	-	-	133,720
Fund Balances						
Nonspendable						
Prepaid expenses	66,280	-	-	-	-	66,280
Restricted for						
Capital projects	-	-	-	2,210,449	629,371	2,839,820
Grants	-	-	-	-	76,472	76,472
Debt service	-	489,285	-	-	-	489,285
Municipal court	43,217	-	-	-	-	43,217
Parks	70,766	-	-	-	-	70,766
Public safety	-	-	-	-	4,320	4,320
Assigned						
Capital and special projects	501,973	-	-	-	-	501,973
Parks	-	-	-	-	101,611	101,611
Unassigned (deficits)	2,453,218	-	(420,091)	-	(2,552)	2,030,575
Total fund balances (deficits)	3,135,454	489,285	(420,091)	2,210,449	809,222	6,224,319
Total liabilities, deferred inflows of resources and fund balances	$ 3,769,370	$ 509,279	$ 373,805	$ 2,378,636	$ 820,652	$ 7,851,742

City of Kennedale, Texas

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

September 30, 2020

Total fund balances – governmental funds		$ 6,224,319
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets (net of accumulated depreciation) used in governmental activities are not current financial resources and therefore are not reported in the funds.		32,555,757
Interest payable on long-term debt in the City's governmental activities is not payable from current resources and therefore is not reported in the governmental funds balance sheet.		(25,917)
Revenues earned but not available within 60 days of the year-end are not recognized as revenue on the fund financial statements.		133,720
Deferred outflows of resources and deferred inflows of resources represent flows of resources which relate to future periods and, therefore, are not reported in the fund financial statements. Deferred outflows of resources and deferred inflows of resources at year-end consist of:		
Deferred charges on refunding	$ 91,045	
Deferred outflows of resources – Pension	1,138,261	
Deferred outflows of resources – OPEB	38,688	
Deferred inflows of resources – Pension	(1,218,677)	
Deferred inflows of resources – OPEB	(15,684)	33,633
Long-term liabilities, including bonds payable, notes payable, compensated absences, net pension liability are not due and payable in the current period due and payable in the current period and therefore are not reported in the governmental funds balance sheet.		
Bonds payable	(7,144,711)	
Tax notes payable	(2,275,000)	
Issuance premium	(33,322)	
Deferred gain on refunding	(95,126)	
Capital lease obligation	(451,985)	
Compensated absences	(549,215)	
Net pension liability	(1,171,988)	
Total OPEB liability	(185,647)	(11,906,994)
Total net position of governmental activities		$ 27,014,518

City of Kennedale, Texas

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Year Ended September 30, 2020

	General Fund	Debt Service	TIRZ #1 New Hope	Capital Bond	Non-major Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	$ 4,430,487	$ 1,548,483	$ 151,375	$ -	$ -	$ 6,130,345
General sales tax	1,765,996	-	-	-	-	1,765,996
Franchise fees	806,115	-	-	-	-	806,115
Licenses and permits	216,699	-	-	-	27,489	244,188
Public safety fees	193,734	-	-	-	-	193,734
Intergovernmental	718,661	-	-	-	422,491	1,141,152
Charges for services	95,155	-	-	-	213,444	308,599
Fines and forfeitures	90,160	-	-	-	618	90,778
Investment earnings	27,722	5,497	1,368	21,436	3,561	59,584
Miscellaneous	39,001	-	-	-	1,381	40,382
Total revenues	8,383,730	1,553,980	152,743	21,436	668,984	10,780,873
Expenditures						
Current						
General government	1,637,549	-	-	-	344,464	1,982,013
Public safety	4,709,552	-	-	-	-	4,709,552
Public works	878,155	-	-	-	-	878,155
Culture and recreation	376,479	-	-	-	-	376,479
Capital outlay	144,261	-	-	400,979	49,829	595,069
Debt service						
Principal	181,977	1,253,462	-	-	-	1,435,439
Interest and fiscal charges	-	276,866	-	-	-	276,866
Total expenditures	7,927,973	1,530,328	-	400,979	394,293	10,253,573
Excess (deficiency) of revenues over (under) expenditures	455,757	23,652	152,743	(379,543)	274,691	527,300
Other financing sources (uses):						
Bond and lease proceeds	5,803	1,260,000	-	-	-	1,265,803
Payment to escrow agent	-	(1,214,150)	-	-		(1,214,150)
Transfers in	137,158	104,768	10,000	-	-	251,926
Transfers out	(137,158)	-	-	-	(114,768)	(251,926)
Total other financing sources (uses)	5,803	150,618	10,000	-	(114,768)	51,653
Net Change in Fund Balances	461,560	174,270	162,743	(379,543)	159,923	578,953
Fund Balances (Deficits), Beginning of Year	2,673,894	315,015	(582,834)	2,589,992	649,299	5,645,366
Fund Balances (Deficits), End of Year	$ 3,135,454	$ 489,285	$ (420,091)	$ 2,210,449	$ 809,222	$ 6,224,319

City of Kennedale, Texas

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

For the Year Ended September 30, 2020

Net change in fund balances – total governmental funds		$ 578,953
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay		595,069
Depreciation		(1,306,644)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		14,319
Current year principal payments of long-term liabilities are shown as expenditures in the fund financial statements, but shown as reductions in long-term liabilities in the government-wide financial statements as follows:		
Payments on bonds	$ 858,775	
Payments on tax notes	300,000	
Payments on capital leases	276,664	1,435,439
The issuance of long-term debt, such as bonds and capital leases, and payments to escrow agents, are shown as “Other Sources” and “Other Uses” in the governmental funds, but are shown on the statement of net position with related costs amortized over the life of the bonds. Differences consist of the following:		
Proceeds from capital lease	(5,803)	
Proceeds from bond issuance	(1,260,000)	
Payments to escrow agent	1,214,150	
Amortization of deferred loss on refunding bonds	(11,381)	
Amortization of deferred gain on refunding bonds	10,569	
Amortization of bond premium	3,029	(49,436)
Current year pension expenditures are reported on the fiscal year basis on the governmental statement of revenues, expenditures and changes in fund balance and as actuarially determined in the government-wide statement of activities. These differences are reflected in net pension liability, deferred outflows of resources and deferred inflow of resources balances.		102,034
Current year OPEB expenditures are reported on the fiscal year basis on the governmental statement of revenues, expenditures and changes in fund balance and as actuarially determined in the government-wide statement of activities. These differences are reflected in net pension liability, deferred outflows of resources and deferred inflow of resources balances.		(17,023)
Current year change in long-term liability for compensated absences do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds.		(90,632)
Current year changes in accrued interest payable do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds.		9,592
Change in net position of governmental activities		$ 1,271,671

City of Kennedale, Texas
Statement of Net Position
Proprietary Funds
September 30, 2020

	Water and Wastewater	Non-major Storm Water Drainage	Total Enterprise Funds
Assets			
Current assets			
Cash and cash equivalents	$ 1,519,030	$ 340,293	$ 1,859,323
Receivables (net of allowance for uncollectibles)			
Accounts	1,181,783	6,407	1,188,190
Inventory	57,381	-	57,381
Prepaid expenses	167,334	-	167,334
Restricted cash and cash equivalents			
Customer deposits	295,087	-	295,087
Total current assets	3,220,615	346,700	3,567,315
Non-current assets			
Advances to other funds	320,601	-	320,601
Capital assets			
Land and improvements	472,232	160,258	632,490
Buildings	5,761,788	-	5,761,788
Water/Wastewater distribution	18,415,211	960,663	19,375,874
Equipment and furniture	925,269	-	925,269
Construction in progress	537,936	38,056	575,992
Accumulated depreciation	(11,354,648)	(48,044)	(11,402,692)
Total non-current assets	15,078,389	1,110,933	16,189,322
Total assets	18,299,004	1,457,633	19,756,637
Deferred Outflows of Resources			
Deferred outflow of resources – Pension	64,584	-	64,584
Deferred outflow of resources – OPEB	3,677	-	3,677
Total deferred outflows of resources	68,261	-	68,261
Liabilities			
Current liabilities			
Accounts payable	47,831	59,443	107,274
Accrued liabilities	630	-	630
Accrued interest	36,718	-	36,718
Deposits	295,087	-	295,087
Bonds payable	305,786	-	305,786
Capital leases payable	112,865	-	112,865
Compensated absences	499	-	499
Total current liabilities	799,416	59,443	858,859
Non-current liabilities			
Bonds payable	1,354,499	-	1,354,499
Capital leases payable	922,330	-	922,330
Compensated absences	1,997	-	1,997
Net pension liability	171,726	-	171,726
Total OPEB liability	27,202		27,202
Total non-current liabilities	2,477,754	-	2,477,754
Total liabilities	3,277,170	59,443	3,336,613
Deferred Inflows of Resources			
Deferred inflows of resources – Pension	76,366	-	76,366
Deferred inflows of resources – OPEB	809	-	809
Total deferred outflows of resources	77,175	-	77,175
Net Position			
Net investment in capital assets	12,062,308	1,110,933	13,173,241
Restricted for			
Impact fees	-	-	-
Unrestricted	2,950,612	287,257	3,237,869
Total net position	$ 15,012,920	$ 1,398,190	$ 16,411,110

City of Kennedale, Texas

Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended September 30, 2020

	Water and Wastewater	Non-major Storm Water Drainage	Total Proprietary Funds
Operating Revenues			
Charges for services			
Water	$ 2,468,531	$ -	$ 2,468,531
Wastewater	1,701,336	-	1,701,336
Storm water drainage	-	254,876	254,876
Other	57,848	-	57,848
Total operating revenues	4,227,715	254,876	4,482,591
Operating Expenses			
Personnel services	7,979	-	7,979
General and administration	387,805	100,616	488,421
Maintenance and supplies	27,733	-	27,733
Cost of sales and service	2,849,699	16,339	2,866,038
Depreciation	736,720	19,213	755,933
Total operating expenses	4,009,936	136,168	4,146,104
Operating Income	217,779	118,708	336,487
Non-operating Revenues (Expenses)			
Interest and investment revenue	15,555	743	16,298
Interest and fiscal charges	(112,315)	-	(112,315)
Total non-operating revenues (expenses)	(96,760)	743	(96,017)
Income Before Capital Contributions	121,019	119,451	240,470
Capital Contributions			
Capital contributions	10,099	-	10,099
Total capital contributions	10,099	-	10,099
Change in Net Position	131,118	119,451	250,569
Net Position, Beginning of Year	14,881,802	1,278,739	16,160,541
Net Position, End of Year	$ 15,012,920	$ 1,398,190	$ 16,411,110

City of Kennedale, Texas
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2020

	Water and Wastewater	Non-major Storm Water Drainage	Total
Cash Flows From Operating Activities			
Receipts from customers and users	$ 3,563,139	$ 372,366	$ 3,935,505
Payments to employees	(407,650)	-	(407,650)
Payments to suppliers	(2,873,815)	(59,060)	(2,932,875)
Net cash provided by operating activities	281,674	313,306	594,980
Cash Flows From Capital and Related Financing Activities			
Acquisition and construction of capital assets	(105,513)	(50,185)	(155,698)
Principal payments on debt	(281,225)	-	(281,225)
Interest payments on debt	(117,837)	-	(117,837)
Payments on capital leases	(114,745)	-	(114,745)
Capital contributions - impact fees	10,099	-	10,099
Net cash used in capital and financing activities	(609,221)	(50,185)	(659,406)
Cash Flows From Investing Activities			
Interest on investments	15,554	743	16,297
Net cash provided by investing activities	15,554	743	16,297
Increase (Decrease) in Cash and Cash Equivalents	(311,993)	263,864	(48,129)
Cash and Cash Equivalents, Beginning of Year	2,126,110	76,429	2,202,539
Cash and Cash Equivalents, End of Year	$ 1,814,117	$ 340,293	$ 2,154,410
Reconciliation of Net Operating Income to Net Cash Provided by Operating Activities			
Operating income	$ 217,779	$ 118,708	$ 336,487
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation	736,720	19,213	755,933
Loss on disposal of assets	20,262	-	20,262
Changes in assets and liabilities			
Accounts receivable	(675,833)	117,490	(558,343)
Prepaid expenses	(19,507)	-	(19,507)
Deferred outflows of resources	85,242	-	85,242
Accounts payable	2,699	57,895	60,594
Accrued expenses	11,420	-	11,420
Net pension liability	(161,829)	-	(161,829)
Compensated absences	87	-	87
Total OPEB Liability	6,427	-	6,427
Deferred inflows of resources	58,207	-	58,207
Net cash provided by operating activities	$ 281,674	$ 313,306	$ 594,980

City of Kennedale, Texas
Notes to Basic Financial Statements
September 30, 2020

Note 1: Summary of Significant Accounting Policies

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

Reporting Entity

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

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

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

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

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

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

Basis of Presentation

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

Measurement Focus and Basis of Accounting

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

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

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

The City reports the following major governmental funds:

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

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

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

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

The City reports the following major proprietary fund:

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

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

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

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

Deposits and Investments

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

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

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

Receivables and Payables

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

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

As a City that operates under a home-rule charter, the City has a tax rate limitation of $2.50 per $100 assessed valuation. For the year ended September 30, 2019, the City had a tax rate of $0.734970 per $100 of which $0.544429 was allocated for general government and $0.190541 was allocated for payment of principal and interest on general long-term debt.

Inventories and Prepaid Items

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

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

Restricted Assets

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

Capital Assets

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

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

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

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

Deferred Outflows/Inflows of Resources

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

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

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

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

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

Compensated Absences

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

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

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

Long-term Obligations

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

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

Pensions

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

Other Postemployment Benefits Plans

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

Net Position

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

Fund Balance

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

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

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either: (a) not in spendable form or (b) are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by board resolution of the city council, the City's highest level of decision making authority. These amounts cannot be used for any other purpose unless the city council removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- **Assigned:** This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. The city council has by resolution authorized the city manager and finance director to assign fund balance. The city council may also assign fund balance. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment.
- **Unassigned:** This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

Net Position Flow Assumption

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

Fund Balance Flow Assumption

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

Estimates

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

Deficit Fund Balance

At year-end the TIRZ #1 New Hope Fund had a deficit fund balance of $420,091. It is anticipated that this deficit fund balance will be funded with incremental property tax revenue within the TIRZ in subsequent years. The Library Building Fund also had a fund balance of $2,552.

Note 2: Deposits and Investments

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

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

(A) ***Custodial Credit Risk:*** Deposits: In the case of deposits, this is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. State statutes require that all deposits in financial institutions be fully collateralized by U.S. Government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a fair value of not less than the principal amount of deposits. As of September 30, 2020, the City's deposit balance was collateralized with securities held by the pledging financial institution in the City's name or covered by FDIC insurance. The balances held at financial institutions at year-end were $780,720 (with a book value of $564,143).

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

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

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

As of September 30, 2020, the City held the following investments:

	Carrying Value
Primary Government	
TexPool	$ 7,844,599
TexStar	313,129
Total primary government	8,157,728
Component Unit	
TexPool	829,489
TexStar	33,110
Total component units	862,599
Total investments	$ 9,020,327

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

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

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

Note 3: Disclosures About Fair Value of Assets

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

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

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

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

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

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Note 4: Receivables

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

	General	Debt Service	Capital Fund	Non-major Governmental	Water and Wastewater	Storm Water Drainage	Total
Receivables							
Taxes	$ 510,398	$ 61,542	$ -	$ -	$ -	$ -	$ 571,940
Accounts	71,718	-	23,070	11,062	1,471,990	11,612	1,589,452
Intergovernmental	-	-	-	-	-	18,750	18,750
Court fines	1,245,929	-	-	-	-	-	1,245,929
Ambulance	2,957,894	-	-	-	-	-	2,957,894
Gross receivables	4,785,939	61,542	23,070	11,062	1,471,990	30,362	6,383,965
Less: allowance for uncollectibles	(4,251,429)	(46,636)	-	-	(290,207)	(23,955)	(4,612,227)
Net total receivables	$ 534,510	$ 14,906	$ 23,070	$ 11,062	$ 1,181,783	$ 6,407	$ 1,771,738

Note 5: Property Taxes

Property taxes attach as an enforceable lien on property as of October 1. Taxes are levied on October 1 and are due and payable on or before January 31, of the following year. All unpaid taxes become delinquent February 1 of the following year. Tax collections for the year ended September 30, 2020, were 99 percent of the levy. Tarrant County bills and collects property taxes for the City. Any uncollected property taxes at September 30, that are collected within 60 days, are recognized as revenue and recorded as taxes receivable. Any uncollected property taxes at September 30, which are not expected to be collected within 60 days, are recorded as taxes receivable and deferred inflow of resources in governmental funds. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable, and their validity seems certain.

The statutes of the state of Texas do not prescribe a legal debt limit, nor does the City's charter provide for a debt limit. However, provision of Article XI, Section 5 of the Texas Constitution applicable to cities with populations greater than 5,000 limits the ad-valorem tax rate to $2.50 per $100 assessed valuation. However, as a city operating under a Home Rule Charter, the City has a debt limit of $1.50 per $100 assessed valuation. For the year ended September 30, 2020, the City had a tax rate of $.734970 per $100.00 assessed valuation, of which $.544429 was allocated for general government and $.190541 was allocated for the payment of principal and interest on general obligation debt.

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

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

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

Note 6: Interfund Receivables, Payables and Transfers

Due To/Due From

The composition of inter-fund balances as of September 30, 2020 is as follows:

	Due to Other Funds	Due from Other Funds
General	$ -	$ 92,125
Capital Bond	156,636	-
TIRZ #1 New Hope	-	64,511
Total	$ 156,636	$ 156,636

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

Advances To/Advances From

	Advances from Other Funds	Advances to Other Funds
General	$ -	$ 176,235
Non-major governmental	-	297,060
Water and Wastewater	-	320,601
TIRZ #1 New Hope	793,896	-
Total	$ 793,896	$ 793,896

Interfund Transfers

Interfund activity for the year ended September 30, 2020, is as follows:

	Transfers In	Transfers Out
General	$ 137,158	$ 137,158
Debt Service	104,768	-
TIRZ #1 New Hope	10,000	-
Non-major governmental	-	114,768
Total	$ 251,926	$ 251,926

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

Note 7: Capital Assets

Governmental Activities

Capital assets of the Governmental Activities are as follows:

	Beginning Balance	Increases	Decreases/ Transfers	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	$ 4,206,187	$ -	$ -	$ 4,206,187
Construction in progress	544,754	447,218	-	991,972
Total capital assets not being depreciated	4,750,941	447,218	-	5,198,159
Capital assets being depreciated				
Buildings	5,151,356	44,217	-	5,195,573
Infrastructure	39,411,897	-	-	39,411,897
Machinery and equipment	4,053,981	103,634	34,998	4,122,617
Total capital assets being depreciated	48,617,234	147,851	34,998	48,730,087
Less accumulated depreciation for:				
Buildings	2,943,732	154,247	-	3,097,979
Infrastructure	13,987,037	892,233	-	14,879,270
Machinery and equipment	3,170,074	260,164	34,998	3,395,240
Total accumulated depreciation	20,100,843	1,306,644	34,998	21,372,489
Total capital assets being depreciated, net	28,516,391	(1,158,793)	-	27,357,598
Governmental activities capital assets, net	$ 33,267,332	$ (711,575)	$ -	$ 32,555,757

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

General government	$ 83,316
Public safety	241,336
Public works	937,694
Culture and recreation	44,298
Total depreciation expense – governmental activities	$ 1,306,644

Business-type Activities

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

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities				
Capital assets not being depreciated				
Land	$ 620,490	$ 12,000	$ -	$ 632,490
Construction in progress	583,539	4,453	12,000	575,992
Total capital assets not being depreciated	1,204,029	16,453	12,000	1,208,482
Capital assets being depreciated				
Buildings	5,761,788	-	-	5,761,788
Machinery and equipment	1,018,752	-	93,483	925,269
Improvements (not buildings)	19,224,629	151,245	-	19,375,874
Total capital assets being depreciated	26,005,169	151,245	93,483	26,062,931
Less accumulated depreciation for:				
Buildings	2,769,987	120,521	-	2,890,508
Machinery and equipment	977,565	38,595	73,221	942,939
Improvements (not buildings)	6,972,428	596,817	-	7,569,245
Total accumulated depreciation	10,719,980	755,933	73,221	11,402,692
Total capital assets being depreciated, net	15,285,189	(604,688)	20,262	14,660,239
Business-type activities capital assets, net	$ 16,489,218	$ (588,235)	$ 32,262	$ 15,868,721

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

Water and wastewater	$	736,720
Storm water drainage		19,213
Total depreciation expense – business-type activities	$	755,933

Discretely Presented Component Unit

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

	Beginning Balance	Increases	Decreases/ Transfers	Ending Balance
Capital assets, not being depreciated				
Land	$ 864,017	$ -	$ -	$ 864,017
Totals capital assets not being depreciated	864,017	-	-	864,017
Capital assets, being depreciated				
Buildings	4,917,189	-	-	4,917,189
Improvements	1,084,193	-	-	1,084,193
Infrastructure	209,707	-	-	209,707
Totals capital assets being depreciated	6,211,089	-	-	6,211,089
Less accumulated depreciation for:				
Buildings	1,892,721	245,859	-	2,138,580
Improvements	434,665	54,210	-	488,875
Infrastructure	20,470	4,194	-	24,664
Total accumulated depreciation	2,347,856	304,263	-	2,652,119
Total capital assets, being depreciated, net	3,863,233	(304,263)	-	3,558,970
Capital assets, net	$ 4,727,250	$ (304,263)	$ -	$ 4,422,987

Note 8: Long-term Liabilities

Changes in Long-term Liabilities

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
General obligation bonds	$ 3,988,486	$ 1,260,000	$ 553,775	$ 4,694,711	$ 673,038
Certificates of obligation	4,030,000	-	1,580,000	2,450,000	310,000
Tax notes	2,575,000	-	300,000	2,275,000	470,000
Capital leases	722,846	5,803	276,664	451,985	162,054
Premiums on bonds	81,196	-	47,874	33,322	3,029
Compensated absences	458,583	279,034	188,402	549,215	109,843
Total governmental activities	$ 11,856,111	$ 1,544,837	$ 2,946,715	$ 10,454,233	$ 1,727,964
Business-type Activities					
General obligation bonds	$ 491,513	$ -	$ 126,225	$ 365,288	$ 131,963
Certificates of obligation	1,450,000	-	155,000	1,295,000	165,000
Capital leases	1,149,940	-	114,745	1,035,195	112,865
Compensated absences	2,409	379	291	2,497	499
Total business-type activities	$ 3,093,862	$ 379	$ 396,261	$ 2,697,980	$ 410,327

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Discretely Presented Component Unit					
Revenue bonds	$ 670,000	$ -	$ 65,000	$ 605,000	$ 70,000
Texas leverage fund loan	343,318	-	43,533	299,785	45,081
Total	$ 1,013,318	$ -	$ 108,533	$ 904,785	$ 115,081

General Obligation Bonds and Certificates of Obligation

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

On January 21, 2020, the City issued General Obligation Refunding Bond, Series 2020 of $1,260,000 with an interest rate of 1.93 percent and serial maturities from 2021 through 2030. The bond was issued to refund currently outstanding Series 2010 Certificates of the City.

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

	Governmental Activities	Water and Sewer	Total Primary Government
General Obligation Bonds			
$4,365,000, 2007 General Obligation Refunding Bonds, due in annual installments through February 15, 2024, 3.97%	$ 589,711	$ 365,288	$ 954,999
$1,260,000, 2020 General Obligation Refunding Bonds, due in annual installments through February 15, 2030, 1.93%	1,260,000	-	1,260,000
$3,720,000, 2016 General Obligation Refunding Bonds, due in annual installments through February 15, 2028, 1.79%	2,845,000	-	2,845,000
	$ 4,694,711	$ 365,288	$ 5,059,999
Certificates of Obligation			
$2,900,000, 2007 Certificate of Obligation Bonds, due in annual installments through February 15, 2027, 4.10%	$ -	$ 1,295,000	$ 1,295,000
$2,735,000, 2007A Certificate of Obligation Bonds, due in annual installments through February 15, 2024, 4.00%	815,000	-	815,000
$2,000,000, 2010 Certificate of Obligation Bonds, due in annual installments through February 15, 2030, 2.00%-5.00%	-	-	-
$3,260,000, 2011 Certificate of Obligation Bonds, due in annual installments through February 15, 2031, 2.00% – 4.00%	1,635,000	-	1,635,000
	$ 2,450,000	$ 1,295,000	$ 3,745,000

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

	Governmental Activities	Water and Sewer	Total Primary Government
Tax Notes			
$760,000, 2018 Tax Notes due in annual installments through February 15, 2021, 2.40%	$ 335,000	$ -	$ 335,000
$2,000,000, 2019 Tax Notes due in annual installments through February 1, 2026, 1.90%	1,940,000	-	1,940,000
	$ 2,275,000	$ -	$ 2,275,000

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

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

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

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

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

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

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

Capital Leases

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

The assets acquired through capital leases are as follows:

	Governmental Activities	Business-Type Activities	Total
Assets			
Machinery and equipment	$ 833,949	$ -	$ 833,949
Buildings and improvements	221,887	-	221,887
Infrastructure	-	1,721,658	1,721,658
Less: Accumulated amortization	(431,913)	(997,166)	(1,429,079)
Total	$ 623,923	$ 724,492	$ 1,348,415

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2020, were as follows:

Capital Leases Fiscal Year	Governmental Activities	Business-Type Activities
2021	$ 183,732	$ 152,813
2022	137,879	152,813
2023	114,952	152,813
2024	55,703	152,813
2025	7,168	152,813
2026-2028	-	458,438
Total minimum lease payments	499,434	1,222,503
Less: amount of representing interest	47,449	187,308
Present value of minimum lease payments	$ 451,985	$ 1,035,195

Note 9: Employee Retirement System

Plan Description

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

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

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

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

Benefits Provided

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

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

At the December 31, 2019, valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	44
Inactive employees entitled to but not yet receiving benefits	114
Active employees	71
	229

Contributions

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

Employees for the City were required to contribute seven percent of their annual gross earnings during the fiscal year. The contribution rates for the City were 14.10 percent and 14.10 percent in calendar years 2019 and 2020, respectively. The City's contributions to TMRS for the year ended September 30, 2020, were $640,350, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2019, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The Total Pension Liability in the December 31, 2019, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	2.75% per year
Investment rate of return	6.75% net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees and beneficiaries were based on the gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the mortality tables for healthy retirees is used with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor..

Actuarial assumptions used in the December 31, 2019 valuation was based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2014 through December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation.

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

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity	30.00%	5.30%
Core Fixed Income	10.00%	1.25%
Non-Core Fixed Income	20.00%	4.14%
Real Return	10.00%	3.85%
Real Estate	10.00%	4.00%
Absolute Return	10.00%	3.48%
Private Equity	10.00%	7.75%
Total	100.00%	

Discount Rate

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

Changes in the Net Pension Liability

	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability(a) - (b)
Balances as of October 1, 2019	$ 16,872,693	$ 14,262,712	$ 2,609,981
Changes for the year			
Service cost	734,380	-	734,380
Interest on total pension liability	1,144,812	-	1,144,812
Effect of difference in expected and actual experience	(90,293)	-	(90,293)
Effect of assumptions changes or inputs	15,333	-	15,333
Benefit payments	(559,415)	(559,415)	-
Administrative expenses	-	(12,459)	12,459
Member contributions	-	580,085	(580,085)
Net investment income	-	2,207,757	(2,207,757)
Employer contributions	-	295,491	(295,491)
Other	-	(374)	374
Net changes	1,244,817	2,511,085	(1,266,268)
Balances as of September 30, 2020	$ 18,117,510	$ 16,773,797	$ 1,343,713

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

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

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

	1% Decrease (5.75%)	Current Single Rate Assumption (6.75%)	1% Increase (7.75%)
City's net pension liability	$ 4,572,960	$ 1,343,714	$ (1,203,723)

Pension Plan Fiduciary Net Position

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

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

For the year ended September 30, 2020, the primary government recognized pension expense of $515,925. At September 30, 2020, the primary government reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 130,054
Change in actuarial assumptions	9,952	
Net difference between projected and actual investment earnings		504,927
Contributions subsequent to the measurement date	496,093	-
	$ 506,045	$ 634,981

Reported as deferred outflows, $1,107,024 of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2020. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending September 30	
2021	$ (240,931)
2022	(165,321)
2023	30,228
2024	(249,004)
	$ (625,028)

Note 10: Other Postemployment Benefits

Supplemental Death Benefit Fund

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

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

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

The following employees were covered by the benefit terms at December 31, 2019, (measurement date):

Inactive employees or beneficiaries currently receiving benefits	24
Inactive employees entitled to but not yet receiving benefits	15
Active employees	71
Total employees	110

Total OPEB Liability

The City's total OPEB liability of $212,849 ($185,647 governmental activities and $27,202 business-type activities) was measured as of December 31, 2019, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The City's total OPEB liability in the December 31, 2019, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

	December 31, 2019
Discount Rate	2.75% as of December 31, 2019 (3.71% as of December 31, 2019)
Inflation	2.50%
Salary Increases	3.50% to 10.50%, including inflation
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rates – service retirees	2019 Municipal Retiree of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates – disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In additions, a 305% and 3% minimum mortality rates will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by scale UMP to account for future mortality improvements subject to the floor.

Discount Rate

The TMRS SDBF is treated as unfunded OPEB plan because the SDBF trust covers both actives and retirees and the assets are not segregated for these groups. Under GASBS 75 (paragraph 155), the discount rate for an unfunded OPEB plan should be based on 20-year tax-exempt AA or higher Municipal Bonds. Therefore, a discount rate of 3.31 percent based on the 20-Year Municipal GO AA Index published by bondbuyer.com is used as of the measurement date of December 31, 2019.

Changes in Total OPEB Liability

	Total OPEB Liability
Balances as of October 1, 2019	$ 162,559
Changes for the year	
Service cost	14,203
Interest on total OPEB liability	6,271
Difference between expected and actual experience	(6,021)
Effect of assumption changes (discount rate change)	37,090
Benefit payments, age adjusted premiums, net of retiree contributions	(1,253)
Balances as of September 30, 2020	$ 212,849

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

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

The total OPEB liability of the City has been calculated using a discount rate of 2.75 percent. The following presents the total OPEB liability using a discount rate one percent higher and one percent lower than the current discount rate.

	1% Decrease 1.75%	Current Discount Rate 2.75%	1% Increase 3.75%
Total OPEB Liability	$ 261,675	$ 212,849	$ 176,062

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

For the year ended September 30, 2020, the City recognized OPEB expense of $23,756. At September 30, 2020, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ -	$ -
Differences between expected and actual experience	29,202	13,673
Benefit payments subsequent to the measurement date	-	-
	$ 29,202	$ 13,673

Benefit payments subsequent to the measurement date and before fiscal year-end will be recognized as a reduction of the total OPEB liability in the year ending September 30, 2020.

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

September 30	Amortization of Deferred Inflows of Resources
2020	$ 3,282
2021	3,282
2022	2,998
2023	1,453
2024	4,514
	$ 15,529

Note 11: Commitments and Contingencies

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City's risk management program encompasses obtaining property and liability insurance through Texas Municipal League (TML), an Intergovernmental Risk-Pool. The City has not had any significant reduction in insurance coverage and the amounts of insurance settlements have not exceeded insurance coverage for any of the last three years. The participation of the City in TML is limited to payment of premiums. During the year ended September 30, 2020, the City paid premiums to TML for provisions of various liability, property and casualty insurance. The City has various deductible amounts ranging from $500 to $5,000 on various policies. At year-end, the City did not have any significant claims.

The City also provides workers' compensation insurance on its employees through TML. Workers' compensation is subject to change when audited by TML. At year-end, September 30, 2020, the City believed the amounts paid on workers' compensation would not change significantly from the amounts recorded.

Contingent Liabilities

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

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

EDC - Commitment

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

Year Ending September 30,	
2021	$ 153,300
2022	154,500
2023	154,500
2024	154,250
2025-2029	763,750
2030	152,250
	$ 1,532,550

Required Supplementary Information

City of Kennedale, Texas

Schedule of Changes in the City's Net Pension Liability and Related Ratios
Texas Municipal Retirement System (Unaudited)

	Measurement Year 2014	Measurement Year 2015	Measurement Year 2016	Measurement Year 2017	Measurement Year 2018	Measurement Year 2019
Total Pension Liability						
Service cost	$ 589,507.00	$ 648,581	$ 675,284	$ 697,041	$ 712,721	$ 734,380
Interest (on the Total Pension Liability)	794,485	865,430	912,020	989,009	1,071,891	1,144,812
Differences between expected and actual experience	(102,280)	(168,052)	(109,980)	(52,740)	(205,171)	(90,293)
Changes in assumptions	-	113,774	-	-	-	15,333
Benefit payments, including refunds of employee contributions	(274,797)	(320,705)	(329,210)	(366,034)	(460,511)	(559,415)
Net change in total pension liability	1,006,915	1,139,028	1,148,114	1,267,276	1,118,930	1,244,817
Total pension liability – Beginning	11,192,430	12,199,345	13,338,373	14,486,487	15,753,763	16,872,693
Total pension liability – Ending (a)	$ 12,199,345	$ 13,338,373	$ 14,486,487	$ 15,753,763	$ 16,872,693	$ 18,117,510
Plan Fiduciary Net Position						
Contributions – employer	$ 397,779	$ 525,561	$ 540,075	$ 565,061	$ 558,900	$ 580,085
Contributions – employee	239,832	254,774	265,860	276,603	279,969	295,491
Net investment income	548,705	15,487	740,899	1,687,364	(429,406)	2,207,757
Benefit payments, including refunds of employee contributions	(274,797)	(320,705)	(329,210)	(366,034)	(460,511)	(559,415)
Administrative expense	(5,727)	(9,432)	(8,365)	(8,740)	(8,292)	(12,459)
Other	(471)	(466)	(451)	(443)	(433)	(374)
Net change in plan fiduciary net position	905,321	465,219	1,208,808	2,153,811	(59,773)	2,511,085
Plan fiduciary net position – Beginning	9,589,325	10,494,646	10,959,865	12,168,673	14,322,484	14,262,711
Plan fiduciary net position – Ending (b)	$ 10,494,646	$ 10,959,865	$ 12,168,673	$ 14,322,484	$ 14,262,711	$ 16,773,796
City's net pension liability – Ending (a) – (b)	$ 1,704,699	$ 2,378,508	$ 2,317,814	$ 1,431,279	$ 2,609,982	$ 1,343,714
Plan fiduciary net position as a percentage of the total pension liability	86.03%	82.17%	84.00%	90.91%	84.53%	92.58%
Covered payroll	$ 3,426,174	$ 3,639,622	$ 3,797,997	$ 3,951,478	$ 3,999,556	$ 4,177,363
City's net pension liability as a percentage of covered payroll	49.76%	65.35%	61.03%	36.22%	65.26%	32.17%

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

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

	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020
Actuarially determined contribution	$ 391,136	$ 483,133	$ 555,231	$ 560,038	$ 566,892	$ 586,411	$ 640,350
Contributions in relation to the actuarially determined contribution	391,136	483,133	555,231	560,038	566,892	586,411	640,350
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 3,396,046	$ 3,575,054	$ 3,932,717	$ 3,919,319	$ 4,058,043	$ 4,232,531	$ 4,636,444
Contributions as a percentage of covered payroll	12%	13.51%	14.12%	14.29%	13.97%	13.85%	13.81%

Notes to Schedule:

Notes to Schedule of Contributions

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	25 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 10.50%, including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014-2018
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table use for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Other Information:

Notes	There were no benefit changes during the year

City of Kennedale, Texas

Schedule of Changes in the City's Total OPEB Liability and Related Ratios
Supplemental Death Benefit Fund (Unaudited)

	Measurement Year 2018	Measurement Year 2019
Total OPEB Liability		
Service Cost	$ 17,998	$ 14,203
Interest Cost	5,765	6,271
Difference Between Expected and Actual Experience of the Total OPEB Liability	(13,157)	(6,021)
Changes of Assumptions	(12,621)	37,090
Benefit Payments	(1,200)	(1,253)
Net Change in Total OPEB Liability	(3,215)	50,290
Total OPEB Liability (Beginning)	165,774	162,559
Total OPEB Liability (Ending)	$ 162,559	$ 212,849
Covered-Employee Payroll	$ 3,999,556	$ 4,177,363
Total OPEB Liability as a Percentage of Covered-Employee Payroll	4.06%	5.10%

Note:

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

The discount rate was decreased from 3.71 percent to 2.75 percent.

City of Kennedale, Texas

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual (Unaudited)
General Fund
For the Year Ended September 30, 2020

	Budgeted Amounts Original	Budgeted Amounts Final	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
Revenues				
Taxes				
Property	$ 4,210,532	$ 4,210,532	$ 4,430,487	$ 219,955
Sales	1,402,458	1,402,458	1,765,996	363,538
Franchise fees	826,181	826,181	806,115	(20,066)
Licenses and permits	175,070	175,070	216,699	41,629
Fines and forfeitures	179,700	179,700	90,160	(89,540)
Public safety fees		-	193,734	193,734
Intergovernmental	652,475	652,475	718,661	66,186
Charges for service	32,095	32,095	95,155	63,060
Investment earnings	25,037	25,037	27,722	2,685
Other	48,924	48,924	39,001	(9,923)
Total revenues	7,552,472	7,552,472	8,383,730	831,258
Expenditures				
Current				
General government	1,792,912	1,792,912	1,637,549	155,363
Public safety	5,120,331	5,120,331	4,709,552	410,779
Public works	1,052,154	1,052,154	878,155	173,999
Culture and recreation	368,418	368,418	376,479	(8,061)
Capital outlay		-	144,261	(144,261)
Debt service				
Principal	185,732	185,732	181,977	3,755
Interest and other		-	-	-
Total expenditures	8,333,815	8,333,815	7,927,973	591,574
Excess (deficiency) of revenues over (under) expenditures	(781,343)	(781,343)	455,757	1,237,100
Other financing sources (uses)				
Lease proceeds	-	-	5,803	5,803
Transfers in	144,058	144,058	137,158	(6,900)
Transfers out	-	-	(137,158)	(137,158)
Total other financing sources (uses)	144,058	144,058	5,803	(138,255)
Net Change in Fund Balances	(637,285)	(637,285)	461,560	1,098,845
Fund Balance, Beginning of Year	2,673,894	2,673,894	2,673,894	-
Fund Balance, End of Year	$ 2,036,609	$ 2,036,609	$ 3,135,454	$ 1,098,845

City of Kennedale, Texas

Notes to Budgetary Information (Unaudited)

September 30, 2020

Budgets and Budgetary Accounting

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

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

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

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

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

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

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

Combining and Individual Fund Statements and Schedules

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City of Kennedale, Texas
Non-major Governmental Funds
September 30, 2020

Special Revenue Funds

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

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

Police Seizure – to account for funds forfeited from and by federal, state and/or city civil and/or criminal courts, resulting from seizures of assets of narcotics violators

Disaster Recovery – to account for proceeds received to assist the City in recovering after disasters or emergency hardship

Capital Projects Funds

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

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

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

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

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

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City of Kennedale, Texas
Combining Balance Sheet
Non-major Governmental Funds
September 30, 2020

	Special Revenue Funds		
Assets	LEOSE	Police Seizure	Disaster Recovery
Cash and cash equivalents	$ 3,657	$ 663	$ 76,472
Receivables (net of allowance for uncollectibles)	-	-	-
Advances to other funds	-	-	-
Total assets	$ 3,657	$ 663	$ 76,472
Liabilities			
Accounts payable	$ -	$ -	$ -
Total liabilities	-	-	-
Fund Balances (Deficit)			
Restricted for			
Capital projects	-	-	-
Public safety	3,657	663	-
Grants			76,472
Assigned			
Parks	-	-	-
Unassigned (deficit)	-	-	-
Total fund balances (deficit)	3,657	663	76,472
Total liabilities, deferred inflows of resources and fund balances	$ 3,657	$ 663	$ 76,472

Capital Projects Funds				
Park Dedication	Capital Projects	Roadway Impact Fee	Library Building	Total Non-major Governmental Funds
$ 101,611	$ 90,195	$ 239,932	$ -	$ 512,530
-	11,062	-	-	11,062
-	-	297,060	-	297,060
$ 101,611	$ 101,257	$ 536,992	$ -	$ 820,652
$ -	$ -	8,878	$ 2,552	$ 11,430
-	-	8,878	2,552	11,430
-	101,257	528,114	-	629,371
-	-	-	-	4,320
-	-	-	-	76,472
101,611	-	-	-	101,611
-	-	-	(2,552)	(2,552)
101,611	101,257	528,114	(2,552)	809,222
$ 101,611	$ 101,257	$ 536,992	$ -	$ 820,652

City of Kennedale, Texas

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-major Governmental Funds
For the Year Ended September 30, 2020

	Special Revenue Funds		
Revenues	LEOSE	Police Seizure	Disaster Recovery
Intergovernmental	$ 1,741	$ -	420,750
Charges for Services	-	-	-
Licenses and permits	-	-	-
Fines and forfeitures	-	-	-
Investment earnings	21	6	186
Miscellaneous	-	657	
Total revenues	1,762	663	420,936
Expenditures			
Current			
General and Administrative Expenses	-	-	32,366
Salaries and Wages	-	-	312,098
Public safety	-	-	-
Culture and recreation	-	-	-
Capital outlay	-	-	-
Total expenditures	-	-	344,464
Excess (deficiency) of revenues over (under) expenditures	1,762	663	76,472
Other Financing Uses			
Transfers out	-	-	-
Total other financing uses	-	-	-
Net Change in Fund Balances	1,762	663	76,472
Fund Balances (Deficit), Beginning of Year	1,895	-	-
Fund Balances (Deficit), End of Year	$ 3,657	$ 663	$ 76,472

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Capital Projects Fund				
Park Dedication	Capital Projects	Roadway Impact Fee	Library Building	Total Non-major Governmental Funds
$ -	$ -	$ -	$ -	$ 422,491
-	213,444	-	-	213,444
16,800	-	10,689	-	27,489
-	-	-	618	618
793	181	2,374	-	3,561
-	-	-	724	1,381
17,593	213,625	13,063	1,342	668,984
-	-	-	-	32,366
-	-	-	-	312,098
-	-	-	-	-
-	-	-	-	-
90	-	49,739	-	49,829
90	-	49,739	-	394,293
17,503	213,625	(36,676)	1,342	274,691
-	(104,768)	(10,000)	-	(114,768)
-	(104,768)	(10,000)	-	(114,768)
17,503	108,857	(46,676)	1,342	159,923
84,108	(7,600)	574,790	(3,894)	649,299
$ 101,611	$ 101,257	$ 528,114	$ (2,552)	$ 809,222

City of Kennedale, Texas

Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Debt Service Fund
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes – property	$ 1,487,585	$ 1,487,585	$ 1,548,483	$ 60,898
Intergovernmental	-	-	-	-
Investment earnings	6,000	6,000	5,497	(503)
Total revenues	1,493,585	1,493,585	1,553,980	60,395
Expenditures				
Debt service				
Principal	1,487,977	1,487,977	1,253,462	234,515
Interest and other	-	-	276,866	(276,866)
Total expenditures	1,487,977	1,487,977	1,530,328	(42,351)
Excess (deficiency) of revenues over (under) expenditures	5,608	5,608	23,652	18,044
Other financing sources (uses)				
Lease and notes proceeds	-	-	1,260,000	(1,260,000)
Payment to escrow	-	-	(1,214,150)	1,214,150
Transfers in	256,668	256,668	104,768	(151,900)
Total other financing sources (uses)	256,668	256,668	150,618	(197,750)
Net Change in Fund Balances	262,276	262,276	174,270	(179,706)
Fund Balance, Beginning of Year	309,119	309,119	315,015	5,896
Fund Balance, End of Year	$ 571,395	$ 571,395	$ 489,285	$ (82,110)

Statistical Section

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Statistical Section

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

Contents Tables

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

City of Kennedale, Texas

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

	Fiscal Year				
	2011	2012	2013	2014	2015
Governmental Activities					
Net investment in capital assets	$ 16,014,362	$ 20,730,909	$ 21,100,450	$ 20,904,287	$ 21,429,758
Restricted	1,936,156	288,215	227,181	380,622	409,454
Unrestricted	1,023,286	782,589	615,406	933,606	215,475
Total governmental activities net position	$ 18,973,804	$ 21,801,713	$ 21,943,037	$ 22,218,515	$ 22,054,687
Business-type Activities					
Net investment in capital assets	$ 10,134,416	$ 10,304,477	$ 10,217,885	$ 10,443,338	$ 11,184,859
Restricted	-	-	-	-	-
Unrestricted	1,668,685	1,524,225	1,348,391	1,450,811	17,432
Total business-type activities net position	$ 11,803,101	$ 11,828,702	$ 11,566,276	$ 11,894,149	$ 11,202,291
Primary Government					
Net investment in capital assets	$ 26,148,778	$ 31,035,386	$ 31,318,335	$ 31,347,625	$ 32,614,617
Restricted	1,936,156	288,215	227,181	380,622	409,454
Unrestricted	2,691,971	2,306,814	1,963,797	2,384,417	232,907
Total primary governmental net position	$ 30,776,905	$ 33,630,415	$ 33,509,313	$ 34,112,664	$ 33,256,978

City of Kennedale, Texas

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

	Fiscal Year 2016	2017	2018	2019	2020
Governmental Activities					
Net investment in capital assets	$ 24,048,321	$ 24,362,252	$ 24,410,280	$ 27,195,004	$ 27,372,350
Restricted	400,170	481,742	867,754	998,047	3,447,408
Unrestricted	689,620	457,818	454,903	(2,450,204)	(3,805,240)
Total governmental activities net position	$ 25,138,111	$ 25,301,812	$ 25,732,937	$ 25,742,847	$ 27,014,518
Business-type Activities					
Net investment in capital assets	$ 13,054,176	$ 13,238,962	$ 13,310,004	$ 13,397,767	$ 13,173,241
Restricted	-	204,223	274,043	92,694	-
Unrestricted	655,058	1,644,150	2,103,785	2,670,080	3,237,869
Total business-type activities net position	$ 13,709,234	$ 15,087,335	$ 15,687,832	$ 16,160,541	$ 16,411,110
Primary Government					
Net investment in capital assets	$ 37,102,497	$ 37,601,214	$ 37,720,284	$ 40,592,771	$ 40,515,275
Restricted	400,170	685,965	1,141,797	1,090,741	3,440,610
Unrestricted	1,344,678	2,101,968	2,558,688	219,876	(406,321)
Total primary governmental net position	$ 38,847,345	$ 40,389,147	$ 41,420,769	$ 41,903,388	$ 43,425,628

City of Kennedale, Texas

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

	Fiscal Year 2011	2012	2013	2014	2015
Expenses					
Governmental activities					
General government	$ 1,346,455	$ 1,400,946	$ 1,338,046	$ 1,242,021	$ 1,348,921
Public safety	4,149,812	4,334,370	4,216,559	4,274,108	4,521,511
Public works	1,386,156	1,209,842	1,338,143	1,476,670	1,638,428
Culture and recreation	335,884	344,900	358,251	358,226	339,328
Economic development	-	-	-	-	-
Interest and fiscal charges	536,449	578,936	558,639	510,355	478,440
Total governmental activities expenses	7,754,756	7,868,994	7,809,638	7,861,380	8,326,628
Business-type activities					
Water, wastewater and storm water drainage	3,334,413	3,240,582	3,401,162	3,640,588	4,112,610
Total business-type activities expenses	3,334,413	3,240,582	3,401,162	3,640,588	4,112,610
Total primary government expenses	$ 11,089,169	$ 11,109,576	$ 11,210,800	$ 11,501,968	$ 12,439,238
Program Revenues					
Governmental activities					
Charges for services					
General government	$ 514,732	$ 668,345	$ 554,664	$ 975,684	$ 720,308
Public safety	460,983	459,955	556,655	567,835	500,044
Public works	44,910	58,007	52,299	115,110	84,250
Culture and recreation	2,023	1,554	34,591	1,470	1,187
Operating grants and contributions	64,217	83,005	135,520	47,119	139,677
Capital grants and contributions	2,793,402	2,872,517	453,020	115,058	490,975
Total governmental activities program revenues	$ 3,880,267	$ 4,143,383	$ 1,786,749	$ 1,822,276	$ 1,936,441

City of Kennedale, Texas

Table B – Change in Net Position (Continued)

Accrual Basis of Accounting

Last Ten Fiscal Years (Unaudited)

	Fiscal Year				
	2016	2017	2018	2019	2020
Expenses					
Governmental activities					
General government	$ 1,340,991	$ 1,460,659	$ 1,526,536	$ 1,979,235	$ 2,070,950
Public safety	4,658,016	4,494,080	4,680,243	5,213,493	4,950,888
Public works	1,838,124	1,743,770	1,615,294	1,737,211	1,815,849
Culture and recreation	370,519	397,477	436,270	372,805	420,777
Economic development	-	-	-	-	-
Interest and fiscal charges	521,675	348,741	403,223	349,118	265,057
Total governmental activities expenses	8,729,325	8,444,727	8,661,566	9,651,862	9,523,521
Business-type activities					
Water, wastewater and storm water drainage	3,506,506	3,271,916	4,558,939	4,089,637	4,258,419
Total business-type activities expenses	3,506,506	3,271,916	4,558,939	4,089,637	4,258,419
Total primary government expenses	$ 12,235,831	$ 11,716,643	$ 13,220,505	$ 13,741,499	$ 13,781,940
Program Revenues					
Governmental activities					
Charges for services					
General government	$ 540,893	$ 457,595	$ 709,603	$ 630,969	$ 748,228
Public safety	515,906	353,139	547,621	486,937	577,429
Public works	150,936	92,502	143,445	127,549	151,253
Culture and recreation	164,817	49,410	76,621	68,131	80,792
Operating grants and contributions	126,520	145,560	152,588	154,825	420,750
Capital grants and contributions	2,595,371	154,819	-	-	-
Total governmental activities program revenues	$ 4,094,443	$ 1,253,025	$ 1,629,878	$ 1,468,411	$ 1,978,452

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

	Fiscal Year 2011	2012	2013	2014	2015
Business-type Activities					
Charges for services					
Water, wastewater and storm water drainage	$ 3,633,725	$ 3,264,892	$ 3,138,201	$ 3,775,546	$ 3,683,542
Capital grants and contributions	-	-	-	-	-
Total business-type activities program revenues	3,633,725	3,264,892	3,138,201	3,775,546	3,683,542
Total primary government program revenues	$ 7,513,992	$ 7,408,275	$ 4,924,950	$ 5,597,822	$ 5,619,983
Net (Expenses) Revenues					
Governmental activities	$ (3,874,489)	$ (3,725,611)	$ (6,022,889)	$ (6,039,104)	$ (6,390,187)
Business-type activities	299,312	24,310	(262,961)	134,958	(429,068)
Total primary government net expenses	$ (3,575,177)	$ (3,701,301)	$ (6,285,850)	$ (5,904,146)	$ (6,819,255)
General Revenues and Other Changes in Net Position					
Governmental activities					
Taxes					
Property	$ 3,811,589	$ 4,010,855	$ 3,951,116	$ 4,143,977	$ 4,274,752
Franchise	808,918	856,096	817,733	871,351	910,886
Sales	1,222,642	1,298,044	1,008,875	1,093,946	1,491,342
Investment earnings	6,401	2,885	724	389	887
Miscellaneous	976,899	385,640	426,068	509,287	690,772
Transfers	-	-	-	-	49,178
Total governmental activities	6,826,449	6,553,520	6,204,516	6,618,950	7,417,817
Business-type activities					
Investment earnings	1,925	1,291	535	218	281
Transfers	-	-	-	-	(49,178)
Total business-type activities	1,925	1,291	535	218	(48,897)
Total primary government	6,828,374	6,554,811	6,205,051	6,619,168	7,368,920
Change in Net Position					
Governmental activities	2,951,960	2,827,909	181,627	579,846	1,027,630
Business-type activities	301,237	25,601	(262,426)	135,176	(477,965)
Total primary government	$ 3,253,197	$ 2,853,510	$ (80,799)	$ 715,022	$ 549,665

City of Kennedale, Texas

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

	Fiscal Year 2016	2017	2018	2019	2020
Business-type Activities					
Charges for services					
Water, wastewater and storm water drainage	$ 4,782,055	$ 5,086,486	$ 4,832,378	$ 4,467,770	$ 4,482,591
Capital grants and contributions	1,479,937	374,296	325,676	51,247	10,099
Total business-type activities program revenues	6,261,992	5,460,782	5,158,054	4,519,017	4,492,690
Total primary government program revenues	$ 10,356,435	$ 6,713,807	$ 6,787,932	$ 5,987,428	$ 6,471,142
Net (Expenses) Revenues					
Governmental activities	$ (4,634,882)	$ (7,191,702)	$ (7,031,688)	$ (8,183,451)	$ (7,545,070)
Business-type activities	2,755,486	2,188,866	599,115	429,380	234,271
Total primary government net expenses	$ (1,879,396)	$ (5,002,836)	$ (6,432,573)	$ (7,754,071)	$ (7,310,799)
General Revenues and Other Changes in Net Position					
Governmental activities					
Taxes					
Property	$ 4,521,765	$ 4,703,870	$ 5,140,105	$ 5,321,225	$ 6,144,664
Franchise	545,140	537,454	777,768	1,774,698	1,765,996
Sales	1,253,391	1,208,557	1,459,743	764,887	806,115
Investment earnings	3,986	13,272	53,986	112,609	59,584
Miscellaneous	308,179	143,633	141,834	219,942	40,382
Transfers	953,377	748,617	-	-	-
Total governmental activities	7,585,838	7,355,403	7,573,436	8,193,361	8,816,741
Business-type activities					
Investment earnings	521	3,919	17,591	43,329	16,298
Transfers	(953,377)	(748,617)	-	-	-
Total business-type activities	(952,856)	(744,698)	17,591	43,329	16,298
Total primary government	6,632,982	6,610,705	7,591,027	8,236,690	8,833,039
Change in Net Position					
Governmental activities	2,950,956	163,701	541,748	9,910	1,271,671
Business-type activities	1,802,630	1,444,168	616,706	472,709	250,569
Total primary government	$ 4,753,586	$ 1,607,869	$ 1,158,454	$ 482,619	$ 1,522,240

City of Kennedale, Texas

Table C – Fund Balances of Governmental Funds

Modified Accrual Basis of Accounting

Last Ten Fiscal Years (Unaudited)

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	Fiscal Year (Pre-GASB 54 2009-2010) (GASB 54 implemented in fiscal year 2011)									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Unreserved	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Nonspendable	31,348	5,751	46,486	40,633	15,786	240,850	206,755	86,778	54,346	66,280
Restricted	-	-	-	-	-	-	-	106,347	106,347	113,983
Assigned	-	-	-	-	-	367,218	-	915,608	915,608	501,973
Unassigned	1,332,648	1,108,068	937,508	1,193,553	1,716,655	1,972,229	2,264,414	1,746,714	1,597,593	2,453,218
Total general fund	$ 1,363,996	$ 1,113,819	$ 983,994	$ 1,234,186	$ 1,732,441	$ 2,580,297	$ 2,471,169	$ 2,855,447	$ 2,673,894	$ 3,135,454
All Other Governmental Funds										
Reserved	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved, reported in								-	-	
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Nonspendable	800	800	-	-	-	-	-	-	-	-
Restricted for										
Grants	-	-	-	-	-	-	-	-	-	76,472
Debt service funds	50,965	90,920	23,829	2,849	10,375	11,861	-	194,135	315,015	489,285
Public safety	10,948	10,056	3	10,164	5,286	-	155	-	1,895	4,320
Economic development	-	-	-	1,112	-	-	-	-		
Other	-	-	-	-	-	-	-	1,747		-
Capital projects funds	1,874,243	187,239	185,514	341,663	373,456	400,170	425,432	565,525	3,164,782	2,839,820
Assigned										
Parks	-	-	-	-	-	-	-	158,092	84,108	101,611
Unassigned	-	-	-	-	-	-	-	(788,591)	(594,328)	(422,643)
Total all other governmental funds	$ 1,936,956	$ 289,015	$ 209,346	$ 355,788	$ 389,117	$ 412,031	$ 425,587	$ 130,908	$ 2,971,472	$ 3,088,865

Source: Comprehensive Annual Financial Report

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

City of Kennedale, Texas

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

	Fiscal Year 2011	2012	2013	2014	2015
Revenues					
Taxes	$ 5,862,988	$ 6,136,869	$ 5,799,322	$ 6,086,574	$ 6,696,668
Licenses, fees and permits	209,047	311,921	261,451	477,447	346,011
Franchise fees	-	-	-	-	-
Fines and penalties	259,073	246,438	298,964	274,413	228,482
Public safety fees	201,483	210,676	257,998	243,002	247,907
Charges for services	353,045	418,826	379,796	614,145	459,651
Intergovernmental	2,278,514	2,955,522	588,540	48,231	630,669
Investment earnings	6,401	2,885	724	389	887
Contributions	579,105	-	-	2,314	2,153
Miscellaneous	976,899	385,640	426,068	620,919	713,443
Total revenues	10,726,555	10,668,777	8,012,863	8,367,434	9,325,871
Expenditures					
Current					
General government	1,263,666	1,276,738	1,238,641	1,126,632	1,228,989
Public safety	3,992,135	4,149,870	3,964,561	4,052,316	4,247,507
Public works	974,083	840,656	684,840	1,051,794	850,933
Culture and recreation	260,193	257,103	270,204	272,102	272,964
Economic development	-	-	-	-	-
Capital outlay	7,527,192	4,826,076	664,329	100,478	896,467
Debt service					
Principal	660,969	751,913	806,600	841,178	844,371
Interest and fiscal charges	494,039	589,539	552,879	526,300	493,943
Bond issuance costs	114,480	-	-	-	-
Total expenditures	15,286,757	12,691,895	8,182,054	7,970,800	8,835,174
Excess (deficiency) of revenues over (under) expenditures	(4,560,202)	(2,023,118)	(169,191)	396,634	490,697
Other Financing Sources (Uses)					
Debt issuance	3,260,000	-	-	-	-
Issuance of capital lease	119,597	125,000	-	-	-
Cost to issue debt	-	-	-	-	-
Premium on debt issuance	63,616	-	-	-	-
Refunding bonds/lease issued	-	-	-	-	-
Transfers in	949,476	92,038	295,373	161,832	258,832
Transfers out	(949,476)	(92,038)	(295,373)	(161,832)	(258,832)
Total other financing sources (uses)	3,443,213	125,000	-	-	-
Net Change in Fund Balances	$ (1,116,989)	$ (1,898,118)	$ (169,191)	$ 396,634	$ 490,697
Debt service as a percentage of noncapital expenditures	16.4%	17.1%	18.1%	17.4%	16.9%

Source: Comprehensive Annual Financial Report

City of Kennedale, Texas

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

	Fiscal Year				
	2016	2017	2018	2019	2020
Revenues					
Taxes	$ 6,330,577	$ 6,399,207	$ 6,703,224	$ 7,169,500	$ 7,896,341
Licenses, fees and permits	727,163	465,917	462,291	182,210	244,188
Franchise fees	-	-	777,768	764,887	806,115
Fines and forfeitures	232,660	196,564	189,315	144,181	90,778
Public safety fees	237,104	264,317	184,260	194,930	193,734
Charges for services	73,840	76,682	81,142	82,754	308,599
Intergovernmental	787,432	339,415	712,870	864,336	1,141,152
Investment earnings	3,986	13,272	53,986	112,609	59,584
Contributions	1,527	4,399	-	-	-
Miscellaneous	306,652	184,530	141,834	219,942	40,382
Total revenues	8,700,941	7,944,303	9,306,690	9,735,349	10,780,873
Expenditures					
Current					
General government	1,247,881	1,321,110	1,473,009	1,611,757	1,982,013
Public safety	4,346,827	4,271,460	4,390,751	4,966,865	4,709,552
Public works	681,748	728,228	718,519	788,130	878,155
Culture and recreation	301,411	322,353	373,593	328,507	376,479
Economic development	-	-	-	-	-
Capital outlay	1,339,271	972,098	207,510	725,256	595,069
Debt service					
Principal	895,356	1,122,944	1,205,033	1,428,543	1,435,439
Interest and fiscal charges	536,710	349,041	384,963	296,008	276,866
Bond issuance costs	-	-	-	-	-
Total expenditures	9,349,204	9,087,234	8,753,378	10,145,066	10,253,573
Excess (deficiency) of revenues over (under) expenditures	(648,263)	(1,142,931)	553,312	(409,717)	527,300
Other Financing Sources (Uses)					
Debt issuance	-	-	-	2,760,000	-
Issuance of capital lease	4,087,218	331,865	-	375,378	-
Cost to issue debt	-	-	-	(66,550)	(1,214,150)
Premium on debt issuance	-	-	-	-	-
Refunding bonds/lease issued	(3,646,951)	-	-	-	1,265,803
Transfers in	1,036,598	1,006,384	277,217	230,437	251,926
Transfers out	(83,221)	(257,767)	(277,217)	(230,437)	(251,926)
Total other financing sources (uses)	1,393,644	1,080,482	-	3,068,828	51,653
Net Change in Fund Balances	$ 745,381	$ (62,449)	$ 553,312	$ 2,659,111	$ 578,953
Debt service as a percentage of noncapital expenditures	17.9%	18.1%	18.6%	18.3%	17.7%

Source: Comprehensive Annual Financial Report

City of Kennedale, Texas

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

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Less Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2011	$ 381,137,736	$ 151,493,926	$ 52,806,301	$ 63,490,789	$ 521,947,174	$ 0.72250	$ 521,947,174	100.00%
2012	367,644,619	130,187,379	54,138,047	63,654,327	488,315,718	0.72250	488,315,718	100.00%
2013	363,808,684	121,802,411	60,407,246	70,604,766	475,413,575	0.72250	475,413,575	100.00%
2014	369,809,150	122,562,814	62,617,391	74,529,874	480,459,481	0.74750	480,459,481	100.00%
2015	418,964,219	135,862,868	43,604,299	69,044,161	529,387,225	0.74750	529,387,225	100.00%
2016	423,074,019	133,607,106	42,937,171	50,198,154	549,420,142	0.76750	549,420,142	100.00%
2017	434,127,908	137,328,197	21,506,171	25,203,051	567,759,225	0.76750	567,759,225	100.00%
2018	479,936,919	147,896,807	35,746,004	33,925,413	629,654,317	0.77750	629,654,317	100.00%
2019	517,326,245	155,373,286	29,734,655	11,730,455	690,703,731	0.72571	690,703,731	100.00%
2020	584,136,210	111,486,922	23,929,984	57,395,099	662,155,017	0.73497	662,155,017	100.00%

Source: Tarrant Appraisal District Totals Report (September).

City of Kennedale, Texas

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

	City Direct Rates			Overlapping Rates			
Fiscal Year	City Rate	General Obligation Debt Service	Total Direct	Kennedale Independent School District	Tarrant County	Tarrant County College District	Tarrant County Hospital District
2011	0.571103	0.151397	0.72250	1.544821	0.264000	0.137640	0.227897
2012	0.516013	0.206487	0.72250	1.512068	0.264000	0.148970	0.227897
2013	0.549582	0.172918	0.72250	1.512068	0.264000	0.148970	0.227897
2014	0.560454	0.187046	0.74750	1.492068	0.264000	0.149500	0.227897
2015	0.551216	0.196284	0.74750	1.514717	0.264000	0.149500	0.227897
2016	0.575204	0.192296	0.76750	1.486724	0.264000	0.149500	0.227897
2017	0.581711	0.185789	0.76750	1.486724	0.254000	0.144730	0.227897
2018	0.578750	0.198750	0.77750	1.480000	0.244000	0.140060	0.224429
2019	0.535219	0.190495	0.72571	1.451694	0.234000	0.136070	0.224429
2020	0.544429	0.190541	0.73497	1.350000	0.234000	0.130170	0.224429

Source: Tarrant Appraisals District (2020 Tax Rates).

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

City of Kennedale, Texas

Table F – Ad-Valorem Tax Levies and Collections

Last Ten Fiscal Years (Unaudited)

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy: Amount	Collected within the Fiscal Year of the Levy: Percentage of Levy	Collections in Subsequent Years	Total Collections to Date: Amount	Total Collections to Date: Percentage of Levy
2011	$ 3,749,561	$ 3,695,515	98.56%	$ 64,478	$ 3,759,993	100%
2012	3,964,881	3,890,850	98.13%	52,738	3,943,588	99%
2013	3,937,340	3,880,817	98.56%	55,843	3,936,660	100%
2014	4,083,024	4,015,994	98.36%	20,978	4,036,972	99%
2015	4,231,865	4,174,320	98.64%	97,496	4,271,816	101%
2016	4,501,716	4,464,778	99.18%	26,688	4,491,466	100%
2017	4,644,955	4,589,538	98.81%	34,760	4,624,298	100%
2018	5,086,080	5,045,734	99.21%	-	5,045,734	99%
2019	5,219,526	5,169,354	99.04%	-	5,169,354	99%
2020	5,949,183	5,798,463	97.47%	-	5,798,463	97%

Source: Tarrant County Tax Office, Summary Part C (As Of September 30, 2020).

City of Kennedale, Texas

Table G – Ratios of Outstanding Debt by Type

Last Ten Fiscal Years (Unaudited)

	Governmental Activities				Business-type Activities						
Fiscal Year	Revenue Bonds	General Obligation/ Certificates of Obligation	Capital Leases Obligations	Tax Notes	Term Loan	General Obligation/ Certificates of Obligation	Capital Leases	Total Primary Government	Percentage of Personal Income	Per Capita	Population
2011	$ 95,000	$ 14,396,250	$ 249,888	$ -	$ -	$ 3,828,750	$ 37,399	$ 18,607,287	0.26%	2,691	6,914
2012	50,000	13,930,405	298,290	-	-	3,621,950	-	17,900,645	0.27%	2,534	7,063
2013	-	13,240,601	221,065	-	-	3,411,325	1,721,658	18,594,649	0.40%	2,562	7,257
2014	-	12,469,623	140,436	-	-	3,191,875	1,629,163	17,431,097	0.42%	2,357	7,394
2015	-	11,655,557	99,701	-	-	2,965,512	1,539,241	16,260,011	0.45%	2,035	7,992
2016	-	11,001,843	424,473	-	-	2,728,413	1,445,849	15,600,578	0.47%	1,943	8,031
2017	-	10,026,300	600,557	-	-	2,475,575	1,350,209	14,452,641	0.50%	1,738	8,315
2018	-	9,024,582	554,114	-	-	2,213,912	1,254,570	13,047,178	0.56%	1,565	8,338
2019	-	8,099,682	722,846	2,575,000	-	1,941,512	1,149,939	14,488,979	0.52%	1,696	8,543
2020	-	7,178,035	482,299	2,275,000	-	1,660,288	1,035,195	12,630,817	0.64%	1,530	8,255

Source: Notes to the financial statements and Table N

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City of Kennedale, Texas

Table H – Ratios of General Bonded Debt Outstanding per Capita

Last Ten Fiscal Years (Unaudited)

Fiscal Year	General Bonded Debt Outstanding: General Obligation Bonds/ Certificates of Obligation	General Bonded Debt Outstanding: Revenue Bonds	General Bonded Debt Outstanding: Total	Percentage of Actual Taxable Value of Property	Per Capita
2011	$ 14,396,250	$ 95,000	$ 14,491,250	2.78%	$ 2,096
2012	$ 13,930,405	$ 50,000	$ 13,980,405	2.86%	$ 1,979
2013	$ 13,240,601	$ -	$ 13,240,601	2.79%	$ 1,825
2014	$ 12,469,623	$ -	$ 12,469,623	2.60%	$ 1,686
2015	$ 11,655,557	$ -	$ 11,655,557	2.20%	$ 1,458
2016	$ 11,001,843	$ -	$ 11,001,843	2.00%	$ 1,370
2017	$ 10,026,300	$ -	$ 10,026,300	1.77%	$ 1,206
2018	$ 9,024,582	$ -	$ 9,024,582	1.43%	$ 1,082
2019	$ 8,099,682	$ -	$ 8,099,682	1.17%	$ 948
2020	$ 7,178,035	$ -	$ 7,178,035	1.08%	$ 870

Source: Table E, I and N

City of Kennedale, Texas
Table I – Legal Debt Margin Information
Last Ten Fiscal Years (Unaudited)

The city charter of the City of Kennedale (section 6.05), Texas does not provide for a debt limit. The debt portion of the overall tax rate may rise as high as necessary to retire debt for the coming year without triggering the threat of rollback. Under the provision of Texas State law, the maximum tax rate is limited to $2.50 per $100 assessed valuation. The tax rate for fiscal year 2020 was established at $0.734970 per $100 assessed valuation based on 100 percent of net taxable value.

City of Kennedale, Texas

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

Year	Estimated Population	Median Household Income	Per Capita Median Household Income	Unemployment Rate
2011	6,914	$ 49,091	$ 24,323	7.7%
2012	7,063	49,091	24,323	6.3%
2013	7,257	73,909	31,163	6.9%
2014	7,394	73,909	31,163	5.7%
2015	7,992	73,909	31,163	4.3%
2016	8,031	73,909	31,163	4.1%
2017	8,315	71,875	31,904	5.3%
2018	8,338	72,461	31,335	4.5%
2019	8,543	75,000	32,435	3.5%
2020	8,255	80,565	35,350	3.3%

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

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

City of Kennedale, Texas

Table K – Principal Employers

Current and Seven Years Ago (Unaudited)

Employer	2020 Employees	2020 Percentage of Total City Employment	2014 Employees	2014 Percentage of Total City Employment
Fort Worth Tower	0	0.00%	480	26.49%
Kennedale Independent School District	412	38.54%	411	22.68%
Speed Fab Crete	76	7.11%	128	7.06%
ARK Contracting Services	155	14.50%	115	6.35%
Harrison Jet Guns	50	4.68%	92	5.08%
Hawk Steel	62	5.80%	92	5.08%
Mike Conkle's Custom Cabinets	48	4.49%	85	4.69%
City of Kennedale	70	6.55%	78	4.30%
Excel Polymers	14	1.31%	76	4.19%
Goss International	-	-	64	3.53%
Texas Tile	15	1.40%	55	3.04%
US Galvanizing LP	50	4.68%	34	1.88%
Stovall Electric	18	1.68%	30	1.66%
Redi-Mix LP	21	1.96%	22	1.21%
H&O Die Supply	9	0.84%	19	1.05%
RE Watson & Associates	50	4.68%	17	0.94%
Global Servo Hydraulics	11	1.03%	9	0.50%
Wear Master	8	0.75%	5	0.28%
	1,069	100.00%	1,812	100.00%

Source: Economic Development Department

City of Kennedale, Texas

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

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
Management services	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Finance	2.5	2.5	2.5	2.5	2.5	3.0	2.5	2.5	3.0	3.0
Planning	2.5	2.5	2.5	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Building	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Municipal court	2.0	2.0	2.0	2.0	3.0	2.0	2.0	2.0	1.5	1.0
Police										
Officers	19.0	19.0	19.0	16.0	19.0	20.0	20.0	21.0	21.0	21.0
Civilians	7.5	7.5	7.5	7.5	2.5	2.5	2.1	2.5	2.5	2.5
Fire										
Firefighters and officers	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	20.0	17.0
Civilians	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Other public works										
Streets & Parks	6.0	6.0	6.0	8.0	8.0	8.0	8.0	8.0	8.0	11.0
Economic development	-	-	-	-	-	-	-	-	-	-
Library	3.5	3.5	3.5	3.5	3.5	3.5	4.0	4.0	4.0	4.0
Water/Wastewater	14.5	14.5	12.5	11.5	11.5	11.5	11.5	11.5	11.5	-
Total	79.5	79.5	77.5	76.0	75.00	75.5	75.1	76.5	80.5	68.5

Sources: FY2018-19 Adopted Budget.

Note: A fulltime employee is scheduled to work 2080 hours per year (including vacation and sick leave). Fulltime equivalent employment is calculated by dividing total labor hours by 2080. These figures also

City of Kennedale, Texas

Table M – Operating Indicators by Function/Program
Last Ten Fiscal Years (Unaudited)

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
Building permits issued	255	535	389	504	406	504	292	593	41	40
Building inspections conducted	204	474	363	477	355	1,185	1,752	1,165	399	114
Police										
Physical arrests	270	246	244	260	203	203	374	109	111	163
Parking violations	1,389	359	2,117	2,045	1,675	24	6	7	8	6
Traffic violations	4,850	6,248	7,609	4,287	3,778	2,828	4,296	1,692	1,725	2,249
Fire										
Emergency responses	1,108	1,028	1,039	909	1,131	867	1,166	693	706	740
Fires extinguished	315	183	217	135	199	200	200	58	155	29
Inspections	32	193	185	173	198	178	218	66	87	56
Library										
Volumes in collection	18,053	17,986	17,943	15,299	14,752	16,292	16,831	16,322	16,322	16,671
Total volumes borrowed	16,508	16,317	17,429	17,257	16,162	20,288	21,579	18,007	18,007	17,863
Water and Wastewater										
New connections	25	54	36	87	73	39	59	65	81	111
Average daily consumption	1,147,339	1,060,488	1,000,704	968,841	892,014	898,918	980,413	909,919	1,003,523	772,156
Peak daily consumption	2,550,400	2,939,100	2,355,100	2,135,272	2,471,500	2,021,800	1,884,040	2,449,850	2,015,488	-

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City of Kennedale, Texas

Table N – Capital Asset Statistics by Function/Program

Last Ten Fiscal Years (Unaudited)

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Zone offices	1	1	1	1	1	1	1	1	1	1
Patrol units	13	13	13	14	17	17	8	8	8	8
Fire										
Stations	1	1	1	1	1	1	1	1	1	1
Other public works										
Streets (miles)	-	-	-	-	42	42	46	46	46	46
Streetlights	-	-	-	-	332	332	346	346	346	346
Parks and recreation										
Acreage	28	28	28	28	28	28	27	27	27	27
Playgrounds	4	4	4	4	4	4	4	4	4	4
Baseball/softball diamonds	3	3	3	3	3	3	3	3	3	3
Community centers	1	1	1	1	1	1	1	1	1	1
Water and Wastewater										
Water mains (miles)	-	-	-	-	48	48	49	49	49	67
Fire hydrants (thousands)	5	5	5	5	5	5	5	5	5	5
Storage (thousands of gallons)	3,350	3,350	3,350	3,350	3,350	3,350	3,350	3,350	3,350	3,325
Elevated	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,145
Ground	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,180
Sanitary sewers (miles)	-	-	-	-	48	48	50	50	50	47
Storm sewers (miles)	-	-	-	-	4	4	4	4	4	5

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STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: MARCH 16, 2021

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

SUBJECT
Continued discussion and consider providing staff direction regarding capital projects to submit to Tarrant County for inclusion in a proposed County bond authorization election in November, 2021 and/or to include in a local bond election in November, 2021 and/or to fund through the issuance of Certificates of Obligation

ORIGINATED BY
George Campbell, City Manager

SUMMARY
The City Council has had numerous discussions regarding capital improvement needs, funding options, and the prioritization of those projects identified. Attached to this staff report is a copy of the presentation from the Work Session of the February 23 and March 9 special meetings.

As Council is aware, the Tarrant County Commissioners Court has announced their plan to call a transportation bond election for November 2021 and has invited Cities in the County to submit projects for consideration of inclusion in their proposed $400 Million program.

At this time, the Council may, if desired, continue their discussion regarding what programs to submit to the County (via the Resolution on this agenda (Item IV.F.2.)) for consideration of inclusion on the bond program.

Staff will be available to answer any questions.

RECOMMENDATION

ATTACHMENTS

1.	2021_02.23 Capital Projects Presentation PDF	2021_02.23 Capital Projects Presentation PDF.pdf

Capital Improvements Programming

CITY COUNCIL WORK SESSION | FEBRUARY 23, 2021

Goals for Today

- Review Capital Projects List
  - Design
  - Right-of-Way (ROW) / Land
  - Construction
  - Timing and Sequencing
- Prioritize Projects for County Bond Election, Local GO Bond Election, and / or $14M CO Issuance

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PROJECTS	YEAR 1 (2020-2021)	YEAR 2 (2021-2022)	YEAR 3 (2022-2023)	YEAR 4 (2023-2024)	YEAR 5 (2025-2025)	FUNDING MECHANISM	ANNUAL M& O (TBD)
PARKS AND RECREATION							
Concession Restroom, Meeting and Storage Building Design			$ 525,000			O / GO / Prime Contract	
Grass Football Field for Practice			$ 460,000			O / GO / Prime Contract	
Grass Football Field with Lights, Scoreboard, and Goal Posts			$ 657,000			O / GO / Prime Contract	
New Grass Baseball Field			$ 446,000			O / GO / Prime Contract	
Existing Two Baseball Field Turf Improvements			$ 175,000			O / GO / Prime Contract	
Splashpad Improvements	$ 40,000					CO	
Rubber Mulch for All Parks (Price TBD)							
DuraSAFE Rubber Playground Tiles for All Parks (Price TBD)							
Shade Structures Throughout the Park System	$ 25,000					CO	
Railroad Themed Park Development		$ 1,500,000				GO	
National Fitness Campaign Installation			$ 180,000			GO	
Love Property Lease with Option to Buy (No Lease; Property is Being Listed for Sale)							
TOTAL PARKS AND RECREATION	$ 65,000	$ 1,500,000	$ 2,443,000	$ -	$ -		

PROJECTS	YEAR 1 (2020-2021)	YEAR 2 (2021-2022)	YEAR 3 (2022-2023)	YEAR 4 (2023-2024)	YEAR 5 (2025-2025)	FUNDING MECHANISM	ANNUAL M& O (TBD)
PUBLIC SAFETY							
Police / Fire Facility							
DESIGN/ENGINEERING							
ROW ACQUISITION							
CONSTRUCTION			$ 9,000,000			GO	
Fire Training Tower							
DESIGN/ENGINEERING							
ROW ACQUISITION							
CONSTRUCTION			$ 825,000			O / GO	
Driver Training Facility							
DESIGN/ENGINEERING							
ROW ACQUISITION							
CONSTRUCTION			$ 675,000			O / GO	
Firing Range							
DESIGN/ENGINEERING							
ROW ACQUISITION							
CONSTRUCTION			$ 1,000,000			O / GO	
Evidence Storage Building			$ 2,000,000			O / GO	
Flare Storage Building			$ 45,000			O / GO	
Parking Canopies			$ 120,000			O / GO	
Soft Costs: Surveying, Permitting, Fees, IT System, Contingency			$ 967,750			O / GO	
TOTAL PUBLIC SAFETY	$ -	$ -	$ 14,632,750	$ -	$ -		

PROJECTS	YEAR 1 (2020-2021)	YEAR 2 (2021-2022)	YEAR 3 (2022-2023)	YEAR 4 (2023-2024)	YEAR 5 (2025-2025)	FUNDING MECHANISM	ANNUAL M& O (TBD)
STREETS							
Beacon Hill Drainage Improvements							
DESIGN/ENGINEERING (COMPLETED)							
ROW ACQUISITION							
CONSTRUCTION	$ 193,735					CO	
Danny Drive Drainage Improvements							
DESIGN/ENGINEERING							
ROW ACQUISITION							
CONSTRUCTION							
Danny Drive Pavement Improvements (by County)							
DESIGN/ENGINEERING						O / Streets Fund	
ROW ACQUISITION							
CONSTRUCTION	$ 143,000					O / Streets Fund	
Valley Lane (Erosion and Engineering)							
DESIGN/ENGINEERING	$ 300,000					CO	
ROW ACQUISITION							
CONSTRUCTION		$ 1,000,000				CO	
Peggy Lane							
DESIGN/ENGINEERING	$ 103,700					O / 2019 TAX NOTES	
ROW ACQUISITION							
CONSTRUCTION			$ 397,656			CO	
Trent Street Improvements							
DESIGN/ENGINEERING (In Progress)	$ 59,400					O / 2019 TAX NOTES	
ROW ACQUISITION							
CONSTRUCTION	$ 193,953					CO	
Collett Sublett Road Infrastructure Improvements							
DESIGN/ENGINEERING (In Progress)	$ 87,700					O / 2019 TAX NOTES	
ROW ACQUISITION							
CONSTRUCTION	$ 1,599,600					GO's	
Linda Road Infrastructure (Dick Price to East End)							
DESIGN/ENGINEERING	$ 99,200					O / 2019 TAX NOTES	
ROW ACQUISITION							
CONSTRUCTION		$ 2,042,258				CO	
Extension from existing Linda to New Hope Road (Linda)							
DESIGN/ENGINEERING			$ 1,686,955			CO	
ROW ACQUISITION			$ 643,850			CO	
CONSTRUCTION				$ 3,142,935		GO	
Little Road Extension from Kennedale Parkway to New Hope Road							
DESIGN/ENGINEERING		$ 669,716				CO	
ROW ACQUISITION			$ 891,500			CO	
CONSTRUCTION				$ 9,518,513		O / GO / County Bond	
Third Street Water (CDBG)							
DESIGN/ENGINEERING						Water Budget	
ROW ACQUISITION							
CONSTRUCTION	$ 88,512					Water Budget	
(CONTINUED ON NEXT PAGE)							
Oak Crest Drive Realignment to Gilman Road (No Quotes To Date)							
DESIGN/ENGINEERING							
ROW ACQUISITION			$ 1,000,000			O / GO / County Bond	
CONSTRUCTION				$ 300,000			
Kennedale Sublett Road Realignment at Kennedale Pkwy (No Quotes To Date)							
DESIGN/ENGINEERING	$ 100,000					CO	
ROW ACQUISITION		$ 35,000				CO	
CONSTRUCTION		$ 459,600				CO	
Cloverlane Drive							
DESIGN/ENGINEERING							
ROW ACQUISITION			$ 3,000			Streets Fund	
CONSTRUCTION				$ 141,010		Streets Fund	
Winding Creek Erosion / Pennsylvania							
DESIGN/ENGINEERING		$ 263,767				CO	
ROW ACQUISITION							
CONSTRUCTION			$ 850,860			CO	
Winding Creek Erosion / Briar Court							
DESIGN/ENGINEERING		$ 229,744				GO	
ROW ACQUISITION							
CONSTRUCTION			$ 741,108			GO	
New Hope Road ROW and Reconstruction of Two Lanes							
DESIGN/ENGINEERING			$ 4,011,407			CO	
ROW ACQUISITION				$ 9,272,000		O / GO / County Bond	
CONSTRUCTION					$ 14,893,105	GO / County Bond	
Village Street (Two Lanes)							
DESIGN/ENGINEERING			$ 292,486			O / Future	
ROW ACQUISITION				$ 688,000		O / Future	
CONSTRUCTION					$ 1,073,967	O / Future	
TOTAL STREETS	$ 2,968,800	$ 4,700,085	$ 10,518,822	$ 23,062,458	$ 15,967,072		

TOTALS BY YEAR (ALL PROJECTS)	$ 10,893,775	$ 7,464,505	$ 29,037,052	$ 24,572,658	$ 18,278,802
TOTAL YEARS 1 THROUGH 5					$ 90,246,792

Estimated Project Costs

- Streets $94,339,482
- Parks and Recreation $4,008,000
- Water / Wastewater / Erosion $7,663,830
- Library $1,332,000
- Public Safety $14,632,750

CURRENT ESTIMATE FOR ALL PROJECTS **~$121,976,062**

Potential Funding Mechanisms

- County Transportation Bond Participation
  Tarrant County's November 2, 2021 Transportation Bond Election

- General Obligation Bond (GO) Issuance
  GO Bonds can fund public safety design, land, and construction; streets, parks, and recreation improvements; and/or library improvements. The Council may wish to consider a Bond Election for projects requiring funding beyond the existing $14M capacity.

- $14M Certificates of Obligation (CO) Issuance
  City can issue up to $14M in COs over the next five years <u>with no increase</u> in the I&S tax rate (Assumes modest annual ad valorem growth of 3% 2021-2025)

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POTENTIAL PROJECTS

County Transportation Bond Program

	Engineering	ROW / Land	Construction	Total
Little School Road Extension	2,024,600	862,000	9,112,000	**11,998,600**
Kennedale Sublett Realignment	600,000	35,000	3,959,000	**4,594,000**
Collett Sublett Road	-	-	1,868,900	**1,868,900**
Valley Lane Erosion	312,250	-	2,019,000	**2,331,250**
Peggy Lane	-	-	1,743,000	**1,743,000**
New Hope Road	4,011,407	9,272,000	14,893,105	**28,176,512**
Trent Street	-	-	193,953	**193,953**
TOTALS	$ 6,948,257	$ 10,169,000	$ 33,788,958	**$ 50,906,215**

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POTENTIAL PROJECTS

County Transportation Bond Program

- CALL FOR PROJECTS REQUIRING 50% MATCH ($200 M)
  - Priority: shovel ready; project construction must begin within 5 years
  - Applications (and funding commitment Resolution) due April 16
  - Conceptual plan or preliminary design drawings required
  - Project Evaluation Committee will establish evaluation criteria and rank the projects
- EACH COMMISSIONER HAS $15M TO SPEND AT THEIR DISCRETION
- COUNTYWIDE INITIATIVES SELELCTED BY COMMISSIONERS COURT ($125M)

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POTENTIAL PROJECTS

County Bond Program Details

ESTIMATED TIMELINE

- Call for Projects: January 28 – April 16
- Project Evaluation Committee Established: March
- Evaluation and Prioritization: May – August
- Commissioners Court Approval: August – September
- Bond Election: November 2, 2021

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POTENTIAL PROJECTS

Local 2021 GO Bond Election

Library	$1,272,000
Public Safety	$9,000,000
Additional Public Safety	$3,048,000
Parks & Recreation	$1,680,000
TOTAL	**$15,000,000**

DEBT CAPACITY

General Fund

- $14M tax-funded debt (CO) could be issued over five years without an increase in the I&S tax rate
  - $6M scheduled for August 2021
- Additional debt (GO) will require a tax rate increase
  - $15M GO Issuance → $0.07 I&S tax increase

NOTE: Assumes modest ad valorem (AV) growth FY21–FY25 of 3%
(Average AV growth since 2012 has been 6.19%)

DEBT CAPACITY

Water Sewer Fund

- Additional Water/Wastewater projects could be funded with Revenue Bonds **if** water and sewer rates are sufficient to pay additional debt service

RECOMMENDATIONS

County Bond Program Participation

PROJECT 1: Little School Road Extension	$11,998,600
PROJECT 2: Kennedale Sublett Realignment	$4,594,000
PROJECT 3: Collett Sublett Road	$1,868,900
PROJECT 4: Valley Lane Erosion	$2,331,250
TOTAL	**$20,792,750**

RECOMMENDATIONS

Local Bond Election

Public Safety Facility	$12,048,000 **(Design, Build)**
TOTAL	**$12,048,000**

**Council may consider an amount greater than $12,048,000 from the Capital Projects list for voter consideration, depending on the willingness to tolerate a corresponding increased tax rate*

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RECOMMENDATIONS

$14 Million CO Issuance

POTENTIAL PROJECTS TO FUND WITH NO TAX INCREASE OVER THE NEXT FIVE YEARS	YEAR 1 (2020-2021)	YEAR 2 (2021-2022)	YEAR 3 (2022-2023)	YEAR 4 (2023-2024)	YEAR 5 (2025-2025)
STREETS					
Beacon Hill Drainage Improvements					
CONSTRUCTION	$ 193,735				
Valley Lane (Engineering Evaluation and Recommendation Only)					
DESIGN/ENGINEERING	$ 300,000				
CONSTRUCTION		$ 1,000,000			
Peggy Lane					
CONSTRUCTION				$ 1,743,000	
Trent Street Improvements					
CONSTRUCTION	$ 193,953				
Linda Road Infrastructure Improvements					
CONSTRUCTION		$ 2,042,258			
Collett Sublett Road Infrastructure Improvements					
CONSTRUCTION	$ 1,868,900				
Little Road Extension from Kennedale Parkway to New Hope Road					
DESIGN/ENGINEERING		$ 1,686,955			
Winding Creek Erosion / Pennsylvania					
DESIGN/ENGINEERING		$ 263,767			
CONSTRUCTION			$ 850,860		
New Hope Road ROW and Reconstruction of Two Lanes					
DESIGN/ENGINEERING				$ 4,011,407	
Splashpad Improvements	$ 40,000				
Shade Structures Throughout the Park System	$ 25,000				
Kennedale Sublett Road Realignment at Kennedale Parkway (No Quotes To Date)					
DESIGN/ENGINEERING	$ 100,000				
ROW ACQUISITION		$ 35,000			
CONSTRUCTION		$ 459,600			
Little Road Extension from Kennedale Parkway to New Hope Road					
ROW ACQUISITION			$ 643,000		
LIBRARY					
HVAC System		$ 60,000			
TOTALS BY YEAR	$ 2,721,588	$ 5,547,580	$ 1,493,860	$ 5,754,407	$ -
TOTAL YEARS 1 THROUGH 5					$ 15,517,435

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STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: MARCH 16, 2021

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

SUBJECT
PZ Case No. 21-03

ORIGINATED BY
George Campbell, City Manager

SUMMARY

RECOMMENDATION

ATTACHMENTS

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STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: MARCH 16, 2021

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

SUBJECT
Updates from the City Council

ORIGINATED BY
George Campbell, City Manager

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

RECOMMENDATION

ATTACHMENTS

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STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: MARCH 16, 2021

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

SUBJECT
Updates from the Mayor
- Monarch Butterfly Awareness Proclamation

ORIGINATED BY
George Campbell, City Manager

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

RECOMMENDATION

ATTACHMENTS

1.	2021_03.16 Monarch Migration Proclamation	2021_03.16 Monarch Migration Proclamation.pdf

PROCLAMATION

KENNEDALE, TEXAS
TUESDAY, MARCH 16, 2021

In Support of the Protection and Promotion of the Habitats and Well-Being of Monarch Butterflies

WHEREAS, the monarch butterfly is an iconic North American species whose multigenerational migration and metamorphosis from caterpillar to butterfly has captured the imagination of millions of Americans; and

WHEREAS, our great state of Texas and the City of Kennedale are within the monarch migration route from Canada to Mexico, peaking in October; and

WHEREAS, the North American monarch population has declined by more than 90 percent in the past two decades due to habitat loss and environmental stress; and

WHEREAS, we all have a critical role to play to help save the monarch butterfly by providing monarch friendly habitat within landscapes, public parks, medians, community gardens and municipal buildings that serve as community hubs; and

WHEREAS, Texas Parks and Wildlife has partnered with the TxDOT, the National Wildlife Federation and the Lady Bird Johnson Wildflower Center to promote the expansion of milkweed and nectar-producing pollinator gardens across our state; and

WHEREAS, Keep Kennedale Beautiful (KKB) is leading the charge by encouraging and educating our community to sustain monarchs along their annual migration routes and produce habitats so that these magnificent butterflies will once again flourish.

NOW, THEREFORE, I, Brian Johnson, Mayor of the City of Kennedale, Tarrant County, Texas, do hereby proclaim the importance of protecting Monarch butterflies and urge residents to commit to help restore habitat for the monarch by making simple landscape changes such as growing milkweed or other nectar-producing plants to promote the well-being and migration of this beautiful North American species..

IN TESTIMONY, WHEREOF, I have hereunto set my hand and caused the Seal of the City of Kennedale, Texas, to be affixed this 16th day of March 2021.

ATTEST: CITY SECRETARY LESLIE E. GALLOWAY	MAYOR BRIAN JOHNSON

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STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: MARCH 16, 2021

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

SUBJECT
Updates from the City Manager

ORIGINATED BY
George Campbell, City Manager

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

RECOMMENDATION

ATTACHMENTS

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STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: MARCH 16, 2021

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

SUBJECT
Financial Reports for the City

ORIGINATED BY
Lakeita Sutton, Director of Finance and Information Technology

SUMMARY
Please see the attached financial reports for the City (for the month ending 02/28/2021).

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.	2021_2 Monthly Financials	2021_2 Monthly Financials.pdf

Revenues & Expenditures - Budget & Actual Summary
FOR THE MONTH ENDED FEBRUARY 28, 2021

GENERAL FUND REVENUES			
Budget	AMENDED	Actual	Actual Budget %
$ 7,314,655	$ -	$ 5,577,289	76.2%

GENERAL FUND EXPENDITURES			
Budget	AMENDED	Actual	Actual Budget %
$ 7,624,096	$ -	$ 2,992,005	39.2%

STREETS FUND REVENUES			
Budget	AMENDED	Actual	Actual Budget %
$ 877,615		$ 283,969	32.4%

STREETS FUND EXPENDITURES			
Budget	AMENDED	Actual	Actual Budget %
$ 1,015,670		$ 318,814	31.4%

WATER/SEWER FUND REVENUES			
Budget	AMENDED	Actual	Actual Budget %
$ 4,447,316	$ -	$ 1,737,555	39.1%

WATER/SEWER FUND EXPENDITURES			
Budget	AMENDED	Actual	Actual Budget %
$ 4,504,700	$ -	$ 1,728,705	38.4%

STORMWATER FUND REVENUES			
Budget	AMENDED	Actual	Actual Budget %
$ 323,152	$ -	$ 110,829	34.3%

STORMWAER FUND EXPENDITURES			
Budget	AMENDED	Actual	Actual Budget %
$ 561,929	$ -	$ 51,004	9.1%

GENERAL FUND
FOR THE MONTH ENDED FEBRUARY 28, 2021
FY 2020-21 WITH PRIOR YEAR COMPARISON

41.7%

	CURRENT FISCAL YEAR							PRIOR FISCAL YEAR				
	BUDGET		ACTUAL			PROJECTED		BUDGET		FY ACTUAL		
	FY 2020-2021		M-T-D	Y-T-D	Y-T-D	FY 2020-2021		FY 2019-2020		FY 2019-2020		
REVENUES	Adopted Budget	Amended Budget	Feb-21	Feb-21	% Budget	Feb-21	% Budget	Original Budget	Amended Budget	M-T-D Feb-20	Y-T-D Feb-20	Y-T-D % Budget
Property Taxes	$ 4,629,418		$ 475,196	$ 4,603,712	99.4%	$ 1,543,139	33.3%	$ 4,210,532	$ 4,210,532	$ 294,557	$ 4,043,420	96.0%
Sales / Beverage Tax	1,438,404		199,248	492,288	34.2%	479,468	33.3%	1,402,458	1,369,909	216,187	471,646	34.4%
Grants / Contributions	65,000		-	42,747	65.8%	21,667	33.3%	85,100	147,445	929	23,583	16.0%
Licenses / Permits	191,605		30,305	124,570	65.0%	63,868	33.3%	175,070	153,360	7,341	122,659	80.0%
Fines / Fees	106,718		3,621	19,228	18.0%	35,573	33.3%	179,700	105,300	12,776	53,057	50.4%
Charge for Services	205,500		5,719	76,517	37.2%	68,500	33.3%	181,225	193,225	14,193	78,872	40.8%
Investment Earnings	24,017		149	1,011	4.2%	8,006	33.3%	24,017	24,017	4,673	16,099	67.0%
Miscellaneous Income	5,250		5,875	10,057	191.6%	1,750	33.3%	5,500	5,500	502	1,938	35.2%
Intergovernmental	647,243		49,736	207,159	32.0%	215,748	33.3%	652,475	652,475	45,664	236,412	36.2%
Surplus / Sales Rentals	1,500		-	-	0.0%	500	33.3%	3,500	3,500	-	1,013	28.9%
Total Revenues	**$ 7,314,655**	**$ -**	**$ 769,849**	**$ 5,577,289**	**76.2%**	**$ 2,438,218**	**33.3%**	**$ 6,919,577**	**$ 6,865,263**	**$ 596,822**	**$ 5,048,699**	**73.5%**
EXPENDITURES												
City Manager	$ 316,473		$ 23,789	$ 117,681	37.2%	$ 105,491	33.3%	$ 323,076	$ 323,076	$ 26,568	$ 133,077	41.2%
Mayor and City Council	140,525		(5)	14,202	10.1%	46,842	33.3%	186,444	186,444	14,344	58,174	31.2%
City Secretary	175,454		9,069	53,010	30.2%	58,485	33.3%	179,811	178,540	11,934	61,031	34.2%
Municipal Court	98,215		5,498	35,020	35.7%	32,738	33.3%	112,701	111,868	9,347	47,134	42.1%
Human Resources	125,229		9,443	45,089	36.0%	41,743	33.3%	132,128	132,129	8,613	46,627	35.3%
Finance	438,148		25,366	180,240	41.1%	146,049	33.3%	393,017	389,826	52,473	177,809	45.6%
Police	2,660,845		155,940	1,040,371	39.1%	886,948	33.3%	2,563,035	2,499,599	233,877	1,114,156	44.6%
Police SRO	178,016		11,820	62,411	35.1%	59,339	33.3%	156,513	156,513	14,125	72,887	46.6%
Fire	2,208,977		163,384	761,518	34.5%	736,326	33.3%	2,386,910	2,203,129	150,911	824,270	37.4%
Community Development	387,924		43,241	159,062	41.0%	129,308	33.3%	465,735	438,146	29,919	188,631	43.1%
Senior Citizen Center	38,376		1,701	5,705	14.9%	12,792	33.3%	63,376	63,376	6,312	22,234	35.1%
Library	275,755		22,085	95,010	34.5%	91,918	33.3%	305,042	275,895	23,990	109,635	39.7%
Non-Departmental	580,159		25,557	422,686	72.9%	193,386	33.3%	514,734	564,058	30,369	272,132	48.2%
Total Expenditures	**$ 7,624,096**	**$ -**	**$ 496,888**	**$ 2,992,005**	**39.2%**	**$ 2,541,365**	**33.3%**	**$ 7,782,522**	**$ 7,522,599**	**$ 612,782**	**$ 3,127,797**	**41.6%**
Total Revenues Over (Under) Exp	**$ (309,441)**	**$ -**	**$ 272,961**	**$ 2,585,284**		**$ (103,147)**		**$ (862,944)**	**$ (657,336)**	**$ (15,960)**	**$ 1,920,902**	
Other Financing Sources (Uses):												
Non-cash Transactions:												
Capital lease proceeds												
Capital expenditures												
Transfers In (Out):												
Net Change in Fund Balance	**$ (309,441)**			**$ 2,585,284**				**$ (862,944)**	**$ (657,336)**			
Total Unassigned Fund Balance - BOY	940,257			940,257				1,480,503	1,597,593			
Ending Fund Balance Sept. 30	**$ 630,816**			**$ 3,525,541**				**$ 617,559**	**$ 940,257**			
Less: Commitments for Specific Use				-								
Less: Assigned for Specific Use				-				-				
Ending Fund Balance - Unassigned	**$ 630,816**			**$ 3,525,541**				**$ 617,559**	**$ 940,257**			
AVERAGE DAILY EXPENDITURES	**20,888**			**8,197**				**21,322**	**20,610**			
NUMBER OF DAYS IN RESERVE	**30**			**430**				**29**	**46**			
FUND BALANCE AS A % OF EXPENDITURES	**8.3%**			**117.83%**				**7.94%**	**12.50%**			

STREETS FUND
FOR THE MONTH ENDED FEBRUARY 28, 2021
FY 2020-21 WITH PRIOR YEAR COMPARISON

41.7%

	CURRENT FISCAL YEAR							PRIOR FISCAL YEAR				
	BUDGET		ACTUAL			PROJECTED		BUDGET		FY ACTUAL		
	FY 2020-2021		M-T-D	Y-T-D	Y-T-D	FY 2020-2021		FY 2019-2020		FY 2019-2020		
REVENUES	Original Budget	Amended Budget	Feb-21	Feb-21	% Budget	Feb-21	% Budget	Original Budget	Amended Budget	M-T-D Feb-20	Y-T-D Feb-20	Y-T-D % Budget
Frachise Fees Telephone	$ 36,256		$ 74	$ 881	2.4%	$ 12,085.33	33.3%	$ 36,622	$ 36,622	$ 7,660	$ 8,657	24%
Frachise Fees Garbage	68,607		8,918	19,570		22869.00	33.3%	69,300	69,300	4,541	26,245	
Franchise Fees Gas	64,469		56,147	56,147		21489.67	33.3%	65,120	65,120	58,348	58,348	
Franchise Fees Electricity	312,427		-	72,301		104142.33	33.3%	315,583	315,583	-	78,898	
Franchise Fees Cable	53,906		1,136	1,136		17968.67	33.3%	54,450	54,450	8,774	16,642	
Franchise Fees Water Sew	311,312		25,943	129,713	41.7%	103770.67	33.3%	267,106	267,106	22,258	111,294	42%
Investment Income	6,930		5	71	1.0%	2310.00	33.3%	7,000	7,000	-	-	0%
TexDot Connecting Kennedale										432	2,357	
Misc. Income			-	310								
Admin Charge - Stormwater	19,995					6665.00	33.3%	19,995	19,995			
Park Pavilion Rental	3,663					1221.00	33.3%	3,700	3,700	180	560	15%
Ballfield Rental	50					16.67	33.3%	50	50			
Sale of Parts/Assets			-	3,840		-						
Transfer In Park Dedication						-						
Transfer In TIF Fund						-						
Transfer In Donation Fund						-						
Total Revenues	**$ 877,615**	**$ -**	**$ 92,223**	**$ 283,969**	**32.4%**	**$ 292,538**	**33.3%**	**$ 838,926**	**$ 838,926**	**$ 102,193**	**$ 303,001**	**36%**
EXPENDITURES												
Street Maintenance	$ 868,448		$ 69,008	$ 303,687	35.0%	$ 289,482.67	33.3%	$ 850,176	$ 849,397	$ 69,731	$ 299,643	35%
Park Maintenance	122,920		1,115	15,127	12.3%	40,973	33.3%	122,920	122,920	8,584	28,145	23%
Capital Projects	24,302					8,101	33.3%	79,057	79,058			
Total Expenditures	**$ 1,015,670**	**$ -**	**$ 70,123**	**$ 318,814**	**31.4%**	**$ 338,557**	**33.3%**	**$ 1,052,153**	**$ 1,051,375**	**$ 78,315**	**$ 327,788**	**31%**
Total Revenues Over (Under) Exp	**$ (138,055)**	**$ -**	**$ 22,100**	**$ (34,845)**		**$ (46,018)**		**$ (213,227)**	**$ (212,449)**	**$ 23,878**	**$ (24,787)**	
Other Funding Sources (Uses):												
Non-Cash Transactions:												
Capital Lease Proceeds	-											
Capital Expenditures	-											
Transfers In (Out):												
Debt Service Payments	-											
Net Change in Fund Balance	**$ (138,055)**	**$ -**		**$ (34,845)**				**$ (213,227)**	**$ (212,449)**			
Total Unassigned Fund Balance - BOY	341,246			341,246				345,652	553,695			
Ending Fund Balance Sept. 30	**$ 203,191**	**$ -**		**$ 306,401**				**$ 132,425**	**$ 341,246**			
Less: Commitments for Specific Use				-								
Less: Assigned for Specific Use				-								
Ending Fund Balance - Unassigned	**$ 203,191**	**$ -**		**$ 306,401**				**$ 132,425**	**$ 341,246**			
AVERAGE DAILY EXPENDITURES	**2,226**	**-**		**34**				**2,520**	**1,946**			
NUMBER OF DAYS IN RESERVE	**91**			**9,010**				**53**	**175**			
FUND BALANCE AS A % OF EXPENDITURES	**20.0%**			**96.1%**				**12.6%**	**32.5%**			

WATER & SEWER FUND
FOR THE MONTH ENDED FEBRUARY 28, 2021
FY 2020-21 WITH PRIOR YEAR COMPARISON

41.7%

	CURRENT FISCAL YEAR							PRIOR FISCAL YEAR				
	BUDGET		ACTUAL			PROJECTED		BUDGET		FY ACTUAL		
	FY 2020-2021		M-T-D	Y-T-D	Y-T-D	FY 2020-2021		FY 2019-2020		FY 2019-2020		
REVENUES	Original Budget	Amended Budget	Feb-21	Feb-21	% Budget	Feb-21	% Budget	Original Budget	Amended Budget	M-T-D Feb-20	Y-T-D Feb-20	Y-T-D % Budget
Water Service	$ 2,128,290		$ 153,664	$ 875,012	41.1%	$ 709,430.00	33.3%	$ 1,941,782	$ 1,941,782	$ 153,997	$ 812,870	42%
Sewer Service	1,700,194		128,638	677,281	39.8%	566,731	33.3%	1,669,203	1,669,203	140,109	690,282	41%
Sewer Surcharge	2,705					902	33.3%	11,978	11,978	-	1,990	17%
Penalties	13,231					4,410	33.3%	50,873	14,450	-	9,729	67%
Administrative Fees	3,762		100	559	14.9%	1,254	33.3%	15,150	4,500	-	2,680	60%
Water Tap Fees	2,856		-	4,000		952	33.3%	5,050	5,050	-	1,575	
Meter Purchase / Install	3,645		4,001	13,506		1,215	33.3%	11,933	11,933	-	546	5%
Sewer Tap Fees	1,768		425	425		589	33.3%	5,050	5,050	-	875	
Engineer Review Fees	6,120		5,752	7,752		2,040	33.3%	6,924	6,924	-	2,500	36%
Sanitation Billing Fees	15,507		2,921	4,353		5,169	33.3%	16,798	16,798	-	4,886	29%
Other Fees Water / Sewer	1,984		-	75		661	33.3%	10,423	10,423	-	1,445	14%
Sales Tax	139		12	58	41.7%	46	33.3%	101	101	11	57	56%
Arlington Operator Cost	354,500		33,018	75,470		118,167	33.3%		300,874	-	125,072	
Investment Income	19,179		65	764	4.0%	6,393	33.3%	37,814	37,814	1,756	11,894	
Miscellaneous Income	4,911		64	165		1,637	33.3%	31,718	31,718	131	47	
Cash Over/Under								-				
Sale of Parts/Assets	1,000					333	33.3%	1,010	37,750			
Transfer In - Water Impact Fund			-	-				152,524	152,525			
Transfer In - Sewer Impact Fund								60,000	35,000	63,552	63,552	
Transfer In - Roadway Impact Fund	187,525		15,627	78,135	41.7%	62,508	33.3%			25,000	25,000	
Total Revenues	**$ 4,447,316**	**$ -**	**$ 344,287**	**$ 1,737,555**	**39.1%**	**$ 1,482,439**	**33.3%**	**$ 4,028,331**	**$ 4,293,873**	**$ 384,556**	**$ 1,755,000**	**41%**
EXPENDITURES												
Utility Billing	$ 1,460,295		$ 99,181	$ 370,599	25.4%	$ 486,765.00	33.3%	$ 1,518,390	$ 1,719,049	$ 273,664	$ 758,509	44%
Operations	1,375,369		93,415	715,780	52.0%	458,456	33.3%	1,385,154	1,522,435	117,480	755,937	50%
Debt Service	358,559		330,761	330,761		119,520	33.3%	354,505	354,505	320,706	320,706	
Capital Projects	600,000		-	6,210		200,000	33.3%	415,000	415,000	-	103,042	
Non-Departmental	710,477		56,354	305,355	43.0%	236,826	33.3%	677,889	677,889	54,947	285,417	42%
Total Expenditures	**$ 4,504,700**	**$ -**	**$ 579,711**	**$ 1,728,705**	**38.4%**	**1,501,567**	**33.3%**	**$ 4,350,938**	**$ 4,688,878**	**$ 766,797**	**$ 2,223,611**	**47%**
Total Revenues Over (Under) Exp	**$ (57,384)**	**$ -**	**$ (235,424)**	**$ 8,850**		**$ (19,128)**		**$ (322,607)**	**$ (395,005)**	**$ (382,241)**	**$ (468,611)**	
Other Funding Sources (Uses):												
Debt Service - Bond Payments												
Non-Cash Transactions:												
Capital Lease Proceeds												
Capital expenditures												
Net Change in Fund Balance	**$ (57,384)**	**$ -**		**$ 8,850**				**$ (322,607)**	**$ (395,005)**			
Total Unrestricted Fund Balance - BOY	2,076,297			2,076,297				1,682,545	2,471,302			
Total Fund Balance - EOY	**$ 2,018,913**	**$ -**		**$ 2,085,147**		**$ -**		**$ 1,359,938**	**$ 2,076,297**			
Less: Commitments for Specific Use				-		-						
Less: Assigned for Specific Use				-		-		-				
Ending Fund Balance - Unrestricted	**$ 2,018,913**	**$ -**		**$ 2,085,147**		**$ -**		**$ 1,359,938**	**$ 2,076,297**			
AVERAGE DAILY EXPENDITURES	**157**	**-**		**(24)**				**884**	**1,082**			
NUMBER OF DAYS IN RESERVE	**12,842**			**(85,998)**				**1,539**	**1,919**			
FUND BALANCE AS A % OF EXPENDITURES	**44.8%**			**121%**				**31%**	**44%**			

STORMWATER FUND
FOR THE MONTH ENDED FEBRUARY 28, 2021
FY 2020-21 WITH PRIOR YEAR COMPARISON

41.7%

	CURRENT FISCAL YEAR							PRIOR FISCAL YEAR				
	BUDGET		ACTUAL			FY PROJECTED		BUDGET		FY ACTUAL		
	FY 2020-2021		M-T-D	Y-T-D	Y-T-D	FY 2020-2021		FY 2019-2020		FY 2019-2020		
REVENUES	Original Budget	Amended Budget	Feb-21	Feb-21	% Budget	Feb-21	% Budget	Original Budget	Final Budget	M-T-D Feb-20	Y-T-D Feb-20	Y-T-D % Budget
Penalties	$ 1,200					$ 400	33.3%	$ 3,200	$ 3,200	$ -	$ 402	12.6%
Grant Revenue								-		-	-	
Drainage Fees	320,952		23,187	110,713	34.5%	106,984	33.3%	297,200	265,000	19,480	103,222	39.0%
Investment Income	1,000		10	116	11.6%	333	33.3%	500	500	100	441	88.2%
Miscellaneous Income								-				
Total Revenues	**$ 323,152**	**$ -**	**$ 23,197**	**$ 110,829**	**34.3%**	**$ 107,717**	**33.3%**	**$ 300,900**	**$ 268,700**	**$ 19,580**	**$ 104,065**	**39%**
EXPENDITURES												
Stormwater Utility	561,929		$ 18,987	$ 51,004	9.1%	$ 187,310	33.3%	585,316	$ 619,316	$ 37,384	$ 59,556	9.6%
Total Expenditures	**$ 561,929**	**$ -**	**$ 18,987**	**$ 51,004**	**9.1%**	**$ 187,310**	**33.3%**	**$ 585,316**	**$ 619,316**	**$ 37,384**	**$ 59,556**	**10%**
Total Revenues Over (Under) Exp	**$ (238,777)**	**$ -**	**$ 4,210**	**$ 59,825**		**$ (79,592)**		**$ (284,416)**	**$ (350,616)**	**$ (17,804)**	**$ 44,509**	
Other Financing Sources (Uses):												
Capital Grant Contributions	-	-	-	-				-	-	-	-	
Net Change in Fund Balance	**$ (238,777)**	**$ -**		**$ 59,825**				**$ (284,416)**	**$ (350,616)**			
Total Unrestricted Fund Balance - BOY	(151,838)			(151,838)					$ 198,778			
Total Fund Balance - EOY	**$ (390,615)**	**$ -**		**$ (92,013)**					**$ (151,838)**			
Less: Commitments for Specific Use	-	-		-		-		-	-			
Ending Fund Balance - Unrestricted	**$ (390,615)**	**$ -**		**$ (92,013)**				**$ -**	**$ (151,838)**			

OTHER FUNDS: MONTHLY FINANCIALS
FOR THE MONTH ENDED FEBRUARY 28, 2021

FUND	FUND NAME	BUDGET Revenues	BUDGET Expenditures	BUDGET Change in Fund Balances	BUDGET Fund Balance Beginning of Year	BUDGET Fund Balance End of Year	Y-T-D ACTUAL Revenues	% Budget	Expenditures	% Budget	Change in Fund Balances	Fund Balance Beginning of Year	Y-T-D Fund Balance Projection
	DEBT SERVICE FUND												
2	Debt Service Fund	$ 1,644,815	$ 1,538,873	$ 105,942	$ 573,006	$ 678,948	$ 1,511,756	92%	$ 1,465,662	95%	$ 46,094	$ 573,006	$ 619,100
	OTHER GENERAL FUNDS												
5	Capital Replacement Fund	$ 98,402	$ 180,414	$ (82,012)	$ 150,817	$ 68,805	$ 3,632	4%	$ 63,406	35%	$ (59,774)	$ 150,817	$ 91,043
12	Court Security Fund	2,300	-	2,300	23,864	26,164	443	19%	-	0%	443	23,864	24,307
16	Court Technology Fund	1,320	875	445	15,886	16,331	412	31%	-	0%	412	15,886	16,298
18	Juvenile Case Manager Fund	2,150	-	2,150	(10,367)	(8,217)	186	9%	-	0%	186	(10,367)	(10,181)
21	TIF 1 (New Hope Rd) Fund	162,734	-	162,734	(393,825)	(231,091)	109	0%	-	0%	109	(393,825)	(393,716)
34	Leose Fund	1,740	1,650	90	2,012	2,102	70	4%	-		70	2,012	2,082
83	Tree Reforestation Fund	500	-	500	70,923	71,423	25	5%	-	35%	25	70,923	70,948
		$ 269,146	$ 182,939	$ 86,207	$ (140,690)	$ (54,483)	$ 4,877		$ 63,406		$ (58,529)	$ (140,690)	$ (199,219)
	CAPITAL FUNDS												
4	Capital Projects Fund	$ 83,250	$ 103,157	$ (19,907)	$ (58,700)	$ (78,607)	$ 30,271	36%	$ -	0%	$ 30,271	$ (58,700)	$ (28,429)
13	Capital Bond Fund	6,008,000	2,991,176	3,016,824	1,187,265	4,204,089	824	0%	17,218	1%	(16,394)	1,187,265	$ 1,170,871
14	Park Dedication Fund	800	170	630	54,885	55,515	136,594	17074%	280	165%	136,314	54,885	$ 191,199
32	Library Building Fund	160	-	160	(2,489)	(2,329)	159	99%	-		159	(2,489)	$ (2,330)
45	Roadway Impact Fee Fund	15,000	197,525	(182,525)	489,910	307,385	178,657	1191%	94,239	48%	84,418	489,910	$ 574,328
61	Water Impact Fee Fund	54,238	-	54,238	(165,667)	(111,429)	63,911	1	-		63,911	(165,667)	(101,756)
62	Sewer Impact Fee Fund	18,505	-	18,505	20,306	38,811	33,844	183%	-		33,844	20,306	54,150
		$ 6,179,953	$ 3,292,028	$ 2,887,925	$ 1,525,510	$ 4,413,435	$ 444,260		$ 111,737		$ 13,877	$ 1,128,565	$ 1,142,442
	EDC 4B FUNDS												
15	EDC 4B Fund	$ 723,940	$ 607,014	$ 116,926	$ 770,219	$ 887,145	$ 274,495	38%	$ 271,147	45%	$ 3,348	$ 770,219	$ 773,567
		$ 723,940	$ 607,014	$ 116,926	$ 770,219	$ 887,145	$ 274,495		$ 271,147		$ 3,348	$ 770,219	$ 773,567
	SPECIAL REVENUE FUNDS												
30	Hotel/Motel Tax Fund	$ 5,050	$ -	$ -	$ 5,927	$ 5,927	$ 4		$ -		$ 4	$ 5,927	$ 5,931
35	Disaster Recovery Fund	-	-	-	-	-	70		75,776		$ -	$ -	$ -
		5,050	-	-	5,927	5,927	74		75,776		4		$ 5,931

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STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: MARCH 16, 2021

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

SUBJECT
Approval of the minutes from the February 16, 2021 regular meeting

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

SUMMARY
Please see the attached minutes for your approval.

RECOMMENDATION
Approve

ATTACHMENTS

1.	2021_02.16 City Council Regular Meeting_DRAFT Minutes	2021_02.16 City Council Regular Meeting_DRAFT Minutes.pdf

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KENNEDALE CITY COUNCIL MINUTES

REGULAR MEETING VIA VIDEOCONFERENCE
FEBRUARY 16, 2021 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., noting that all Councilmembers were present, and that the Work Session would be postponed due to the current rolling blackouts related to the inclement weather.

II. WORK SESSION

A. WORK SESSION REPORTS

1. Receive a report, hold a discussion, and provide staff direction regarding capital projects to submit to Tarrant County for inclusion in a proposed County bond authorization election in November, 2021 and/or to include in a local bond election in November, 2021 and/or to fund through the issuance of Certificates of Obligation

   There was no discussion at this time.

B. REQUESTS FOR CLARIFICATION OF ITEMS LISTED ON THE AGENDA

III. EXECUTIVE SESSION

IV. REGULAR SESSION

A. ROLL CALL

Participating via VideoConference: Mayor Brian Johnson; Josh Altom, Place 1; Gary Mitchell, Place 2; Linda Rhodes, Place 4; Mayor Pro Tem Chad Wandel, Place 5; **Absent:** NONE (Note: Place 3 is Vacant at this time). ***Staff Participating via VideoConference:*** *City Manager George Campbell, City Attorney Drew Larkin, City Secretary and Communications Coordinator Leslie E. Galloway, Director of Finance and Information Technology Lakeita Sutton, Fire Chief James Brown, Police Chief Tommy Williams, Director of Planning and Economic Development Melissa Dailey*

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

C. VISITOR AND CITIZEN FORUM

D. REPORTS AND ANNOUNCEMENTS

1. Updates from the City Council

There was no discussion at this time.

2. Updates from the Mayor

   There was no discussion at this time.

3. Updates from the City Manager
   George Campbell stated that power had been restored to many neighborhoods but that there were still known issues; that trash and recycling service was not likely to be possible this week; that the Community Center would be open overnight for warming or charging purposes; and that weather-related updates would continue to be posted to the website and social media.

4. Financial Reports for the City

   There was no discussion at this time.

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

   There was no discussion at this time.

E. <u>CONSENT AGENDA</u>

1. Approval of the minutes from the January 19, 2021 regular meeting

   Motion To Approve. **Action** Approve the Consent Agenda, with a correction to these minutes of the last name Warn being corrected to Ward on page 5, **Moved By** Rhodes, **Seconded By** Mayor Pro Tem Wandel. **Motion passes unanimously.**

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

G. <u>PUBLIC HEARINGS</u>

1. **CASE #PZ 21-03** — Conduct a public hearing and consider an Ordinance, regarding a request by Mark Watson for a rezoning from "R3" Residential to "C-2" Commercial for approximately 4 acres located at 731 E Kennedale Parkway, Lot 15 (Bal 15), 15A, 16 (Bal 16), 16C and 16D, CA Boaz J B Renfro Subdivision, City of Kennedale, Tarrant County, Texas

   Mayor Johnson noted that with rolling blackouts, there may be people wishing to speak that would not be able to access the meeting, and that he would entertain motions to postpone this item and item IV.G.2. until the next Council meeting.

   Mayor Johnson opened the public hearing at 5:35 p.m.

   Motion To Postpone. **Action** Postpone until the next scheduled Council meeting CASE #PZ 21-03 — Conduct a public hearing and consider an Ordinance, regarding a request by Mark Watson for a rezoning from "R3" Residential to "C-2" Commercial for approximately 4 acres located at 731 E Kennedale Parkway, Lot 15 (Bal 15), 15A, 16 (Bal 16), 16C and 16D, CA Boaz J B Renfro Subdivision, City of Kennedale, Tarrant County, Texas, **Moved By** Mayor Pro Tem Wandel, **Seconded By** Rhodes. **Motion passes unanimously.**

2. **CASE #PZ 21-04** — Conduct a public hearing and consider a request by Steve Smitherman for a replat of 421 W 5th Street, Lot 5 and part of closed alley and street, and 425 W 5th Street, Lots 6 through 10 and E 18' of 11, 1980 Oakmont 14x16 ID#, City of Kennedale Addition, City of Kennedale, Tarrant County, Texas

   Mayor Johnson opened the public hearing at 5:37 p.m.

   Motion To Postpone. **Action** Postpone until the next scheduled Council meeting CASE #PZ 21-04 — Conduct a public hearing and consider a request by Steve Smitherman for a replat of 421 W 5th Street, Lot 5 and part of closed alley and street, and 425 W 5th Street, Lots 6 through 10 and E 18' of 11, 1980 Oakmont 14x16 ID#, City of Kennedale Addition, City of Kennedale, Tarrant County, Texas, **Moved By** Mayor Pro Tem Wandel, **Seconded By** Altom. **Motion passes unanimously.**

H. <u>TAKE ACTION NECESSARY, PURSUANT TO EXECUTIVE SESSION, IF NEEDED</u>

V. ADJOURNMENT

Mayor Johnson asked the Council to send any questions regarding the Work Session item to staff before the next meeting.

Motion To Adjourn. **Action** Adjourn, **Moved By** Rhodes, **Seconded By** Mayor Pro Tem Wandel. **Motion passes unanimously.**

Mayor Johnson and Josh Altom thanked everyone for their help during the current winter storms before the Mayor adjourned the meeting at 5:40 p.m.

APPROVED: **ATTEST:**

BRIAN JOHNSON, MAYOR *LESLIE E. GALLOWAY, CITY SECRETARY*

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STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: MARCH 16, 2021

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

SUBJECT
Approval of the minutes from the February 23, 2021 special meeting

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

SUMMARY
Please see the attached minutes for your approval.

RECOMMENDATION
Approve

ATTACHMENTS

1.	2021_02.23 City Council Special Meeting _ DRAFT Minutes	2021_02.23 City Council Special Meeting _ DRAFT Minutes.pdf

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KENNEDALE CITY COUNCIL MINUTES

SPECIAL MEETING VIA VIDEOCONFERENCE
FEBRUARY 23, 2021 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. and immediately opened the Regular Session.

II. WORK SESSION

Mayor Pro Tem Wandel opened the Work Session at 6:20 p.m. (following conclusion of the Regular Session and the departure of Mayor Johnson from the meeting).

A. <u>WORK SESSION REPORTS</u>

1. Receive a report, hold a discussion, and provide staff direction regarding capital projects to submit to Tarrant County for inclusion in a proposed County bond authorization election in November, 2021 and/or to include in a local bond election in November, 2021 and/or to fund through the issuance of Certificates of Obligation

THIS ITEM WAS TAKEN OUT OF ORDER. IT WAS PRESENTED AFTER ITEM IV.G.2.

City Manager George Campbell stated that Tarrant County intends to call a bond election for November 2021, noting that Council had expressed interest in a local bond election as well, primarily to fund a public safety facility. He added that a resolution would need to be approved during the March 16, 2021 regular meeting to meet application deadlines regarding the County's Call for Projects.

Director of Finance and Information Technology Lakeita Sutton gave a presentation including project pricing updates since the last presentation to Council (during the May 19, 2020 Work Session) and offering staff recommendations for which projects might be funded via the County bond program, a potential local bond program, issuance of Certificates of Obligation (CO), and/or a combination of these and other sources.

There was some discussion of the need to replace the fire engine and the ambulance, life expectancy of such apparatuses, timelines for having these vehicles custom built, and current maintenance costs on the frontline and reserve vehicles. At this time, it was the consensus of the Council to prioritize the purchase of both a fire engine and an ambulance in the CO issuance tentatively scheduled for August 2021, and to authorize staff to move forward with the preliminary work necessary to order these items.

There was further discussion regarding the timeline and process associated with submission of projects for consideration to be included in the County bond program and the reasoning behind various funding recommendations by staff.

Councilmembers Gary Mitchell and Josh Altom requested to meet with staff individually to further discuss these projects prior to the March 16, 2021 meeting and expressed interest in scheduling a Work Session as well. Campbell stated that such meetings would be coordinated by staff, noting that staff would be available to meet with other Councilmembers individually as well.

Councilmember Linda Rhodes and Mayor Pro Tem Chad Wandel each stated a desire to see Collett Sublett Road funded via CO issuance to ensure its completion.

B. REQUESTS FOR CLARIFICATION OF ITEMS LISTED ON THE AGENDA

There was no discussion at this time.

III. EXECUTIVE SESSION

THE COUNCIL DID NOT RECESS TO EXECUTIVE SESSION DURING THIS MEETING.

IV. REGULAR SESSION

THE REGULAR SESSION WAS HELD BEFORE THE WORK SESSION.

A. ROLL CALL

Participating via VideoConference: Mayor Brian Johnson *(left at 6:20 p.m.)*; Josh Altom, Place 1 *(arrived at 5:35 p.m.);* Gary Mitchell, Place 2; Linda Rhodes, Place 4; Mayor Pro Tem Chad Wandel, Place 5; **Absent:** NONE (Note: Place 3 is Vacant at this time). ***Staff Participating via VideoConference:*** *City Manager George Campbell, City Attorney Drew Larkin, City Secretary and Communications Coordinator Leslie E. Galloway, Director of Finance and Information Technology Lakeita Sutton, Public Works Director Larry Hoover, 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*

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

- **Gary Mitchell**, *Place 2*, had no updates at this time.
- **Mayor Pro Tem Chad Wandel**, *Place 5*, thanked Councilmember Gary Mitchell, Mark Ewing, Gerald Kern, Sara Cotton, Laurie Sanders, Jan Joplin, Tamiko Sargent, and others in the community for all their help during the recent inclement weather.
- **Linda Rhodes**, *Place 4*, announced that envelopes would no longer be included with utility invoices; and recommended that everyone ensure that their preferred mailing address transferred to the City of Arlington system.
- **Josh Altom**, *Place 1*, did not arrive until 5:35 p.m.

2. Updates from the Mayor

Mayor Brian Johnson thanked Councilmember Gary Mitchell, Mayor Pro Tem Chad

Wandel, Jan Joplin, KISD Superintendent Chad Gee, the police and fire departments, and library staff for their work during the inclement weather, including warming centers.

3. Updates from the City Manager
   City Manager George Campbell announced that the utility billing transfer to Arlington Water Utilities (AWU) went well with very few known errors; that trash service was not possible for the past two weeks and that service might only occur once this week as Waste Connections continued to try to catch up with the increased volume.

4. Financial Reports for the City

   Finance Director Lakeita Sutton stated that CARES funding had been exhausted and that staff expected all reimbursement requests to be approved by Tarrant County noting that, if there were any changes, the Council would be updated.

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

   There was no discussion at this time.

E. <u>CONSENT AGENDA</u>

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

G. <u>PUBLIC HEARINGS</u>

1. **CASE #PZ 21-03** — Conduct a public hearing and consider an Ordinance, regarding a request by Mark Watson for a rezoning from "R3" Residential to "C-2" Commercial for approximately 4 acres located at 731 E Kennedale Parkway, Lot 15 (Bal 15), 15A, 16 (Bal 16), 16C and 16D, CA Boaz J B Renfro Subdivision, City of Kennedale, Tarrant County, Texas

   Director of Planning and Economic Development Melissa Dailey gave an overview of the surrounding uses, current zoning and land use, the property's designation in the Future Land Use Plan, and the general requirements of the requested zoning as well as the requirements attached to the special exception issued by the Board of Adjustment (BOA) during their February 9, 2021 meeting. Dailey then gave a brief overview of R.E. Watson's history, noting that staff recommended approval.

   There was some discussion of the abutting roadways, vehicular access points, setbacks, landscaping, parking, types and volume of traffic expected, architectural requirements included in the special exception, elevation compared to surrounding neighborhoods, nuisance mitigation, ad valorem revenue, employment data, and the recommendation for denial by the Planning and Zoning (P&Z) Commission.

   Owner Mark Watson gave a brief introduction of himself and his business and was present to answer questions from the Council.

   Mayor Johnson reopened the Public Hearing (which was continued from the meeting held at 5:30 p.m. on February 16, 2021) at 5:55 p.m.

   - **Chance Wells**, *704 Mansfield Cardinal Road*, spoke in opposition.
   - **Rockie Gilley,** *220 S Dick Price Road,* submitted a question regarding ingress

and egress via chat.

Mayor Johnson, after asking if there were any other persons wishing to speak on this case, closed this hearing at 5:58 p.m.

Councilmember Josh Altom stated that he lived in an adjacent neighborhood and presented several photos of the surrounding areas noting his concerns about how this project might affect nearby home values. He added that he did not believe that this request was consistent with the Master Plan.

Dailey noted that staff had received two letters from residents that were not included in the Council's packet, both of which were in opposition.

In response to a question from Councilmember Rhodes, Dailey offered an elevation map and stated that the concerns discussed during the P&Z meeting were proximity to residential development and elevation differences allowing for uninterrupted sightlines. Dailey confirmed that the special exception granted by BOA is attached to the property rather than the applicant or proposed site plan.

City Attorney Drew Larkin reminded the Council that this was, technically, a straight zoning case despite the existence of a potential user.

There was then brief discussion of potential right of way needs, screening requirements along Kennedale Parkway, dimensions of the proposed building, and fire access.

Motion To Deny. **Moved By** Altom. **Motion dies for lack of a second.**

Motion To Approve. **Action** Approve an Ordinance, regarding a request by Mark Watson for a rezoning from "R3" Residential to "C-2" Commercial for approximately 4 acres located at 731 E Kennedale Parkway, Lot 15 (Bal 15), 15A, 16 (Bal 16), 16C and 16D, CA Boaz J B Renfro Subdivision, City of Kennedale, Tarrant County, Texas, **Moved By** Mitchell, **Seconded By** Mayor Pro Tem Wandel. **Motion passes 3-1, with Altom voting against.**

2. **CASE #PZ 21-04** — Conduct a public hearing and consider a request by Steve Smitherman for a replat of 421 W 5th Street, Lot 5 and part of closed alley and street, and 425 W 5th Street, Lots 6 through 10 and E 18' of 11, 1980 Oakmont 14x16 ID#, City of Kennedale Addition, City of Kennedale, Tarrant County, Texas

   Director of Planning and Economic Development Melissa Dailey stated that, if approved, this would allow for the combining of two existing lots into a single plat, noting that it would meet the OT standards and that staff recommended approval.

   Mayor Johnson reopened the Public Hearing (which was continued from the meeting held at 5:30 p.m. on February 16, 2021) at 6:17 p.m.

   There were no requests to speak at this time.

   Mayor Johnson closed this hearing at 6:18 p.m.

   Motion To Approve. **Action** Approve a request by Steve Smitherman for a replat of 421 W 5th Street, Lot 5 and part of closed alley and street, and 425 W 5th Street, Lots 6 through 10 and E 18' of 11, 1980 Oakmont 14x16 ID#, City of Kennedale Addition, City of

Kennedale, Tarrant County, Texas, **Moved By** Rhodes, **Seconded By** Mitchell. **Motion passes unanimously.**

FOLLOWING THIS ITEM, MAYOR JOHNSON LEFT THE MEETING AND MAYOR PRO TEM WANDEL PRESIDED DURING COUNCIL'S DISCUSSION AND CONSIDERATION OF THE REMAINING ITEMS (THOSE LISTED UNDER THE WORK SESSION (II.A.1. AND II.B.)) BEFORE ADJOURNING.

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

There was neither action nor discussion at this time.

V. ADJOURNMENT

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

Mayor Pro Tem Wandel adjourned the meeting at 7:03 p.m.

APPROVED:

BRIAN JOHNSON, MAYOR

ATTEST:

LESLIE E. GALLOWAY, CITY SECRETARY

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STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: MARCH 16, 2021

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

SUBJECT
Approval of the minutes from the March 9, 2021 special meeting

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

SUMMARY
Please see the attached minutes for your approval.

RECOMMENDATION
Approve

ATTACHMENTS

1.	2021_03.09 City Council Special Meeting - DRAFT minutes	2021_03.09 City Council Special Meeting - DRAFT minutes.pdf

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KENNEDALE CITY COUNCIL MINUTES

SPECIAL MEETING VIA VIDEOCONFERENCE
MARCH 9, 2021 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. ROLL CALL

Participating via VideoConference: Mayor Brian Johnson; Josh Altom, Place 1); Gary Mitchell, Place 2; Linda Rhodes, Place 4; Mayor Pro Tem Chad Wandel, Place 5; **Absent:** NONE (Note: Place 3 is Vacant at this time). ***Staff Participating via VideoConference:*** *City Manager George Campbell, City Secretary and Communications Coordinator Leslie E. Galloway, Director of Finance and Information Technology Lakeita Sutton, Public Works Director Larry Hoover, Fire Chief James Brown, Police Chief Tommy Williams, Director of Human Resources and Administrative Services Danielle Clarke*

III. WORK SESSION

A. Continued discussion and consider providing staff direction regarding capital projects to submit to Tarrant County for inclusion in a proposed County bond authorization election in November, 2021 and/or to include in a local bond election in November, 2021 and/or to fund through the issuance of Certificates of Obligation

Mayor Johnson noted that the purpose of this discussion was to identify projects to submit for potential inclusion in the Tarrant County transportation bond program and that future discussions could include the potential for a local bond package.

City Manager George Campbell concurred, noting that since the February 23 Work Session, staff had met with Councilmembers Altom and Mitchell and were now seeking Council direction regarding which projects should be submitted to the County for their bond program.

Campbell stated that staff was now recommending four projects: the extension of Little School Road (including a bridge over the railroad tracks) to tie into New Hope Road and eventually Linda Road and Dick Price Road; the realignment of Kennedale-Sublett Road; Collett Sublett Road improvements from Swiney Hiett to the Magnolia Hills subdivision; and Valley Lane erosion mitigation. He added that Councilmembers Mitchell and Altom had requested this meeting to determine if there was a consensus among the Council for these four recommended projects and that staff was available to answer any questions.

Regarding the Little School Road extension, there was discussion of the railroad crossing causing traffic delays, how this affects emergency response times, potential design of the extension, and eventual connection to the planned local portion of the regional veloweb

At this time, there was a consensus among Council to submit the extension of Little School Road to Tarrant County for consideration for inclusion in their November 2021 bond package.

Regarding the realignment of Kennedale-Sublett Road, there was discussion of this project's inclusion for many years in the master thoroughfare plan, the increased safety offered by a 90-degree intersection, TxDOT requirements for distancing between signaled and non-signaled intersections, impact fees received from the adjacent Hammack Creek development, funding options for the City's required matching funds, the five-year project window attached to the bond package, the lack of any technical design for this project at this time, various options for the rerouting of the road, how this might impact the City's cooperation with NCTCOG to redesign

Kennedale Parkway as a complete street, and current traffic issues at the intersection with Kennedale Parkway – especially related to school drop-off and dismissal times.

Mayor Johnson requested that during the March 16, 2021 regular meeting that staff provide a cost breakdown for these four projects to show what portion is roadway versus water, sewer, sidewalk, and other items.

At this time, there was not a consensus among Council regarding submission of the Kennedale-Sublett realignment project to Tarrant County for consideration for inclusion in their November 2021 bond package.

Regarding Collett Sublett Road, there was discussion of the desire to see this street design similar to the nearby Magnolia Hills subdivision, how this project would improve traffic flow, impact fees from Magnolia Hills, and funding options for the City's match.

At this time, there was a consensus among Council to submit the Collett Sublett Road project to Tarrant County for consideration for inclusion in their November 2021 bond package.

Regarding erosion mitigation on Valley Lane, there was a discussion of an existing concept design by Halff for gabion walls to support the roadbed as well as a main sewer line and some water lines, the critical condition of this roadway, incongruent sewer line sizing in the area, and the ultimate need for two access points to this area (i.e., the need to address Trent Street as well).

At this time, there was a consensus among Council to submit the erosion mitigation on Valley Lane project to Tarrant County for consideration for inclusion in their November 2021 bond package.

In response to a question from Councilmember Altom, Public Works Director Larry Hoover stated that Peggy Lane, New Hope Road, and Trent Street were also on the original list of critical roadway needs.

There was brief discussion of funding options for these three additional projects as well as the realignment of Oak Crest Drive E (at Kennedale Parkway) to Gilman Road, the criteria that the County might use to evaluate bond projects, and the County's desire for submitted projects to be shovel-ready within five years.

IV. EXECUTIVE SESSION

THE COUNCIL DID NOT RECESS INTO CLOSED SESSION DURING THIS MEETING.

V. ADJOURNMENT

Mayor Brian Johnson adjourned the meeting at 6:33 p.m.

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

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STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: MARCH 16, 2021

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

SUBJECT
Approval of a Resolution, supporting a grant application for police traffic data and enforcement system

ORIGINATED BY
Tommy Williams, Police Chief

SUMMARY
The Police Department is requesting a resolution of support related to a grant application to the Criminal Justice Division of the Governor's Office for FY21-22. Grant # 4259501, if awarded, would provide for the purchase six (6) pole-mounted radar signs (including installation hardware) to be used for traffic studies and enforcement in high traffic areas. The grant would also provide for the purchase of two (2) LIDAR, or laser, hand held units to be used for traffic enforcement.

There would be no matching funds required of the City.

RECOMMENDATION
Approve

ATTACHMENTS

1.	R580 PD Grant Resolution - Traffic Data and Enforcement	R580 PD Grant Resolution - Traffic Data and Enforcement.pdf

RESOLUTION NO. 580

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KENNEDALE, TEXAS, DESIGNATING AN AUTHORIZED OFFICIAL AS RESPONSIBLE FOR COORDINATION WITH THE CRIMINAL JUSTICE DIVISION OF THE STATE OF TEXAS FOR THE PURPOSE OF PARTICIPATION IN A GRANT FOR A TRAFFIC DATA AND ENFORCEMENT (GRANT APPLICATION CONFIRMATION NUMBER 4259501); AND CERTIFYING THAT THE CITY OF KENNEDALE IS ELIGIBLE TO RECEIVE PROGRAM ASSISTANCE.

WHEREAS, The City Council of the City of Kennedale, Texas, finds it in the best interest of the citizens of Kennedale that a **TRAFFIC DATA AND ENFORCEMENT** system be operated for FY2021-22; and

WHEREAS, the City Council of the City of Kennedale agrees that in the event of loss or misuse of the Criminal Justice Division funds, the City Council of the City of Kennedale assures that the funds will be returned to the Criminal Justice Division in full; and

WHEREAS, the City Council of the City of Kennedale designates City Manager George Campbell as the grantee's authorized official, with the power to apply for, accept, reject, alter, or terminate the grant on behalf of the applicant agency.

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

The City Council of Kennedale, Texas approves submission of the grant application for the Traffic Data and Enforcement system to the Office of the Governor, Criminal Justice Division (Grant Application Confirmation Number: 4259501).

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF KENNEDALE ON THE 16TH DAY OF MARCH 2021.

APPROVED:

____

MAYOR, BRIAN JOHNSON

ATTEST:

____

CITY SECRETARY, LESLIE E. GALLOWAY

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STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: MARCH 16, 2021

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

SUBJECT
Appoint Lakeita Sutton (voting member) and Dennis Brown (alternate) to the Fort Worth Wholesale Water and Wastewater Advisory Committee

ORIGINATED BY
Lakeita Sutton, Director of Finance and Information Technology

SUMMARY
As a part of the Wholesale Water and Wholesale Wastewater Contracts with the City of Fort Worth, the City of Kennedale appoints a member of staff to serve on the Wholesale Water and Wastewater Customer Advisory Committee with the City of Fort Worth.

The committee meets annually to discuss annual rate updates to the customer cities. Additionally, the committee meets quarterly to discuss Fort Worth water operations and potential impacts on customer cities. Historically, the voting member has been the Finance Director and the alternate member has been a member of the water operations staff.

Currently, Lakeita Sutton serves as the voting member and Dennis Brown serves as the alternate. Approval of this item would re-appoint them both.

RECOMMENDATION
Approval of the Consent Agenda by Council would include approval of the appointment of Finance Director Lakeita Sutton as the voting member and Stormwater and Facilities Maintenance Manager Dennis Brown as the alternate to the Fort Worth Wholesale Water and Wastewater Advisory Committee.

ATTACHMENTS

1.	OfficialAppointmentsForm-FY2021-fillable	OfficialAppointmentsForm-FY2021-fillable.pdf

405 Municipal Drive, Kennedale, TX 76060 | Telephone: 817-985-2100 | Fax: 817-478-7169

FORT WORTH®

APPOINTMENT FORM
Wholesale Water and Wastewater Customer Advisory Committee

DATE: 03.16.2021

WHOLESALE CUSTOMER: CITY OF KENNEDALE

Check all that apply: ■ Water ☐ Wastewater

The following individuals have been officially appointed by the **CUSTOMER's GOVERNING BODY**, under the terms of the Wholesale Contract for Services as the **VOTING MEMBER** and **ALTERNATE** for the Water and/or Wastewater System Advisory Committee. The term is for the Fiscal Year beginning October 1, 2020 through September 30, 2021.

Voting Member:	**Alternate Member**
LAKEITA SUTTON	DENNIS BROWN
Name	Name
FINANCE DIRECTOR	Stormwater and Facilities Maintenance Manager
Title	Title
817-985-2110	817-985-2170
Office Phone	Office Phone
Cell Phone	Cell Phone
lsutton@cityofkennedale.com	dbrown@cityofkennedale.com
Email Address	Email Address
Mailing Address:	Mailing Address:
405 MUNICIPAL DRIVE	405 MUNICIPAL DRIVE
KENNEDALE, TX 76060	KENNEDALE, TX 76060

Signature of Mayor/Board President

Official Seal

Please complete and return as soon as possible, but no later than December 31, 2020 to: WaterWholesale@fortworthtexas.gov

or

City of Fort Worth Water Utility
Billing Section/Wholesale
P. O. Box 870
Fort Worth, Texas 76101

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STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: MARCH 16, 2021

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

SUBJECT
Consider acceptance of independent auditor's report (Comprehensive Annual Financial Report (CAFR)) for the fiscal year ended September 30, 2020

ORIGINATED BY
Lakeita Sutton, Director of Finance and Information Technology

SUMMARY
All relevant information and/or attachments are provided on the related Work Session item on this agenda (Item II.A.1.).

RECOMMENDATION
Approve

ATTACHMENTS

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STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: MARCH 16, 2021

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

SUBJECT
Consider approval of a Resolution identifying and supporting capital transportation projects to be submitted by the City of Kennedale to Tarrant County for consideration of inclusion in a Tarrant County Bond Program expected to be presented to voters at an election in November 2021, certifying funding for the City's participation in such projects, and certifying time for commencement of construction

ORIGINATED BY
George Campbell, City Manager

SUMMARY
Attached to this item are a letter (dated January 28, 2020) from Tarrant County announcing the call for projects related to the transportation bond program and a resolution including those four projects proposed by staff during the March 9 special meeting for submission for consideration under this program. Other information and attachments related to this item are included on Work Session item II.A.2.

As indicated in the attached letter, the deadline for submission of projects (and other related items including this Resolution) is Friday, April 16, 2021 at 5:00 p.m.

Council discussion and direction are appreciated. Staff will be available to answer any questions.

RECOMMENDATION
Approve

ATTACHMENTS

1.	2021_01.28 Transportation Bond Program Letter 031021	2021_01.28 Transportation Bond Program Letter 031021.pdf
2.	R581 Tarrant County Transportation Bond Projects	R581 Tarrant County Transportation Bond Projects.pdf

FEB 05 2021

TARRANT COUNTY
COMMISSIONERS COURT

G. K. MAENIUS
COUNTY ADMINISTRATOR

January 28, 2021

Tarrant County Mayors

Re: Tarrant County 2021 Transportation Bond Program – Call For Projects

Dear Mayor:

As our region continues to experience tremendous growth, we recognize the important role a dependable and efficient transportation system plays in the preservation of economic vitality and goods movement. In 2006, voters approved a $200 million Transportation Bond Program that funded much needed improvements to many of the arterials and highways that traverse our municipalities. Since 2006, however, Tarrant County has become one of the fastest growing counties in the nation, resulting in an increased demand on our transportation system. In response to this challenge, the Tarrant County Commissioners Court (the Court) is developing a new Transportation Bond Program (Program) for voter approval in November of this year. The attached 2021 Transportation Bond Program Policy (Bond Policy), approved by the Court on January 19, 2021, provides additional information about this Program.

The Tarrant County Commissioners Court invites your municipality to submit to the County any projects that meet the requirements of the Bond Policy's Call for Projects category. In order for projects to be selected for funding in this Program, the submitting agency must certify that its required fifty percent (50%) funding share is identified and available and that construction can begin within five (5) years from the date the Program is approved by voters. Please review this policy carefully when considering projects for submittal through the Call for Projects. Project submittals must be no more than ten (10) pages in length and include the following information:

1. Letter of Request from the City's Mayor;
2. City Resolution by the governing body supporting the project(s) submittal;
3. Identification of each project's cost estimate and funding sources;
4. Detailed description of each project, including concept drawings or preliminary schematics;
5. If the project is included in a local planning document (e.g. Master Thoroughfare Plan), please identify the plan and the date of its adoption by the submitting agency.

Please email each project submittal to tc-transportation@tarrantcounty.com by 5:00 p.m. Central Time on Friday, April 16, 2021. Staff from our Transportation Services Department will review the submittals and reach out to your staff should additional information be required. If you have any questions related to the submittal process, please contact Jessica Phillips at 817-884-1250.

As our County continues to grow, the Commissioners Court remains committed to meeting the challenges to our transportation system through strategic cooperation with our municipal and regional stakeholders. Please contact Mike Galizio, Planning Manager, at 817-884-1653 or Randy Skinner, Director of Transportation Services, should you have any questions about this Program.

Thank you for your interest in this strategic partnership opportunity.

Sincerely,

G.K. Maenius

Cc: Tarrant County Commissioners Court Members
Michael Morris, Director of Transportation, NCTCOG
Carl Johnson, District Engineer, TxDOT
Randall Skinner, Director of Transportation Services

TARRANT COUNTY 2021 TRANSPORTATION BOND PROGRAM POLICY

Tarrant County continues to experience significant population growth, placing demands on the current transportation system. As the County continues to grow to an estimated 3 million residents by 2045, it will require a maturing local arterial system that connects to expanded highways designed to facilitate the efficient movement of goods and people. Transportation improvements of this nature have typically been funded through municipal bond Programs, cash-on-hand capital improvement programs or the distribution of state and federal dollars. Unfortunately, these funds do not meet the growing need for transportation improvements countywide.

In 2006, residents of Tarrant County overwhelmingly approved a $200 million Transportation Bond Program to fund approximately 120 road improvement projects across the county. Many of these projects resulted in roadway expansions and intersection improvements that decreased commuting times while addressing safety concerns. The addition of turn lanes at intersections reduced traffic queues, resulting in positive impacts to air quality. However, since 2006, population increases and strong economic development within Tarrant County have once again highlighted the need for further improvements to our transportation system. These improvements, including, but not limited to, congestion mitigation, safety enhancements and system connectivity, will be critical to ensuring a safe and reliable roadway network.

In recent years, improvements to the Interstate Highways within the County have provided much-needed additional capacity designed to improve traffic flow. Some of these improvements were funded through public-private partnerships with TxDOT and the federal government. However, in order for mobility to reach its potential, the supporting thoroughfare system must be improved. Many of the major thoroughfares and local arterials in need of expansion and upgrades are located within municipalities that face limited funding options for transportation improvements.

For these reasons, the Tarrant County Commissioners Court ("Commissioners Court") supports the development of a new Transportation Bond Program ("Program") designed to meet the critical transportation infrastructure needs across Tarrant County through the shared financing of strategically significant transportation projects. The Commissioners Court recommends that this Program consist of the following five elements:

I. PROGRAM GOALS

With voter approval, Tarrant County will implement a Program aimed at increasing mobility, reducing congestion, enhancing safety and improving connectivity. On March 7, 2006, the Tarrant County Commissioners Court approved a resolution expressing its intent to be fiscally responsible in the issuance of the bonds that are approved by voters. The intent is to only issue bonds if the County has the capacity to repay the bonds without a tax rate increase. It is the goal of the Program to be open to a broad range of projects and to encourage participation from a broad range of public agencies. Funding priority will be given to "shovel ready" projects that are fully funded and can begin construction within five years from the date that the bond election is approved by voters.

II. PROGRAM STRUCTURE

The intent of this Program is to provide financial support for the purpose of advancing transportation improvements throughout Tarrant County. This support will be manifested through a voter-approved

Transportation Bond Program of up to $400 million. The Program will include the following three main funding categories:

A. Call for Projects *(Fund Allocation: up to $200 million)*

This funding category is designed to leverage resources through a Call for Projects with municipalities to maximize the cost-effectiveness of each bond funded project. The Tarrant County Transportation Services Department ("Transportation Services") will notify all municipalities in Tarrant County of the proposed Program and will request project submittals for review and evaluation in the Call for Projects. Other public agencies may submit projects for consideration but must include a letter of support from the municipality where the project is located. Private entities may not submit projects; however, private entities are encouraged to participate in the funding of a bond project by partnering with a public agency. Projects in this category will require a local funding match of at least fifty percent (50%) of the total project cost identified in the municipality's project submittal. Upon voter approval of the Program, the specific dollar amount obligated to each project in this category will remain unchanged; cost overruns will not be funded in this category. However, if a project's final cost is less than the amount obligated in the Program, the County will only fund up to fifty percent (50%) of the lead agency's actual costs.

B. Discretionary *(Fund Allocation: up to $75 million)*

This funding category will allocate $15 million to each of the five Commissioners Court members for any transportation-related project as described in this policy. A funding match from a public agency is desired, but is not required for projects in this category. At the discretion of the respective Commissioners Court member in whose district the project is located, and with full Commissioners Court approval, funds in this category may also be allocated to projects programmed in the other two funding categories identified in this policy.

C. Countywide Initiatives and Partnerships *(Fund Allocation: up to $125 million)*

This funding category will reserve funding for strategic projects identified by the Commissioners Court aimed at providing multi-jurisdictional benefits and enhancing financial leveraging opportunities. The following initiatives or partnership projects are eligible for funding:

- Texas Department of Transportation (TxDOT) rural arterial expansions and other "on-system" improvement projects;
- National Highway System (NHS) "off-system" pavement and bridge projects that support the attainment of federal performance measure targets identified by TxDOT and the North Central Texas Council of Governments (NCTCOG);
- Partnership projects to leverage funding for federal discretionary grant applications submitted by municipalities, TxDOT, and NCTCOG;
- Specific transportation projects within priority corridors (e.g. West Tarrant Transportation Initiative) earmarked by the Commissioners Court;
- Grade separations at arterial intersections or at railroad crossings associated with roadway improvement projects;
- County initiatives (e.g. drainage improvements impacting roadways, shoulder improvements) aimed at improving mobility or safety on the roadway system;
- Bicycle/pedestrian projects that provide safe routes to schools, address gaps in the regional bicycle/trail network, or promote connectivity to other modes of travel;

- Contingency/emergency events ($1 million will be reserved for this purpose).

At the discretion of the Commissioners Court, initiatives other than those listed above may be funded in this category. The matching fund requirement for projects in this category will be determined by the Commissioners Court on a case-by-case basis.

III. PROJECT ELIGIBILITY CRITERIA

Projects submitted to the County through the Call for Projects must meet the following criteria:

- Each project submittal must include a City Council resolution supporting the proposed project and certifying the local funding commitment, a description of the municipality's funding plan, and a concept or preliminary design drawing of the proposed project.
- The lead agency is responsible for providing all information requested by the County to evaluate and rank the project.
- Each phase of a multi-phase project should be submitted as separate projects.
- Overlays and reconstruction projects are eligible but are subject to the evaluation process and the fifty percent (50%) local match requirements.
- Neighborhood streets that provide connectivity to major thoroughfares are eligible for funding.
- The lead agency's direct costs (e.g. staff or consultant time for project management and inspection) are not eligible for reimbursement; however, the cost for any inspection required by other agencies (e.g. TxDOT) or entities (e.g. railroad companies) are eligible.
- Project costs incurred prior to the date of the bond election are ineligible for reimbursement.

The following criteria will be applicable to all three funding categories:

- Projects that are located in more than one municipality or jurisdiction are eligible. However, this Program will require that one entity be designated as the lead agency for project implementation and coordination. Any agreements between participating municipalities to identify the lead agency must be executed prior to the obligation of bond funding.
- Projects located within special districts (e.g. Tax Increment Financing districts) will be considered on a case-by-case basis.
- The Program will reimburse for only transportation-related costs (preliminary engineering, design, right-of-way acquisition, and construction) as determined by Transportation Services. Enhancements, including park benches, landscape lighting, trees, monuments, etc. are not eligible for reimbursement. Expenses related to the construction of sidewalks, multi-use paths, street lighting, drainage, and the relocation or replacement of utilities and water/sewer infrastructure are eligible for reimbursement by the County if such improvements are directly related to, or are necessary for, a roadway improvement selected for funding in this Program.

In addition to the above criteria, the Commissioners Court may consider other factors when determining the eligibility of a project funded in this Program.

IV. PROJECT EVALUATION AND SELECTION

Projects eligible for funding in this Program will be evaluated as described below.

A. Call for Projects

The Commissioners Court will appoint three members each to a Project Evaluation Committee (PEC). The fifteen (15) member PEC will convene regularly to develop the evaluation criteria for scoring the project submittals. The PEC will evaluate each project and establish a prioritized list of projects for submittal to the Commissioners Court. The Court may modify this list at its discretion. Once the final project list is approved by the Commissioners Court, Transportation Services will execute an Agreement with the lead agency to obligate the funds to the top ranked projects in this funding category.

B. Discretionary

Each Commissioners Court member will have full discretion to select Program eligible projects in this category. The Commissioners Court members or their staff will provide written notification to the Transportation Services Department of commitments to fund projects in this category. Each project funded in this category will require the approval of the entire Commissioners Court through the execution of an Agreement.

C. Countywide Initiatives and Partnerships

Projects in this category will be selected by the Commissioners Court. Transportation Services staff, with consultant assistance and in coordination with local and regional partners, will evaluate specific projects aimed at addressing transportation needs as described in this policy. Once projects have been identified by staff, the Commissioners Court will take action on Program funding eligibility.

V. PROGRAM IMPLEMENTATION AND ADMINISTRATION

The Program will be implemented and administered by Transportation Services with consultant assistance. The consultant will provide assistance with the development of evaluation criteria, PEC materials, and the prioritization list to be presented for the Commissioners Court for consideration, as well as other tasks as needed.

Prior to the start of a project approved for funding in the Call for Projects category, Tarrant County and the lead agency must enter into an Agreement that clearly defines the project scope, schedule, and conditions that must be met for reimbursement. However, for projects funded in the Discretionary or Countywide Initiatives and Partnerships categories, the County may enter into an Agreement with a lead agency at any time during the project, if deemed necessary by the Commissioners Court. The term of the Agreement will be dependent upon bond funding availability and the project schedule provided by the lead agency. All scope changes, implementation schedule extensions, and funding modifications are subject to Commissioners Court approval. Reimbursement requests are also subject to the approval of the Commissioners Court member for the County precinct where the project is located and must also be submitted by the Tarrant County Auditor's Office as a payment claim for Commissioners Court approval.

Except for County-initiated projects located outside of municipal limits, Tarrant County staff and elected officials will not be responsible for direct project management responsibilities pertaining to any project funded in this Program. The lead agency will be responsible for project implementation and on-going costs for operations and maintenance. However, to provide accountability and transparency regarding the use of bond funds, Transportation Services will utilize consultant assistance to ensure compliance with the terms of this policy and to assist in the tracking of project schedules and the administration of bond funds. Other services to be provided by the consultant may include assistance with the timely processing of Agreements and Amendments, reimbursement requests, and status reports. In addition, other consultant services may include project oversight, website updates, public relations, and promotional efforts.

If any project in the Program experiences significant delays or funding problems, the Commissioners Court reserves the right to remove a project from this Program. Consistent with the Excess Funds Policy approved for the 2006 Program, any excess funds resulting from a withdrawn project or cost savings from a completed project will be divided equally among the five Commissioner Court members.

BOND ELECTION

Implementation of this Program will be contingent upon the Commissioners Court approval of a final project list and subsequent action to call a bond election. If approved by Tarrant County voters, the bonds will be issued over a period of time to ensure the property tax rate will not increase.

RESOLUTION NO. 581

A RESOLUTION OF THE CITY OF KENNEDALE, TEXAS, IDENTIFYING AND SUPPORTING CAPTIAL TRANSPORTATION PROJECTS TO BE SUBMITTED BY THE CITY OF KENNDEDALE TO TARRANT COUNTY FOR CONSIDERATION OF INCLUSION IN A TARRANT COUNTY BOND PROGRAM EXPECTED TO BE PRESENTED TO VOTERS AT AN ELECTION IN NOVEMBER 2021; CERTIFYING FUNDING FOR THE CITY'S PARTICIPATION IN SUCH PROJECTS; AND CERTIFYING TIME FOR COMMENCEMENT OF CONSTRUCTION.

WHEREAS, the Tarrant County Commissioners Court approved, on January 19, 2021, a Transportation Bond Program Policy; and

WHEREAS, the Tarrant County Commissioners Court has invited the City of Kennedale to submit projects meeting the requirements of the Bond Policy's Call for Projects category; and

WHEREAS, the City of Kennedale is experiencing unprecedented growth that places significant demand on the transportation network of the City, the County, and the region; and

WHEREAS, the City of Kennedale has identified and planned for numerous projects meeting the criteria for inclusion in the County's Call for Projects for consideration by voters in a County Transportation Bond authorization election in November 2021; and

WHEREAS, the City Council of the City of Kennedale wishes to submit projects, identified below, for consideration in such a County Bond program; and

WHEREAS, the City Council of the City of Kennedale wishes to certify that funds are available and will be appropriated for the City's fifty percent (50%) share of projects costs pursuant to the County's established policy.

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

SECTION 1.

Projects to be submitted to Tarrant County for inclusion in the County's 2021 Bond Program include:

- <u>Little School Road Extension</u> (including a bridge over the Union Pacific railroad) at a preliminary estimated cost of $11,998,600;

- <u>Kennedale Sublett Road Realignment</u> at a preliminary estimated cost of $4,594,000;

- <u>Collett Sublett Road widening and reconstruction</u> at a preliminary estimated cost of $1,868,900; and

- <u>Valley Lane roadway erosion mitigation</u> at a preliminary estimated cost of $2,331,250

SECTION 2.

The City of Kennedale hereby certifies that funding for the City's fifty percent (50%) share of projects costs is now available in the City's fund balance reserves or in Certificate of Obligation debt scheduled for issuance in August of 2021 and 2024, and construction for the projects can begin within five years from the date the County's Transportation Bond Program is approved by the voters.

SECTION 3.

This resolution shall become effective immediately upon its passage and approval.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF KENNEDALE ON THE 16TH DAY OF MARCH 2021.

APPROVED:

____
MAYOR, BRIAN JOHNSON

[CITY SEAL

ATTEST:

____
CITY SECRETARY, LESLIE E. GALLOWAY

APPROVED AS TO FORM AND LEGALITY:

____
CITY ATTORNEY, DREW LARKIN

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STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: MARCH 16, 2021

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

SUBJECT
Consider adoption of a resolution setting a public hearing to be held during the City Council meeting beginning at 5:30 p.m. on Tuesday, April 20, 2021, to consider amendments to the land use assumptions, capital improvements plan, and associated water, wastewater, and roadway impact fees

ORIGINATED BY
Larry Hoover, Public Works Director

SUMMARY
Staff has been working with Freese and Nichols (FNI) to review and update the impact fees associated with roadways, water, and wastewater. As a part of this process, several amendments will be proposed to land use assumptions and the capital improvements plan. Staff and FNI made presentations to and received input from the Capital Improvements Advisory Committee on November 12, 2020 and February 11, 2021. These presentations are available at www.cityofkennedale.com/pw.

Proposed Schedule for Action:
March 16, 2021: City Council adopts a Resolution for a public hearing date of Tuesday, April 20, 2021
April 13, 2021: Last day for the CIAC to submit a recommendation to the City Council
April 20, 2021: Public hearing during the regular City Council meeting for Land Use Assumptions (LUA), Capital Improvements Plan (CIP), and Impact Fee Ordinance

RECOMMENDATION
Approve

ATTACHMENTS

1.	R582 Public Hearing on Land Use Assumptions CIP Impact Fee	R582 Public Hearing on Land Use Assumptions CIP Impact Fee.pdf

RESOLUTION NO. 582

A RESOLUTION SETTING A PUBLIC HEARING TO BE HELD DURING THE CITY COUNCIL MEETING BEGINNING AT 5:30 P.M. ON TUESDAY, APRIL 20, 2021, TO CONSIDER AMENDMENTS TO THE LAND USE ASSUMPTIONS, CAPITAL IMPROVEMENTS PLAN, AND ASSOCIATED WATER, WASTEWATER, AND ROADWAY IMPACT FEES.

WHEREAS, in accordance with Chapter 395 of the Texas Local Government Code, a public hearing is required to consider amendments to land use assumptions, capital improvements plan, and associated impact fees for water, wastewater, and roadway facilities; and

WHEREAS, the City of Kennedale is considering amendments to land use assumptions, capital improvements plan, and associated impact fees for water, wastewater, and roadway facilities.

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

SECTION 1.

A public hearing will be held at 5:30 p.m. on Tuesday, April 20, 2021, in the City Council Chambers at 405 Municipal Drive, Kennedale, Texas, for the purpose of considering amendments to the land use assumptions and capital improvements plan for water, wastewater, and roadway facilities for which an impact fee may be imposed. Alternatively, the public hearing may be held via teleconference and/or videoconference in an effort to limit the spread of COVID-19.

If held in the City Council Chambers, all interested persons are encouraged to attend the public hearing and express their opinions on the proposed amendments. If held by teleconference and/or videoconference, all interested persons are encouraged to express their opinions on the proposed amendments by joining the public hearing (by phone and/or video) via the link and/or dial in number provided on the April 20, 2021 city council agenda (www.cityofkennedale.com/agendas) or by providing written comments prior to the meeting by sending comments to the City Secretary, 405 Municipal Drive, Kennedale, Texas, 76060.

All interested persons should check the city's website (www.cityofkennedale.com/agendas) within 72 hours of the public hearing date to determine if the hearing will be held in person in the City Council Chambers or by telephone and/or videoconference.

SECTION 2.

This resolution shall become effective immediately upon its passage and approval.

PASSED AND APPROVED THIS 16th DAY OF MARCH, 2021.

APPROVED:

MAYOR, BRIAN JOHNSON

[CITY SEAL

ATTEST:

CITY SECRETARY, LESLIE E. GALLOWAY

STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: MARCH 16, 2021

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

SUBJECT
Consider approval of the low bidder, Excel 4 Construction, for the Tarrant County Community Development Block grant (CDBG) project for the rehabilitation of water lines in the 400-600 blocks of Third Street

ORIGINATED BY
Larry Hoover, Public Works Director

SUMMARY
During the April 21, 2020 City Council meeting, Resolution 569 committed funding for the City's participation in the 46th year Community Development Block Grant (CDBG) program. The estimated funding at that time was $ 313,512 (with the City's matching portion to be $133,512 and the grant funding to be $180,000). During detailed engineering, it was discovered that one lot at the end of Third street did not provide for the 50-feet of right-of-way (ROW) necessary to complete the project.

Tarrant County grant administrators did not want the City to pursue acquisition of the ROW due to the federal regulations regarding acquisition of ROW related to federal projects. They, instead, suggested that the City realign the water line to avoid extensive time delays that the acquisition process could require. Realignment left two options to consider:

A) Connect to existing 12-inch asbestos cement line at a distance of 273 feet short of North Road which is represented as Alternate Deduct 1 at a cost of $314,008 (an increase of $496.00 compared to the original estimate); OR

B) Remove and properly dispose of the remaining 273 feet of asbestos cement pipe at a cost of $409,064 (an increase of $95,552).

As the existing asbestos cement pipe is in excess of 50 years old, staff recommends approval of the low bid of $409,064 by Excel 4 Construction to complete the entire project using option B. Staff intends to fund the additional cost via the Water/Sewer Capital Fund.

RECOMMENDATION
Approve Excel 4 Construction to complete Option B at a total project cost of $409,064.

ATTACHMENTS

1.	CDBG Kennedale 3rd St Water Alternactive deduct exhibit	CDBG Kennedale 3rd St Water Alternactive deduct exhibit.pdf
2.	20210303 CDBG 3rd Street Water Improvements Bid Tab - ReBid	20210303 CDBG 3rd Street Water Improvements Bid Tab - ReBid.pdf

LEGEND

PROP WATER LINE	EXIST FIRE HYDRANT
PROP GATE VALVE	EXIST IRRIGATION CONTROL VALVE
PROP FIRE HYDRANT	EXIST WATERLINE TO BE ABANDONED IN PLACE
PROP WATER METER	EXIST WATERLINE TO BE REMOVED
EXIST WATER LINE	EXIST CLEANOUT
EXIST GATE VALVE	EXIST SANITARY SEWER LINE
EXIST SANITARY SEWER MH	RIGHT-OF-WAY
EXIST OVER HEAD ELECTRIC	EXIST UTILITY POLE
PROP 6" CONCRETE PAVEMENT	PROP 5" CONCRETE DRIVEWAY
PERMANENT ASPHALT PAVEMENT	

WATER QUANTITIES	
12" WATER PLUG, GROUT, & ABANDON	114 LF
6" WATER PLUG, GROUT, & ABANDON	0 LF
2" WATER PLUG, GROUT, & ABANDON	366 LF
12" WATER REMOVAL	274 LF
6" WATER REMOVAL	45 LF
2" WATER REMOVAL	43 LF

PAVEMENT QUANTITIES	
6" CONCRETE PAVEMENT	0 SY
5" CONCRETE DRIVEWAY	580 SF
PERMANENT ASPHALT PAVEMENT	77 SY

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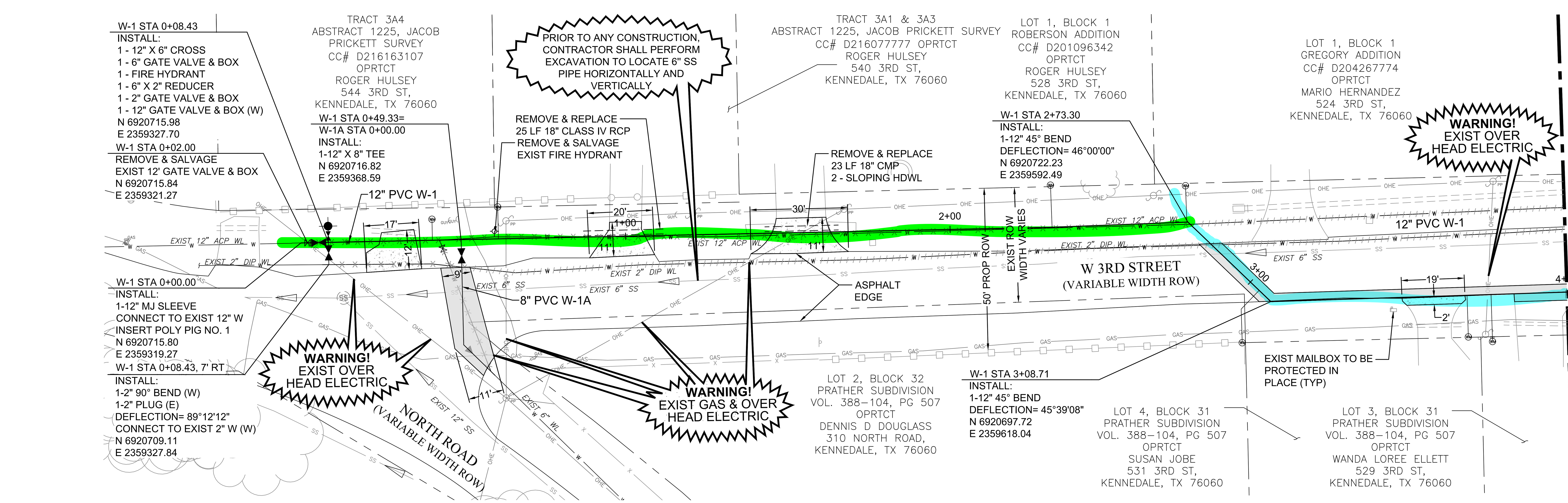
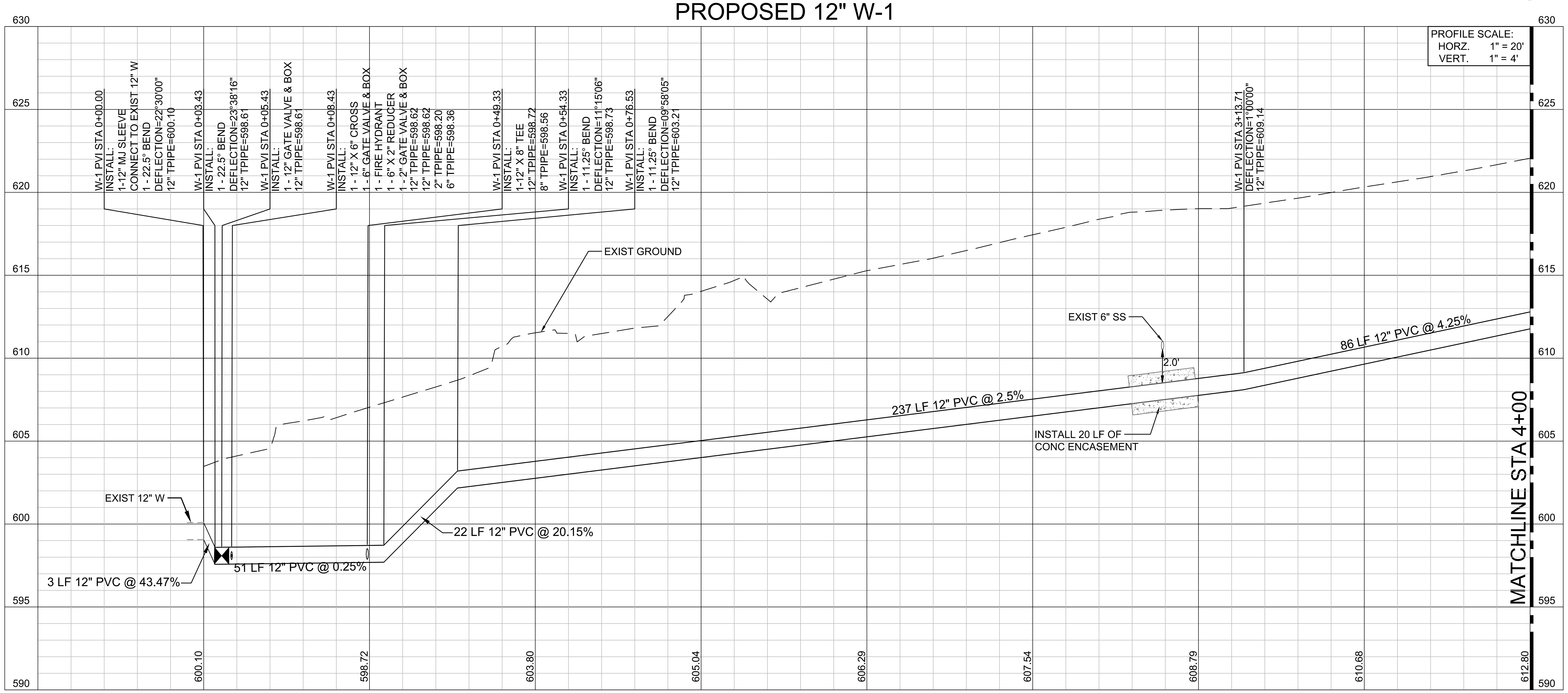


PROPOSED 12" W-1



REVISIONS

NO.	△	DESCRIPTION	DATE
1	△		

SHIELD ENGINEERING GROUP

TBPE FIRM #F-11039 · TBPLS FIRM #10193890

STATE OF TEXAS
CRAIG H. BARNES
86193
LICENSED PROFESSIONAL ENGINEER
12.10.2020

0 20 40 60
GRAPHIC SCALE IN FEET

CONSTRUCTION NOTES

NOTES:
1. THE CONTRACTOR SHALL CONTACT THE CITY CHIEF'S INSPECTOR AT LEAST 48 HOURS PRIOR TO BEGINNING CONSTRUCTION.
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ATMOS GAS	888-286-6700
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CHARTER	855-757-7328

HORIZONTAL & VERTICAL CONTROL

CONTROL PT. # 50
"X-CUT" SET AT THE INTERSECTION OF 3RD STREET AND CORRY A. EDWARDS DRIVE. APPROX. 29' NORTH OF THE EDGE OF ASPHALT OF 3RD STREET AND 26' EAST OF CORRY A. EDWARDS DRIVE EDGE OF ASPHALT AND BEING APPROX. 18' SOUTH OF THE WEST DRIVE TO KENNEDALE PUBLIC LIBRARY & COMMUNITY CENTER
ELEVATION 628.06; N 6920778.07; E 2360598.01

CONTROL PT. # 51
5/8" CAPPED IRON ROD STAMPED "SHIELD ENGINEERING" IN THE BACK OF THE HEADWALL IN THE SOUTH LINE OF 3RD STREET. APPROX. 20 ' NORTHWEST FROM LIGHTPOLE. APPROX. 9' FROM THE SOUTH EDGE OF ASPHALT OF 3RD STREET. APPROX. 107' SOUTHEAST OF MAILBOX CLUSTER
ELEVATION 619.08; N 6920707.57; E 2360268.32

CONTROL PT. # 54
5/8" CAPPED IRON ROD STAMPED "SHIELD ENGINEERING" IN THE NORTH LINE OF 3RD STREET, APPROX. 6' NORTH OF THE EDGE OF PAVMENT. APPROX. 44' WEST OF WATER VALVE AND 44' EAST OF MAILBOX. APPROX. 197' EAST OF DALEVIEW DRIVE. APPROX. 39' SOUTHEAST OF WATER METER AND IRRIGATION CONTROL VALVES
ELEVATION 632.91; N 6920737.23; E 2359952.18

ISSUED FOR BID

MAPSCO #107D

CITY OF KENNEDALE, TEXAS

PUBLIC WORKS DEPARTMENT

CDBG KENNEDALE 3RD STREET WATER IMPROVEMENTS

WATER PLAN & PROFILE W-1
STA 0+00 TO 4+00

DESIGNED: CHB	SCALE:	DATE:	SHEET:
DRAWN: MJA	1" = 20'	DEC 2020	4 OF 10

CDBG KENNEDALE 3RD STREET WATER IMPROVEMENTS

2020/12/17 MARANSEN L:\JOBS\2020038.01 CDBG KENNEDALE 3RD ST WATER\PRODUCTION DRAWINGS\2003801WY1.DWG

LEGEND

- PROP WATER LINE
- PROP GATE VALVE
- PROP FIRE HYDRANT
- PROP WATER METER
- EXIST WATER LINE
- EXIST GATE VALVE
- EXIST FIRE HYDRANT
- EXIST IRRIGATION CONTROL VALVE
- EXIST WATERLINE TO BE ABANDONED IN PLACE
- EXIST WATERLINE TO BE REMOVED
- EXIST CLEANOUT
- EXIST SANITARY SEWER LINE
- EXIST SANITARY SEWER MH
- RIGHT-OF-WAY
- EXIST OVER HEAD ELECTRIC
- EXIST UTILITY POLE
- PROP 6" CONCRETE PAVEMENT
- PROP 5" CONCRETE DRIVEWAY
- PERMANENT ASPHALT PAVEMENT

WATER QUANTITIES	
12" WATER PLUG, GROUT, & ABANDON	408 LF
6" WATER PLUG, GROUT, & ABANDON	0 LF
2" WATER PLUG, GROUT, & ABANDON	407 LF
12" WATER REMOVAL	5 LF
6" WATER REMOVAL	0 LF
2" WATER REMOVAL	5 LF

PAVEMENT QUANTITIES	
6" CONCRETE PAVEMENT	6 SY
5" CONCRETE DRIVEWAY	205 SF
PERMANENT ASPHALT PAVEMENT	127 SY

NOTES:
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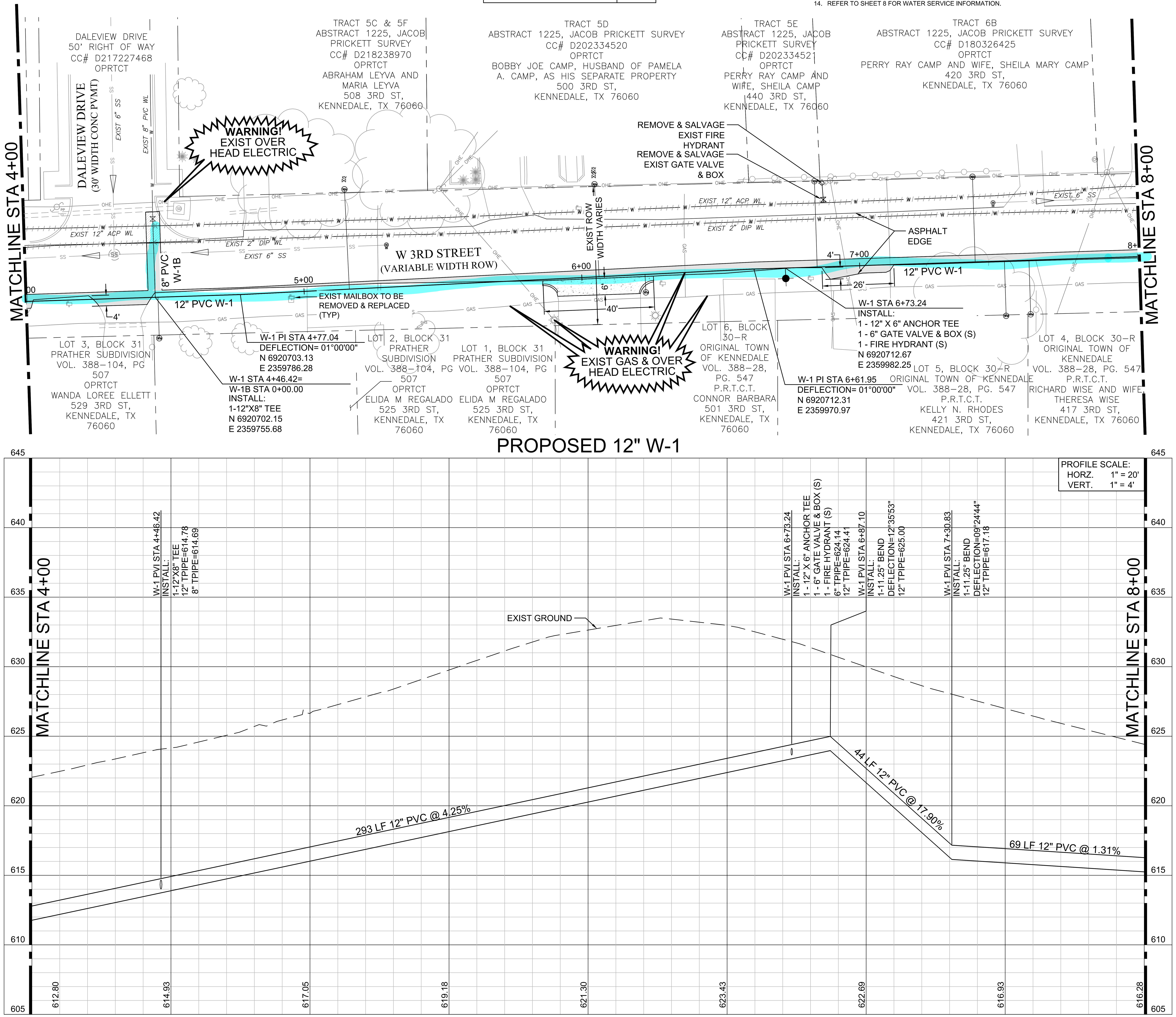

REVISIONS

NO.	△	DESCRIPTION	DATE
1	△		

SHIELD ENGINEERING GROUP
TBPE FIRM #F-11039 · TBPLS FIRM #10193890

STATE OF TEXAS
CRAIG H. BARNES
86193
LICENSED PROFESSIONAL ENGINEER
12.10.2020

GRAPHIC SCALE IN FEET (0, 20, 40, 60)

CONSTRUCTION NOTES

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ELEVATION 632.91; N 6920737.23; E 2359952.18

ISSUED FOR BID

MAPSCO #107D

CITY OF KENNEDALE, TEXAS

PUBLIC WORKS DEPARTMENT

CDBG KENNEDALE 3RD STREET WATER IMPROVEMENTS

WATER PLAN & PROFILE W-1 STA 4+00 TO 8+00

DESIGNED: CHB	SCALE:	DATE:	SHEET:
DRAWN: MJA	1" = 20'	DEC 2020	5 OF 10

CDBG KENNEDALE 3RD STREET WATER IMPROVEMENTS

LEGEND

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PROP GATE VALVE	EXIST IRRIGATION CONTROL VALVE	RIGHT-OF-WAY
PROP FIRE HYDRANT	EXIST WATERLINE TO BE ABANDONED IN PLACE	EXIST OVER HEAD ELECTRIC
PROP WATER METER	EXIST WATERLINE TO BE REMOVED	EXIST UTILITY POLE
EXIST WATER LINE	EXIST CLEANOUT	PROP 6" CONCRETE PAVEMENT
EXIST GATE VALVE	EXIST SANITARY SEWER LINE	PROP 5" CONCRETE DRIVEWAY
		PERMANENT ASPHALT PAVEMENT

WATER QUANTITIES	
12" WATER PLUG, GROUT, & ABANDON	422 LF
6" WATER PLUG, GROUT, & ABANDON	89 LF
2" WATER PLUG, GROUT, & ABANDON	437 LF
12" WATER REMOVAL	46 LF
6" WATER REMOVAL	67 LF
2" WATER REMOVAL	32 LF

PAVEMENT QUANTITIES	
6" CONCRETE PAVEMENT	0 SY
5" CONCRETE DRIVEWAY	0 SY
PERMANENT ASPHALT PAVEMENT	366 SY

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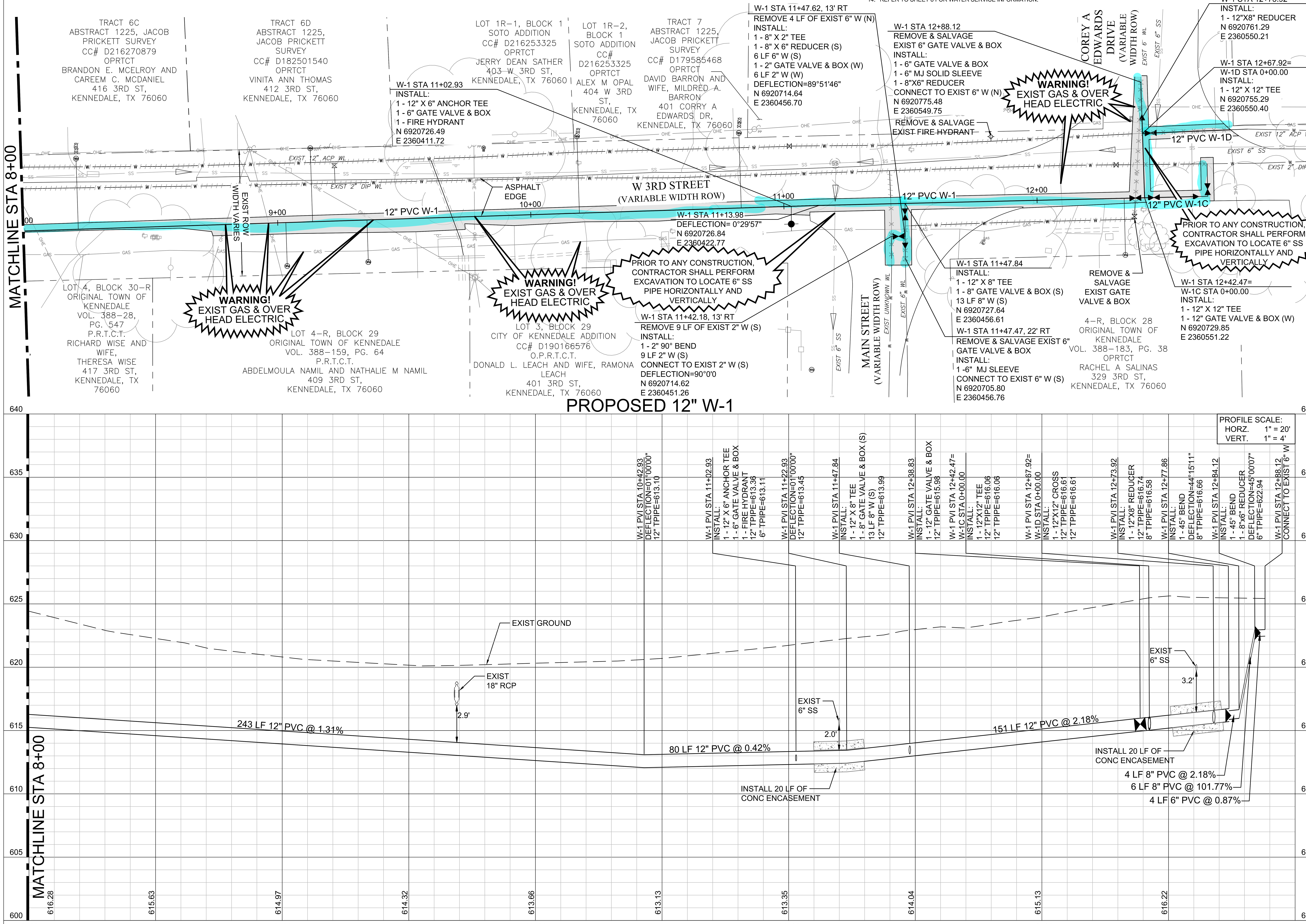
SHIELD ENGINEERING GROUP
TBPE FIRM #F-11039 · TBPLS FIRM #10193890

STATE OF TEXAS
CRAIG H. BARNES
86193
LICENSED PROFESSIONAL ENGINEER
12.10.2020



0 20 40 60
GRAPHIC SCALE IN FEET

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ISSUED FOR BID

MAPSCO #107D

CITY OF KENNEDALE, TEXAS

PUBLIC WORKS DEPARTMENT

CDBG KENNEDALE 3RD STREET WATER IMPROVEMENTS

WATER PLAN & PROFILE W-1 STA 8+00 TO END

DESIGNED: CHB	SCALE:	DATE:	SHEET:
DRAWN: MJA	1" = 20'	DEC 2020	6 OF 10

CDBG KENNEDALE 3RD STREET WATER IMPROVEMENTS

2020/12/17 MARANSEN L:\JOBS\2020038.01 CDBG KENNEDALE 3RD ST WATER\PRODUCTION DRAWINGS\2003801WY1.DWG

THE THE SEAL APPEARING ON THIS DOCUMENT WAS AUTHORIZED BY CRAIG H. BARNES, P.E. NO.86193, ON 9/21/2020. ALTERATION OF A SEALED DOCUMENT WITHOUT PROPER NOTIFICATION TO THE RESPONSIBLE ENGINEER IS AN OFFENSE UNDER THE TEXAS ENGINEERING PRACTICE ACT

SHIELD ENGINEERING GROUP, PLLC
Consulting Engineers

BID OPENING: March 3, 2021 at 10:30 AM

BID TABULATION REPORT

46TH YEAR CDBG
WATERLINE IMPROVEMENTS FOR 3RD STREET

KENNEDALE, TX

Project Item Information				Excel 4 Construction		Canary Construction		Atkins Brothers Equipment		Engineers Estimate	
Bidlist Item No.	Description	Unit of Measure	Bid Quantity	Unit Price	Bid Value	Unit Price	Bid Value	Unit Price	Bid Value	Unit Price	Bid Value
BASE BID											
1	Mobilization	LS	1	$9,000.00	$9,000.00	$22,000.00	$22,000.00	$10,000.00	$10,000.00	$20,000.00	$20,000.00
2	Remove & Salvage Fire Hydrant	EA	3	$300.00	$900.00	$500.00	$1,500.00	$1,700.00	$5,100.00	$400.00	$1,200.00
3	Remove & Salvage Water Meter	EA	17	$175.00	$2,975.00	$200.00	$3,400.00	$250.00	$4,250.00	$70.00	$1,190.00
4	Remove & Salvage Gate Valve	EA	5	$250.00	$1,250.00	$400.00	$2,000.00	$300.00	$1,500.00	$200.00	$1,000.00
5	Remove & Dispose Exist 12" AC Waterline	LF	325	$65.00	$21,125.00	$25.00	$8,125.00	$35.00	$11,375.00	$60.00	$19,500.00
6	Remove & Dispose Exist 6" AC Waterline	LF	112	$65.00	$7,280.00	$10.00	$1,120.00	$35.00	$3,920.00	$20.00	$2,240.00
7	Remove & Dispose Exist 2" DI Waterline	LF	80	$15.00	$1,200.00	$5.00	$400.00	$35.00	$2,800.00	$10.00	$800.00
8	Remove & Dispose Concrete Driveway	SF	785	$7.00	$5,495.00	$5.00	$3,925.00	$200.00	$157,000.00	$3.00	$2,355.00
9	Remove & Dispose Asphalt Pavement	SY	570	$30.00	$17,100.00	$5.00	$2,850.00	$200.00	$114,000.00	$9.00	$5,130.00
10	Remove & Dispose Concrete Pavement	SY	6	$30.00	$180.00	$5.00	$30.00	$200.00	$1,200.00	$6.00	$36.00
11	Remove & Dispose Exist Driveway Culverts	LF	48	$18.00	$864.00	$10.00	$480.00	$275.00	$13,200.00	$32.00	$1,536.00
12	Remove & Dispose Concrete Headwall	EA	2	$1,750.00	$3,500.00	$200.00	$400.00	$250.00	$500.00	$1,500.00	$3,000.00
13	Temporary Water Services	LS	1	$43,000.00	$43,000.00	$6,000.00	$6,000.00	$4,900.00	$4,900.00	$50,000.00	$50,000.00
14	12" PVC Waterline	LF	1341	$75.00	$100,575.00	$85.00	$113,985.00	$150.00	$201,150.00	$80.00	$107,280.00
15	8" PVC Waterline	LF	84	$50.00	$4,200.00	$70.00	$5,880.00	$69.00	$5,796.00	$65.00	$5,460.00
16	6" PVC Waterline	LF	50	$48.00	$2,400.00	$60.00	$3,000.00	$67.00	$3,350.00	$65.00	$3,250.00
17	2" Ductile Iron Pipe	LF	32	$42.00	$1,344.00	$70.00	$2,240.00	$100.00	$3,200.00	$30.00	$960.00
18	Install New Fire Hydrant and Assembly	EA	3	$4,700.00	$14,100.00	$4,500.00	$13,500.00	$5,000.00	$15,000.00	$3,500.00	$10,500.00
19	Waterline Concrete Encasement	LF	80	$50.00	$4,000.00	$200.00	$16,000.00	$135.00	$10,800.00	$175.00	$14,000.00
20	Ductile Iron Water Fittings (AWWA C-153) with Restraint	TON	3	$5,200.00	$15,600.00	$8,000.00	$24,000.00	$3,500.00	$10,500.00	$5,000.00	$15,000.00
21	Install 12" Gate Valve & Box	EA	4	$2,800.00	$11,200.00	$2,200.00	$8,800.00	$2,400.00	$9,600.00	$2,500.00	$10,000.00
22	Install 8" Gate Valve & Box	EA	2	$1,600.00	$3,200.00	$1,580.00	$3,160.00	$2,200.00	$4,400.00	$1,600.00	$3,200.00
23	Install 6" Gate Valve & Box	EA	1	$1,100.00	$1,100.00	$1,000.00	$1,000.00	$2,000.00	$2,000.00	$1,400.00	$1,400.00
24	Install 2" Gate Valve & Box	EA	2	$750.00	$1,500.00	$650.00	$1,300.00	$1,790.00	$3,580.00	$900.00	$1,800.00
25	Connect to Exist 2"-12" Waterline	EA	11	$3,100.00	$34,100.00	$1,200.00	$13,200.00	$3,300.00	$36,300.00	$1,500.00	$16,500.00
26	Install New Meter Box	EA	22	$200.00	$4,400.00	$900.00	$19,800.00	$400.00	$8,800.00	$250.00	$5,500.00
27	Connect 1" Copper Water Service	EA	22	$1,235.00	$27,170.00	$900.00	$19,800.00	$350.00	$7,700.00	$950.00	$20,900.00
28	Flowable Fill for Abandonment of Waterline	CY	32	$155.00	$4,960.00	$320.00	$10,240.00	$57.00	$1,824.00	$275.00	$8,800.00
29	2" - 12" Abandonment Plug	EA	12	$400.00	$4,800.00	$600.00	$7,200.00	$200.00	$2,400.00	$650.00	$7,800.00
30	Permanent Asphalt Pavement Repair	SY	570	$56.00	$31,920.00	$110.00	$62,700.00	$97.00	$55,290.00	$50.00	$28,500.00
31	5" Concrete Driveway	SF	785	$6.00	$4,710.00	$110.00	$86,350.00	$135.00	$105,975.00	$14.00	$10,990.00
32	6" Concrete Pavement	SY	6	$78.00	$468.00	$110.00	$660.00	$175.00	$1,050.00	$60.00	$360.00
33	Install 18" Class IV RCP	LF	25	$101.00	$2,525.00	$95.00	$2,375.00	$390.00	$9,750.00	$130.00	$3,250.00
34	Install 18" CMP	LF	23	$92.00	$2,116.00	$85.00	$1,955.00	$385.00	$8,855.00	$50.00	$1,150.00
35	Install Concrete Headwall	EA	2	$4,100.00	$8,200.00	$1,000.00	$2,000.00	$5,500.00	$11,000.00	$1,400.00	$2,800.00
36	Trench Safety	LF	1507	$1.00	$1,507.00	$1.00	$1,507.00	$1.00	$1,507.00	$1.00	$1,507.00
37	Traffic Control	LS	1	$9,100.00	$9,100.00	$3,500.00	$3,500.00	$3,500.00	$3,500.00	$15,000.00	$15,000.00
		Total - Base Bid			**$409,064.00**		**$476,382.00**		**$853,072.00**		**$444,283.40**

SHIELD ENGINEERING GROUP, PLLC
Consulting Engineers

BID OPENING: March 3, 2021 at 10:30 AM

BID TABULATION REPORT

46TH YEAR CDBG
WATERLINE IMPROVEMENTS FOR 3RD STREET

KENNEDALE, TX

Project Item Information				Excel 4 Construction		Canary Construction		Atkins Brothers Equipment		Engineers Estimate	
Bidlist Item No.	Description	Unit of Measure	Bid Quantity	Unit Price	Bid Value	Unit Price	Bid Value	Unit Price	Bid Value	Unit Price	Bid Value
DEDUCTIVE ALTERNATIVE 1											
2	Remove & Salvage Fire Hydrant	EA	1	$300.00	$300.00	$500.00	$500.00	$500.00	$500.00	$400.00	$400.00
3	Remove & Salvage Water Meter	EA	4	$175.00	$700.00	$200.00	$800.00	$250.00	$1,000.00	$70.00	$280.00
4	Remove & Salvage Gate Valve	EA	1	$250.00	$250.00	$400.00	$400.00	$250.00	$250.00	$200.00	$200.00
5	Remove & Dispose Exist 12" AC Waterline	LF	274	$65.00	$17,810.00	$25.00	$6,850.00	$20.00	$5,480.00	$60.00	$16,440.00
6	Remove & Dispose Exist 6" AC Waterline	LF	45	$65.00	$2,925.00	$10.00	$450.00	$20.00	$900.00	$20.00	$900.00
7	Remove & Dispose Exist 2" DI Waterline	LF	43	$15.00	$645.00	$5.00	$215.00	$15.00	$645.00	$10.00	$430.00
8	Remove & Dispose Concrete Driveway	SF	537	$7.00	$3,759.00	$5.00	$2,685.00	$2.00	$1,074.00	$3.00	$1,611.00
9	Remove & Dispose Asphalt Pavement	SY	34	$30.00	$1,020.00	$5.00	$170.00	$2.00	$68.00	$9.00	$306.00
11	Remove & Dispose Exist Driveway Culverts	LF	48	$18.00	$864.00	$10.00	$480.00	$2.00	$96.00	$32.00	$1,536.00
12	Remove & Dispose Concrete Headwall	EA	2	$1,750.00	$3,500.00	$200.00	$400.00	$1,000.00	$2,000.00	$1,500.00	$3,000.00
14	12" PVC Waterline	LF	275	$75.00	$20,625.00	$85.00	$23,375.00	$135.00	$37,125.00	$80.00	$22,000.00
15	8" PVC Waterline	LF	36	$50.00	$1,800.00	$70.00	$2,520.00	$120.00	$4,320.00	$65.00	$2,340.00
16	6" PVC Waterline	LF	10	$48.00	$480.00	$60.00	$600.00	$90.00	$900.00	$65.00	$650.00
18	Install New Fire Hydrant and Assembly	EA	1	$4,700.00	$4,700.00	$4,500.00	$4,500.00	$5,000.00	$5,000.00	$3,500.00	$3,500.00
19	Waterline Concrete Encasement	LF	20	$50.00	$1,000.00	$200.00	$4,000.00	$70.00	$1,400.00	$175.00	$3,500.00
20	Ductile Iron Water Fittings (AWWA C-153) with Restraint	TON	1	$5,200.00	$5,200.00	$8,000.00	$8,000.00	$3,500.00	$3,500.00	$5,000.00	$5,000.00
22	Install 8" Gate Valve & Box	EA	1	$1,600.00	$1,600.00	$1,580.00	$1,580.00	$2,400.00	$2,400.00	$1,600.00	$1,600.00
24	Install 2" Gate Valve & Box	EA	1	$750.00	$750.00	$650.00	$650.00	$1,900.00	$1,900.00	$900.00	$900.00
25	Connect to Exist 2"-12" Waterline	EA	1	$3,100.00	$3,100.00	$1,200.00	$1,200.00	$3,300.00	$3,300.00	$1,500.00	$1,500.00
26	Install New Meter Box	EA	4	$200.00	$800.00	$900.00	$3,600.00	$400.00	$1,600.00	$250.00	$1,000.00
27	Connect 1" Copper Water Service	EA	4	$1,235.00	$4,940.00	$900.00	$3,600.00	$350.00	$1,400.00	$950.00	$3,800.00
30	Permanent Asphalt Pavement Repair	SY	34	$56.00	$1,904.00	$110.00	$3,740.00	$97.00	$3,298.00	$50.00	$1,700.00
31	5" Concrete Driveway	SF	537	$6.00	$3,222.00	$110.00	$59,070.00	$135.00	$72,495.00	$14.00	$7,518.00
33	Install 18" Class IV RCP	LF	25	$101.00	$2,525.00	$95.00	$2,375.00	$390.00	$9,750.00	$130.00	$3,250.00
34	Install 18" CMP	LF	23	$92.00	$2,116.00	$85.00	$1,955.00	$385.00	$8,855.00	$50.00	$1,150.00
35	Install Concrete Headwall	EA	2	$4,100.00	$8,200.00	$1,000.00	$2,000.00	$5,500.00	$11,000.00	$1,400.00	$2,800.00
36	Trench Safety	LF	321	$1.00	$321.00	$1.00	$321.00	$1.00	$321.00	$1.00	$321.00
	Total - Deductive Alternative 1				**$95,056.00**		**$136,036.00**		**$180,577.00**		**$87,632.00**
	Total - Base Bid Minus Deductive Alternative 1				**$314,008.00**		**$340,346.00**		**$672,495.00**		**$356,651.40**
				Apparent Low Bidder - Base Bid							

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STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: MARCH 16, 2021

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

SUBJECT
Consider approval of a Resolution adopting policies, procedures, and/or protocols related to City facilities during the novel coronavirus (COVID-19) pandemic

ORIGINATED BY
George Campbell, City Manager

SUMMARY
Pursuant to the Executive Order issued by Governor Abbott on March 2, 2021 rescinding various state protocols related to COVID-19, Council members have requested that Council consider adopting a policy for re-opening city facilities including City Hall, parks, the public library and other facilities.

Attached is draft Resolution 583 for Council's consideration that will, if adopted establish when certain facilities will be re-opened. This resolution includes an Exhibit A which is not attached but will be provided on Monday prior to Tuesday evening's meeting. That exhibit is still being prepared and certain operational issues need to be resolved regarding some facilities before the exhibit can be finalized.

Council consideration is respectfully requested.

RECOMMENDATION

ATTACHMENTS

1.	R583 - Reopening Procedures for City Facilities	R583 - Reopening Procedures for City Facilities.pdf

RESOLUTION NO. 583

A RESOLUTION OF THE CITY OF KENNEDALE, TEXAS, ADOPTING POLICIES, PROCEDURES, AND/OR PROTOCOLS RELATED TO CITY FACILITIES DURING THE NOVEL CORONAVIRUS (COVID-19) PANDEMIC.

WHEREAS, beginning in March 2020 and pursuant to various declarations of public disaster and executive orders relating to the novel coronavirus (COVID-19) pandemic by Governor Greg Abbott, County Judge B. Glen Whitley, and Mayor Brian Johnson, many facilities owned, operated and/or managed by the City of Kennedale were either closed to the public or opened on an appointment-only basis; and

WHEREAS, pursuant to those various declarations and executive orders, other health related protocols were implemented, specifically with regard to City facilities, to help avoid the spread of the COVID-19 in Kennedale including requirements for employees, visitors, vendors, and others to wear face coverings, social distance, and follow other hygiene measures; and

WHEREAS, on March 2, 2021, Governor Abbott issued Executive Order GA-34, effective 12:01 a.m. March 10, 2021, which rescinded many of his previous orders relating to the wearing of masks, social gatherings, and reduced business occupancies; and

WHEREAS, Executive Order GA-34 specifically permits businesses, including local governments, to determine for themselves the extent to which they choose to continue following such protocols and procedures; and

WHEREAS, in June 2020, pursuant to COVID-19 protocols and orders of the Governor and County Judge, the City established Health and Safety requirements for all facilities, including City Hall; and

WHEREAS, the Tarrant County Health Department has expressed a clear opinion that – from a health perspective – it would not be prudent to relax restrictions or reduce safety protocols at this point; and

WHEREAS, the Tarrant County Health Department also emphasized that the Centers for Disease Control and Prevention (CDC) warns that relaxing or reversing many such measures would, in fact, "undo" the successes thus far achieved with their implementation; and

WHEREAS, the City Council desires to establish policies regarding the opening of City facilities to the public including the reopening of City Hall, parks, the library, and other such facilities to the general public; and

WHEREAS, the City Manager has recommended that any relaxation of health and safety protocols be determined by the number or percentage of employees of the City and the percentage of Tarrant County citizens who have received an approved vaccine regimen to prevent COVID-19 infection and in conjunction with a compelling business or operational need to relax such protocols.

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

SECTION 1.

The policies and protocols attached hereto as Exhibit A are adopted and the City Manager is directed to implement such policies and protocols.

SECTION 2.

This resolution shall become effective immediately upon its passage and approval.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF KENNEDALE ON THE 16TH DAY OF MARCH 2021.

APPROVED:

____

MAYOR, BRIAN JOHNSON

[C I T Y S E A L

ATTEST:

____

CITY SECRETARY, LESLIE E. GALLOWAY

APPROVED AS TO FORM AND LEGALITY:

____

CITY ATTORNEY, DREW LARKIN

RESOLUTION NO. 582
EXHIBIT A