

KENNEDALE CITY COUNCIL AGENDA
REGULAR MEETING MEETING | AUGUST 17, 2021 AT 4:30 PM
CITY HALL COUNCIL CHAMBERS | 405 MUNICIPAL DRIVE, KENNEDALE, TX 76060

**MEMBERS OF THE PUBLIC MAY JOIN IN PERSON OR
ACCESS A LIVE FEED AT WWW.CITYOFKENNEDEALE.COM/VIDEOS
THE VIRTUAL OPTION DOES NOT ALLOW FOR PUBLIC COMMENT**

I. CALL TO ORDER

To address the City Council regarding an agenda item, submit a 'Request to Speak' form before the meeting begins. Speakers are allotted three (3) minutes, must limit their comments to the subject indicated on the form, and should address the Council as a whole, rather than individual Councilmembers or staff.

II. EXECUTIVE SESSION

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

- A. **PURSUANT TO §551.071** — Consultation with the City Attorney pertaining to any matter in which the duty of the City Attorney under the Texas Disciplinary Rules of Professional Conduct may conflict with the Open Meetings Act, including discussion of any item posted on the agenda, and legal issues regarding the Open Meetings Act.
- B. **PURSUANT TO §551.074** — Deliberate the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee; and the following:
 - 1. City Council Place 4
 - 2. City Manager

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

IV. WORK SESSION

- A. WORK SESSION REPORTS
 - 1. Recognition of Police Captain Mike Holguin
 - 2. Fire Department Badge Pinning Ceremony
 - 3. Discussion of the FY2021-22 Proposed Budget
- B. REQUESTS FOR CLARIFICATION OF ITEMS LISTED ON THE AGENDA

V. 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 Council about items not on the agenda. Rules and procedures for addressing the Council 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
 - Proclamation in Recognition of the 20th anniversary of September 11, 2001

3. Updates from the Interim 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 June 15, 2021 special meeting at 5:00 p.m.
2. Approval of the minutes from the June 15, 2021 regular meeting at 5:30 p.m.
3. Approval of the minutes from the June 22, 2021 special meeting at 5:30 p.m.
4. Approval of the minutes from the July 13, 2021 special meeting
5. Approval of the minutes from the July 20, 2021 regular meeting
6. Consider approval of a Resolution, approving a negotiated settlement between the Atmos Cities Steering Committee ("ACSC") and Atmos Energy Corp., Mid-Tex Division regarding the company's 2021 rate review mechanism (RRM) filing
7. Approval of a Sourcewell negotiated contract for the purchase of a fire engine from Metro Fire Apparatus Specialists, Inc. in the amount of \$788,823

F. ITEMS FOR INDIVIDUAL CONSIDERATION

1. Consider an appointment to City Council Place 4
2. Consider appointment of Mayor Pro Tem
3. Discuss and consider approval of bid award for health, dental, life and accidental death and dismemberment (AD&D), and voluntary life insurances and authorize the Interim City Manager to sign the agreements
4. Consider approval of a renewal and amendment of an interlocal agreement (ILA) with the City of Fort Worth for rabies control services
5. Discuss and consider approval of a Resolution of the City Council of the City of Kennedale, Texas, approving the placement of a proposal on the September 21, 2021 City Council Public Meeting agenda to adopt a 2021 tax rate that may exceed the lower of the voter-approval rate or the no-new-revenue tax rate; recording a City Council vote for a proposed tax rate; and calling a public hearing for September 15, 2021

G. PUBLIC HEARINGS

VI. ADJOURNMENT

CERTIFICATION

I DO HEREBY CERTIFY THAT THE AUGUST 17, 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, CITY SECRETARY

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

CREATED 3/6/2020 2:50 PM

POSTED _____ (DATE) _____ (TIME)

MEETING DATE: AUGUST 17, 2021

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

SUBJECT

City Council Place 4

ORIGINATED BY

SUMMARY

RECOMMENDATION

ATTACHMENTS

MEETING DATE: AUGUST 17, 2021

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

SUBJECT

City Manager

ORIGINATED BY

SUMMARY

RECOMMENDATION

ATTACHMENTS

MEETING DATE: AUGUST 17, 2021

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

SUBJECT

Recognition of Police Captain Mike Holguin

ORIGINATED BY

Darrell Hull, Police Chief

SUMMARY

At this time, Captain Darrell Hull will introduce Captain Mike Holguin, whose first day with the City was Monday, August 2, 2021.

RECOMMENDATION

ATTACHMENTS

MEETING DATE: AUGUST 17, 2021

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

SUBJECT

Fire Department Badge Pinning Ceremony

ORIGINATED BY

James Brown, Fire Chief

SUMMARY

At this time, Mayor Brian Johnson will swear in the following:

- Firefighter Creed Coston
- Firefighter Cliff Clark

The Firefighter's Oath

"I, {NAME}, solemnly swear that I will faithfully execute the duties of Firefighter of the state of Texas, City of Kennedale, and will to the best of my ability protect and serve the citizens of Kennedale in their time of need, so help me God."

RECOMMENDATION

ATTACHMENTS

MEETING DATE: AUGUST 17, 2021

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

SUBJECT

Discussion of the FY2021-22 Proposed Budget

ORIGINATED BY

Lakeita Sutton, Director of Finance and Information Technology

SUMMARY

Discussion of the FY2021-22 budget began during a special meeting on Tuesday, August 10, 2021. Printed copies of the proposed budget will be delivered by staff before the meeting. At this time, Finance Director Lakeita Sutton will present the proposed budget. Questions and input from the Council are appreciated. Additional meetings can be held as needed to continue the budget development process.

RECOMMENDATION

ATTACHMENTS

1.	01. Budget Overview	01. Budget Overview.pdf
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FY21-22 Budget Workshop

Special City Council Meeting

TUESDAY, AUGUST 10, 2021



YOU'RE HERE  YOUR HOME

GOALS FOR TODAY

- FY20-21 General Fund Budget vs. Projections
- FY21-22 Revenue Projections by Category
- New Program Requests Received To-Date
- FY21-22 Budget Calendar and Timeline
- Identify Budget Objectives for FY21-22
- Next Steps in Development of Proposed Budget

FY20-21 GENERAL FUND PROJECTIONS : REVENUE

	2020-2021 BUDGET	2020-2021 PROJECTED
Property Taxes	4,808,157	4,808,157
Sales / Beverage Taxes	1,580,632	1,726,483
Grants / Contributions	65,000	217,328
Licenses / Permits	282,485	467,908
Fines / Fees	63,718	60,718
Charge for Services	205,500	247,500
Investment Earnings	12,000	1,500
Miscellaneous Income	5,250	21,889
Intergovernmental	647,243	634,243
Surplus Sales/Rentals	1,500	1,500
TOTAL REVENUES	7,671,485	8,187,226



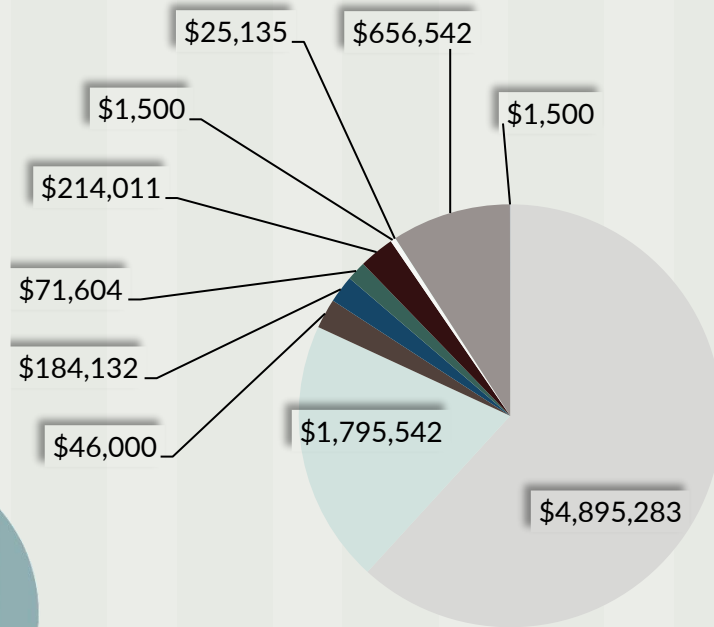
FY20-21 GENERAL FUND PROJECTIONS: EXPENDITURES

	2020-2021 BUDGET	2020-2021 PROJECTED
City Manager	321,424	573,048
Mayor and City Council	140,525	129,025
City Secretary	183,777	173,777
Municipal Court	103,477	103,127
Human Resources	135,212	133,400
Finance	464,564	451,763
Police	2,988,697	3,060,895
Police SRO (School Resource Officer)	208,698	201,171
Fire	2,492,360	2,379,415
Community Development	412,959	609,008
Senior Citizen Center	88,376	84,316
Library	293,924	270,719
Non-Departmental	580,159	580,657
New Program Requests		
TOTAL EXPENDITURES	8,414,151	8,750,320

FY20-21 GENERAL FUND PROJECTIONS: CHANGE IN FUND BALANCE

	2020-2021 BUDGET	2020-2021 PROJECTED
TOTAL REVENUES	\$ 7,671,485	\$8,187,226
TOTAL EXPENDITURES	\$8,414,151	\$ 8,750,320
NET CHANGE IN FUND BALANCE	\$(742,666)	\$(563,094)
FUND BALANCE AS A % OF EXPENDITURES	20.3%	21.6%

FY 21-22 GENERAL FUND REVENUE FORECAST



FY21-22 General Fund Revenue Projection

\$7,891,249

- Property Taxes
- Sales / Beverage Taxes
- Grants / Contributions
- Licenses / Permits
- Fines / Fees
- Charge for Services
- Investment Earnings
- Miscellaneous Income
- Intergovernmental
- Surplus Sales/Rentals

FY 21-22 GENERAL FUND REVENUE FORECAST

REVENUES	2021-2022 PROPOSED
Property Taxes	4,895,283
Sales / Beverage Taxes	1,795,542
Grants / Contributions	46,000
Licenses / Permits	184,132
Fines / Fees	71,604
Charge for Services	214,011
Investment Earnings	1,500
Miscellaneous Income	25,135
Intergovernmental	656,542
Surplus Sales/Rentals	1,500
TOTAL REVENUES	7,891,249



FY21-22 GENERAL FUND EXPENDITURE FORECAST

EXPENDITURE FORECAST	FY 2021-2022
City Manager	353,045
Mayor and City Council	173,025
City Secretary	198,347
Municipal Court	105,986
Human Resources	141,118
Finance	483,099
Police	3,079,006
Police SRO (School Resource Officer)	210,177
Fire	2,630,084
Community Development	482,249
Senior Citizen Center	48,316
Library	298,930
Non-Departmental	736,900
New Program Requests	481,945
TOTAL EXPENDITURES	9,422,227

INCLUDING NEW
PROGRAM REQUESTS
(SEE SLIDES 9-12)



POTENTIAL FACTORS IMPACTING REVENUES

■ PROPERTY TAX

Taxable Values \$848,609,784 (5.74% increase from prior year)

Current Tax Rate 0.774085

No New Revenue Rate 0.756350

Voter Approval Rate 0.783057

De minimis Rate 0.819617

POTENTIAL FACTORS IMPACTING REVENUES

■ SALES TAX

Forecasted revenue could be affected depending on the economic growth within the City and impacts of COVID-19. A 4% increase over prior year is used in the FY 21-22 forecast.

■ PERMITS AND FEES

Revenue forecast varies depending on the exact number of new housing developments expected in FY21-22

FY21-22 NEW PROGRAM REQUESTS

GENERAL FUND

\$481,945

STREETS

\$273,630

TOTAL ACROSS ALL FUNDS: \$755,575

FY21-22 NEW PROGRAM REQUESTS

■ FIRE DEPARTMENT	\$166,000
<i>Fire Marshall (Salary, Benefits and Equipment)</i>	<i>147,000</i>
<i>Furniture Replacement</i>	<i>14,000</i>
<i>Assignment Pay</i>	<i>5,000</i>
■ POLICE DEPARTMENT	\$209,169
<i>Assignment Pay</i>	<i>9,800</i>
<i>Simulator Equipment</i>	<i>10,000</i>
<i>3 Motor Vehicles</i>	<i>150,000</i>
<i>Ballistic Shields</i>	<i>5,000</i>
<i>Portable Radios</i>	<i>8,000</i>
<i>Upgrade Part-Time Admin Assistant to Full-Time</i>	<i>26,369</i>

TOTAL PUBLIC SAFETY

\$375,169

FY21-22 NEW PROGRAM REQUESTS

▪ LIBRARY	\$86,476
Community Engagement Specialist	57,976
Projector and Acoustics	28,500
▪ HUMAN RESOURCES	\$20,300
Tuition Reimbursement	3,500
Employee Appreciation and Recognition	6,800
Travel & Training	1,500
Compensation Survey	8,500

<i>TOTAL ADMINISTRATIVE</i>	<i>\$106,776</i>
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FY21-22 NEW PROGRAM REQUESTS

▪ STREETS FUND	\$273,630
<i>Air Compressor</i>	25,855
<i>7-8 Yard Dump Truck</i>	82,741
<i>Spreader</i>	10,611
<i>Spreader Caster 900</i>	5,139
<i>Asphalt Hot Box</i>	54,417
<i>Pick Up Truck</i>	55,335
<i>26" Saw</i>	18,255
<i>61" Zero Turn Mower</i>	13,077
<i>48" Zero Turn Mower</i>	8,200

TOTAL STREETS FUND

\$273,630

NEXT STEPS

- **August and September**
Various Budget Workshops (as needed)
- **Tuesday, August 17 at 5:30pm**
Budget Workshop during Work Session of Regular City Council Meeting
- **Tuesday, August 24 at 5:30pm**
Special Meeting for Budget Workshop (if needed)
- **Tuesday, August 31 at 5:30pm**
Special Meeting for Budget Workshop (if needed)
- **Wednesday, September 15 at 5:30 p.m.**
Public Hearing on Proposed Budget and Tax Rate
- **Tuesday, September 21 at 5:30 p.m.**
*Consider Adoption of Ordinance Issuing \$6m Certificate of Obligation (CO)**
Consider Adoption of Budget and Tax Rate during Regular Meeting



**As discussed, all budget projections and tax rate calculations presented include this debt issuance*

QUESTIONS?

Leslie E. Galloway
INTERIM CITY MANAGER

Lakeita Sutton
FINANCE DIRECTOR

KENNEDALE
MUNICIPAL BUILDING



MEETING DATE: AUGUST 17, 2021

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

SUBJECT

Updates from the City Council

ORIGINATED BY

Leslie E. Galloway, Interim City Manager

SUMMARY

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

RECOMMENDATION

ATTACHMENTS

MEETING DATE: AUGUST 17, 2021

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

SUBJECT

Updates from the Mayor

- *Proclamation in Recognition of the 20th anniversary of September 11, 2001*

ORIGINATED BY

Leslie E. Galloway, Interim City Manager

SUMMARY

Updates and/or Proclamations from Mayor Linda Rhodes, if any.

RECOMMENDATION

ATTACHMENTS

MEETING DATE: AUGUST 17, 2021

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

SUBJECT

Updates from the Interim City Manager

ORIGINATED BY

Leslie E. Galloway, Interim City Manager

SUMMARY

Updates and information from Interim City Manager Leslie Galloway, if any.

RECOMMENDATION

ATTACHMENTS

MEETING DATE: AUGUST 17, 2021

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

SUBJECT

Financial Reports for the City

ORIGINATED BY

Lakeita Sutton, Director of Finance and Information Technology

SUMMARY

The financials will be provided to the Council at the meeting.

Director of Finance and Information Technology Lakeita Sutton will discuss highlights, if any, and be available to answer questions from the Council.

RECOMMENDATION

ATTACHMENTS

STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: AUGUST 17, 2021

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

SUBJECT

Approval of the minutes from the June 15, 2021 special meeting at 5:00 p.m.

ORIGINATED BY

Leslie E. Galloway, Interim City Manager

SUMMARY

Please see the attached minutes for your approval.

RECOMMENDATION

Approve

ATTACHMENTS

1.	2021_06.15 Minutes_City Council Special Meeting DRAFT - Canvass	2021_06.15 Minutes_City Council Special Meeting DRAFT - Canvass.pdf
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KENNEDALE CITY COUNCIL MINUTES

SPECIAL MEETING | JUNE 15, 2021 AT 5:00 PM

CITY HALL COUNCIL CHAMBERS | 405 MUNICIPAL DRIVE, KENNEDALE, TX 76060

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

I. CALL TO ORDER

Councilmember Linda Rhodes called the meeting to order at 5:05 p.m.

II. ROLL CALL

Present: Linda Rhodes, Place 4 (chair of the meeting in the Mayor's absence); Jan Joplin, Place 1; Gary Mitchell, Place 2; Julie Jacobson, Place 3; **Absent:** Mayor Brian Johnson; Mayor Pro Tem Chad Wandel, Place 5. **Staff:** City Manager George Campbell, City Secretary and Communications Coordinator Leslie E. Galloway, Acting Police Chief Darrell Hull, Director of Finance and Information Technology Lakeita Sutton, Fire Chief James Brown, Director of Human Resources and Administrative Services Danielle Clarke, Public Works Director Larry Hoover

III. REPORTS AND ANNOUNCEMENTS

A. Recognition of outgoing Councilmembers

Councilmember Rhodes thanked Mayor Pro Tem Chad Wandel for his service and welcomed the newly elected Councilmember Connor.

IV. ELECTION BUSINESS

A. Certification of official returns by the City Secretary

City Secretary Leslie E. Galloway reported that the official returns from the runoff election held Saturday, June 5, 2021, for the purpose of electing City Council Place 5 were reported as follows: Chad Wandel received 117 votes (or 46.61%); and James Connor received 134 (or 53.39%). As a result of these tabulations, it would appear that the following are hereby elected: James Connor, City Council Place 5

Motion Approve. Action Approve Council's receipt of the certification of these official returns for the runoff election held Saturday, June 5, 2021; and approving that they be filed within the City's election register as page 75-B, **Moved By Joplin, Seconded By Jacobson. Motion passed unanimously.**

B. Consider approval of a Resolution, canvassing returns and declaring results of a Runoff Election held on June 5, 2021, for the purpose of electing Councilmember Place 5

Motion Approve. Action Approve Resolution, canvassing returns and declaring results of a Runoff Election held on June 5, 2021, for the purpose of electing Councilmember Place

5, **Moved By** Jacobson, **Seconded By** Joplin. **Motion passed unanimously.**

C. Oath of Office for James Connor, Place 5 (2021-2023)

At this time, City Secretary Leslie E. Galloway administered the Oath of Office to James Connor, Place 5. After taking his place on the dais, Councilmember Connor stated his thanks to the citizens of Kennedale for electing him.

V. ADJOURNMENT

Motion Adjourn. **Action** Adjourn, **Moved By** Jacobson, **Seconded By** Mitchell. **Motion passed unanimously.**

Councilmember Rhodes announced that the regular meeting would begin at 5:30 p.m. before adjourning this special meeting at 5:11 p.m.

APPROVED:

ATTEST:

LINDA RHODES, CHAIR

LESLIE E. GALLOWAY, CITY SECRETARY

STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: AUGUST 17, 2021

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

SUBJECT

Approval of the minutes from the June 15, 2021 regular meeting at 5:30 p.m.

ORIGINATED BY

Leslie E. Galloway, Interim City Manager

SUMMARY

Please see the attached minutes for your approval.

RECOMMENDATION

Approve

ATTACHMENTS

1.	2021_06.15 Minutes_City Council Regular Meeting DRAFT	2021_06.15 Minutes_City Council Regular Meeting DRAFT.pdf
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KENNEDALE CITY COUNCIL MINUTES

REGULAR MEETING | JUNE 15, 2021 AT 5:30 PM

CITY HALL COUNCIL CHAMBERS | 405 MUNICIPAL DRIVE, KENNEDALE, TX 76060

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1-877-853-5257 (TOLL-FREE) AND USING ACCESS CODE 76060-76060

I. CALL TO ORDER

Mayor Brian Johnson called the meeting to order at 5:32 p.m. and the Council then moved to item IV.D.1. (Police Department Swearing-In). Following this item, there was a brief discussion regarding minute taking during Executive Session before the Council recessed to Executive from 5:38 p.m. to 7:30 p.m.

II. WORK SESSION

A. WORK SESSION REPORTS

1. Presentation regarding capital projects and the capital programming schedule
The Council did not hear this item.
2. Presentation by Andrew Friedman of SAMCO Capital Markets, the City's financial advisor, regarding current outstanding debt and the potential issuance of Certificates of Obligation (CO) in the amount of approximately \$6 million
The Council did not hear this item.

B. REQUESTS FOR CLARIFICATION OF ITEMS LISTED ON THE AGENDA

III. EXECUTIVE SESSION

- A. **PURSUANT TO §551.071** — Consultation with the City Attorney pertaining to any matter in which the duty of the City Attorney under the Texas Disciplinary Rules of Professional Conduct may conflict with the Open Meetings Act, including discussion of any item posted on the agenda, legal issues regarding the Open Meetings Act, and the following:
 1. City of Kennedale v. James Coyel
 2. Kennedale Town Center agreements and assessments
 3. 800 W Kennedale Parkway
 4. Settlement agreement regarding 731 E Kennedale Parkway, 733 E Kennedale Parkway, and 804 Mansfield Cardinal Road
 5. Discussion of rules of procedure related to matters considered in executive session of City Council and other Boards and Commissions

- B. **PURSUANT TO §551.072** — Deliberation regarding the purchase, exchange, lease, or value of real property:
1. 5412 Kennedale Street
 2. Sale of 13-acre EDC-owned property on Linda Road, known as Lot1A2, Block 1 of the Harris Corporation Addition
 3. 1170 E Kennedale Parkway
- C. **PURSUANT TO §551.074** — Deliberate the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee; and the following:
1. City Manager's Performance Evaluation

IV. REGULAR SESSION

Following Executive Session, Mayor Johnson called the Regular Session to order at 7:35 p.m., announcing that the Council would be holding a special meeting on Tuesday, June 22, at 7:00 p.m. The Work Session items were not discussed during this meeting. City Manager George Campbell did not return to the dais following Executive Session.

A. ROLL CALL

Present: Mayor Brian Johnson (left the meeting at 7:42 p.m. and returned at 9:49 p.m.); Jan Joplin, Place 1; Gary Mitchell, Place 2; Julie Jacobson, Place 3; Linda Rhodes, Place 4; James Connor, Place 5; **Absent:** NONE; **Staff:** City Manager George Campbell (left the meeting at 7:30 p.m.), City Attorney Drew Larkin, City Secretary and Communications Coordinator Leslie E. Galloway, Acting Police Chief Darrell Hull, Director of Finance and Information Technology Lakeita Sutton, Fire Chief James Brown, Director of Human Resources and Administrative Services Danielle Clarke, Public Works Director Larry Hoover, Administrative Assistant Rosie Ericson, Planner Grant Fore

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

Councilmember Mitchell offered the invocation. Following the Invocation and Pledges, the Council moved to item IV.F. 1. (Appointment of the Mayor Pro Tem).

C. VISITOR AND CITIZEN FORUM

There were no requests to speak at this time. Mayor Pro Tem Rhodes announced that all forms received were related to IV.F.5. and asked if there were any requesting to speak. Hearing non, the Council moved to Item IV.D.2.

D. REPORTS AND ANNOUNCEMENTS

1. Police Department Swearing-In Ceremony and Recognition of Corporal Burns' promotion

THIS ITEM WAS TAKEN OUT OF ORDER. IT WAS CONSIDERED IMMEDIATELY FOLLOWING THE CALL TO ORDER, BUT BEFORE THE COUNCIL RECESSED TO EXECUTIVE (CLOSED) SESSION.

Acting Police Chief Darrell Hull and Mayor Brian Johnson swore in Officers Quincy Millikin and Tany Valentin.

2. Updates from the City Council

- **Jan Joplin, Place 1**, thanked the audience for their patience, announced that there was a management change, and was hoping for cooperation with new directives; that she attended a KISD meeting regarding changes resulting from new developments and suggested that this presentation be made to Council as well; requested update on Sublett Road and the 820/287 interchange; and reminded all to be safe on July 4th and to remember that no fireworks are allowed in Kennedale.
- **Gary Mitchell, Place 2**, thanked everyone for attending meetings and voicing their opinions; and hoped that there would be some good resolution tonight.
- **Julie Jacobson, Place 3**, thanked the audience for attending and representing their city and their neighborhoods.
- **James Connor, Place 5**, thanked the audience for their votes and belief in him; stated that he hoped to do great things and see positive change in Kennedale; and noted that voices were being heard.
- **Mayor Pro Tem Linda Rhodes, Place 4**, had no announcements at this time.

3. Updates from the Mayor

Mayor Johnson was not present at this time.

4. Updates from the City Manager

City Manager George Campbell was not present at this time.

5. Financial Reports for the City and the EDC

Finance Director Lakeita Sutton stated that there were no highlights, but that she was available to answer any questions and offered a brief explanation of what each page of the reports showed. There was some discussion of general fund revenues including property tax receipts, EDC income from rental payments, and EDC land proceeds.

E. CONSENT AGENDA

Motion Approve. **Action** Approve removal of items 2, 4, and 5 from the Consent Agenda, **Moved By** Joplin, **Seconded By** Mayor Pro Tem Rhodes. **Motion passed unanimously.**

Motion Approve. **Action** Approve Consent Agenda items 1 and 3, **Moved By** Mitchell, **Seconded By** Joplin. **Motion passed unanimously.**

1. Approval of the minutes from the May 12, 2021 special meeting
2. Approval of the minutes from the May 18, 2021 regular meeting

Councilmember Joplin requested that the City Secretary add to the May 18 minutes, under Work Session Item 2 (regarding the \$6m bond issuance), that she had requested a delay of that item; and that when City Manager George Campbell stated that the Council requested that staff move forward with the issuance, that she stated "not the current council".

Motion Approve. **Action** Approve the minutes from the May 18, 2021 regular meeting with amendments as stated by Councilmember Joplin, **Moved By** Joplin, **Seconded By** Jacobson. **Motion passed unanimously.**

3. Approval of a one-year contract extension with BKD, LLP for the purpose of performing

an annual audit for the City and the EDC

4. Authorize the City Manager to negotiate, finalize and execute a lease agreement with Etron, Inc. for the lease of 201 W Kennedale Parkway, Building 1 in TownCenter

Councilmember Joplin stated that this was presented to the EDC Board and was now being considered by the Council. Councilmember Jacobson stated that she had some concerns about the contract. Current TownCenter building owner Craig Hughes, of Hughes Commercial Real Estate, was available to answer questions. There was some discussion regarding rent rates, unclear contract language, need to fill vacancies within TownCenter, process of contract development and approval by the EDC board, terms of the base rent plus triple net lease, sales tax revenues, foot traffic, and costs of renovations.

Motion Approve. Action Approve authorizing the City Manager to negotiate, finalize and execute a lease agreement with Etron, Inc. for the lease of 201 W Kennedale Parkway, Building 1 in TownCenter, **Moved By Mitchell, Seconded By Jacobson. Motion passed with a vote of 4-1**, with Jacobson voting against approval.

5. Authorize the City Manager to prepare bidding documents and publish notice for the sale of 5412 Kennedale Street

Motion Postpone. Action Postpone authorizing the City Manager to prepare bidding documents and publish notice for the sale of 5412 Kennedale Street, **Moved By Joplin, Seconded By Connor. Motion to postpone passed unanimously.**

F. ITEMS FOR INDIVIDUAL CONSIDERATION

1. Consider appointment of a Mayor Pro Tem

Motion Approve. Action Approve appointment of Gary Mitchell as Mayor Pro Tem, **Moved By Rhodes; Motion fails for lack of a second.**

Motion Approve. Action Approve appointment of Linda Rhodes as Mayor Pro Tem, **Moved By Mitchell, Seconded By Connor. Motion passed with a vote of 4-0-1**, with none voting against approval and Rhodes abstaining.

Mayor Johnson congratulated Mayor Pro Tem Linda Rhodes and announced that he was leaving the meeting. Following Mayor Johnson's departure at 7:42 p.m., Mayor Pro Tem Rhodes chaired the remainder of the meeting. Following this item, the Council then opened the floor for the Visitor's Forum (IV.C).

2. Consider approval of a Resolution authorizing publication of notice of intention to issue Certificates of Obligation to finance street, sidewalk and related drainage improvements at various locations in the City and the acquisition of public safety vehicles and equipment

Motion Postpone. Action Postpone to a future Council meeting items IV.F.2. and IV.F.4., **Moved By Joplin, Seconded By Jacobson. Motion to postpone passed unanimously.**

3. Consider approval of a Resolution amending the City of Kennedale Purchasing Policy

Motion Approve. **Action** Approve Consider approval of a Resolution amending the City of Kennedale Purchasing Policy, **Moved By** Joplin, **Seconded By** Jacobson.

Mayor Pro Tem Rhodes stated that she did not have any issue with the current limit of \$50,000, as it was typical. She added that there was an issue of trust and comfort level that was being addressed with this item.

Motion passed with a vote of 4-1-0, with Mayor Pro Tem Rhodes voting against approval.

4. Consider authorizing the City Manager to enter into a Professional Services Agreement (PSA) with Shield Engineering for engineering design and services related to the Safe Routes to School (SRTS) Program

This item was postponed via an earlier motion.

5. Authorize the City Manager to negotiate, finalize, and execute a contract of sale for a 13-acre EDC-owned property on Linda Road, known as Lot1A2, Block 1 of the Harris Corporation Addition

Director of Planning and Economic Development Melissa Dailey stated that this item concerned a 13-acre property at the corner of Linda and Gail that the EDC had owned since 2012. She added that it is a challenging site topographically. Dailey noted that the Water Fund paid \$171,148 for the property on behalf of the EDC, that the current offer was \$200,000, and that staff would recommend paying the original purchase price back to the Water Fund. There was some discussion regarding a past negotiation with Compressed Air and Watson Glass for the property. Dailey stated that Adlai Pennington is proposing Americana Village for the site – a residential development of about 98 homes, some townhomes, a 17,000 sqft. Office space. The combination would require a future zoning change to Neighborhood Village. Discussion of requirements imposed, the land appraisal, the architectural style of the homes, appraisal, tax revenues, the neighborhood meeting held by the developer, the proposed layout of the development, other zoning options, road capacity, and wildlife preservation.

The developer, Adlai Pennington, stated that he had made several previous investments in Kennedale, and that he felt that the neighborhood meeting gave him the impression that surrounding owners did not wish to see any development in the area.

Mayor Pro Tem Rhodes opened the public hearing at 8:46 p.m.

- Jeff Nevarez spoke in favor.
- Kelly Anderson, Chris Evans, Donald Earp, Colby Callan, Julie Mitchell, and John Hivale spoke against.

Mayor Pro Tem Rhodes closed the public hearing at 9:11 p.m.

There was some discussion among the council regarding the need for more transparency regarding developments, why this item did not go to the Planning & Zoning Commission first, updated project costs on capital improvement plan, Council's desire for a Comprehensive Plan update, Council's desire to listen to community input, infrastructure concerns, and flooding issues in the area.

Adlai Pennington stated that he would like to withdraw the contract from consideration.

Motion Deny. **Action** Deny Sale of 13-acre EDC-owned property on Linda Road, known as

Lot1A2, Block 1 of the Harris Corporation Addition, **Moved By** Connor, **Seconded By** Jacobson. **Motion to deny passed with a vote of 3-0-2**, with none voting against denial and Mitchell and Jacobson abstaining.

Following this item, the Council took a brief recess from 9:27 p.m. to 9:44 p.m.

6. Authorize the City Manager to negotiate, finalize, and execute the fifth amendment to the Lease Purchase Agreement for 1170 E Kennedale Parkway (Red's Roadhouse)

Mayor Johnson returned to the meeting at 9:49 p.m.

There was some discussion regarding the current contract under which the EDC receives rental income for the property but that when the property is sold the proceeds would go to the Bloxom Foundation, Adlai Pennington's request for an extension of the current rental agreement, that the land is not on the property tax roll because it was owned by the EDC, and Council's desire to see Mr. Pennington purchase the property.

Motion Approve. **Action** Approve authorizing the City Manager to negotiate, finalize, and execute the fifth amendment to the Lease Purchase Agreement for 1170 E Kennedale Parkway (Red's Roadhouse) to include an agreement for Adlai Pennington to purchase the land within 60 days and pay up front for those two months of rent, **Moved By** Jacobson, **Seconded By** Connor. **Motion passed unanimously.**

There was a brief discussion of past rental payments due.

Motion Amend. **Action** Amend the previous motion to include payment of any back rent, **Moved By** Julie Jacobson, **Seconded By** James Connor. **Motion passed unanimously.**

G. PUBLIC HEARINGS

1. Hold a public hearing regarding amendments to land use assumptions, capital improvements plan (CIP), and associated water, wastewater, and roadway impact fees

Director of Public Works Larry Hoover stated that the Capital Improvement Advisory Committee (CIAC) letter of recommendation had been provided to the Council.

Mazen Kawasmi of Freese and Nichols offered a presentation regarding the recent study that was conducted prior to this proposed update of the water, wastewater, and roadway impact fees. There was some discussion of service areas, land use assumption, service units, existing capacity, usage and deficiencies, projected demand, service unit equivalency, cost per service unit, and the Capital Improvements Plan supported by these fees.

There was a summary offered of the recommendations of the CIAC as well as a benchmarking of those proposed impact fees compared to those of nearby cities. There was some discussion about the rates charged by other cities.

Mayor Johnson opened the public hearing at 10:27 p.m.

- Joe Palmer (representing KABO) spoke against.

Mayor Johnson closed the public hearing at 10:28 p.m.

- a. Consider an Ordinance amending Article II, Roadway Impact Fees, of Chapter 20, Streets and Sidewalks, of the Kennedale City Code, by revising roadway impact fees on new land development or redevelopment in the city limits of the City of

Kennedale, Texas; updating land use assumptions and capital improvement plans; and providing for the assessment and collection of impact fees

Motion Approve. **Action** Approve an Ordinance amending Article II, Roadway Impact Fees, of Chapter 20, Streets and Sidewalks, of the Kennedale City Code, by revising roadway impact fees on new land development or redevelopment in the city limits of the City of Kennedale, Texas; updating land use assumptions and capital improvement plans; and providing for the assessment and collection of impact fees, **Moved By** Connor, **Seconded By** Mitchell. **Motion passed 4-1** with Connor voting against.

- b. Consider an Ordinance amending Article V, Water and Wastewater Impact Fees, of Chapter 23, Water, Sewers and Sewage Disposal, of the Kennedale City Code, by revising water and wastewater impact fees on new land development and redevelopment in the city limits and extraterritorial jurisdiction of the City of Kennedale, Texas; updating land use assumptions and capital improvement plans; and providing for the assessment and collection of impact fees

Motion Approve. **Action** Approve an Ordinance amending Article V, Water and Wastewater Impact Fees, of Chapter 23, Water, Sewers and Sewage Disposal, of the Kennedale City Code, by revising water and wastewater impact fees on new land development and redevelopment in the city limits and extraterritorial jurisdiction of the City of Kennedale, Texas; updating land use assumptions and capital improvement plans; and providing for the assessment and collection of impact fees, **Moved By** Connor, **Seconded By** Mayor Pro Tem Rhodes.

Councilmember Connor noted that adopting the maximum fee seemed extreme.

Motion passed 4-1 with Connor voting against.

Following this item, the Council reconvened into Executive from 10:33 p.m. to 11:08 p.m.

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

Motion Approve. **Action** Approve authorizing the City Attorney to finalize the settlement agreement in regards to the property at 731 E Kennedale Parkway, 733 E Kennedale Parkway, and 804 Mansfield Cardinal Road; and to further authorize the Mayor to execute said agreement, **Moved By** Jacobson, **Seconded By** Connor. **Motion passed unanimously.**

V. ADJOURNMENT

Motion Adjourn. **Action** Adjourn, **Moved By** Jacobson, **Seconded By** Connor. **Motion passed unanimously.**

Mayor Johnson adjourned the meeting at 11:09 p.m.

APPROVED:

ATTEST:

LINDA RHODES, MAYOR PRO TEM

LESLIE E. GALLOWAY, CITY SECRETARY

MEETING DATE: AUGUST 17, 2021

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

SUBJECT

Approval of the minutes from the June 22, 2021 special meeting at 5:30 p.m.

ORIGINATED BY

Leslie E. Galloway, Interim City Manager

SUMMARY

Please see the attached minutes for your approval.

RECOMMENDATION

Approve

ATTACHMENTS

1.	2021_06.22 Minutes_City Council Special Meeting DRAFT	2021_06.22 Minutes_City Council Special Meeting DRAFT.pdf
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KENNEDALE CITY COUNCIL MINUTES

SPECIAL MEETING | JUNE 22, 2021 AT 5:30 PM

CITY HALL COUNCIL CHAMBERS | 405 MUNICIPAL DRIVE, KENNEDALE, TX 76060

MEMBERS OF THE PUBLIC MAY JOIN IN PERSON OR VIRTUALLY BY VISITING

WWW.CITYOFKENNEDEALE.COM/JOINMEETING AND/OR BY DIALING

1-877-853-5257 (TOLL-FREE) AND USING ACCESS CODE 76060-76060

I. CALL TO ORDER

Mayor Pro Tem Linda Rhodes called the meeting to order at 5:30 p.m. noting that all Council were present except Mayor Johnson before recessing to executive from 5:30 to 7:20 p.m.

II. EXECUTIVE SESSION

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

A. **PURSUANT TO §551.071** — Consultation with the City Attorney pertaining to any matter in which the duty of the City Attorney under the Texas Disciplinary Rules of Professional Conduct may conflict with the Open Meetings Act, including discussion of any item posted on the agenda, legal issues regarding the Open Meetings Act, and the following:

1. City Manager

B. **PURSUANT TO §551.074** — Deliberate the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee; and the following:

1. City Manager

III. SPECIAL SESSION

A. Discuss and take action concerning the position of the City Manager, including:

- Separation Agreement
- Preliminary Resolution relating to the suspension or removal of the City Manager
- Appointment of an Interim City Manager

Mayor Pro Tem Rhodes reconvened the open meeting at 7:26 p.m.

- **Don Earp** spoke about the need for the City Manager to obtain grants and utilize a road use plan.

Motion Approve. **Action** Approve authorizing the City Attorney to negotiate a settlement agreement as discussed in Executive Session to be discussed at the next Council meeting, **Moved By** Joplin, **Seconded By** Jacobson. **Motion passed 4-1** with Mayor Pro Tem Rhodes voting against.

Motion Approve. **Action** Approve adoption of a resolution relating to the suspension or removal of the City Manager, **Moved By** Joplin, **Seconded By** Jacobson. **Motion passed 4-1** with Mayor Pro Tem Rhodes voting against.

Motion Approve. **Action** Approve appointing Leslie Galloway as Temporary Interim City Manager with applications for internal employees to be posted and reviewed at the next meeting for Interim, **Moved By** Joplin, **Seconded By** Jacobson. **Motion passed 5-0.**

B. Discuss and consider removal and appointment of members of the Kennedale Economic Development Corporation (EDC) Board, Keep Kennedale Beautiful (KKB) Commission, and Tax Increment Reinvestment Zone Board (TIRZ) #1 Board

- **Don Earp** spoke about the need for transparency and professionalism among staff.

Motion Approve. **Action** Approve removal of the members serving in Place 2 (Councilmember Julie Jacobson) and Place 3 (Chris Pugh, who resigned) on the TIRZ Board and to replace them with Rockie Gilley for Place 2 and Councilmember Jan Joplin for Place 3, **Moved By** Jacobson, **Seconded By** Jacobson.

Councilmember Joplin stated that this board dealt with complicated subject matter and had not met since 2018; as Rockie Gilley was the chair at the time, this would help the board to move quickly to repay monies owed to other funds.

Motion passed 4-1 with Mayor Pro Tem Rhodes voting against because she felt that the Place 2 seat should have been open to all applicants.

Mayor Pro Tem announced that applications for all advisory boards and commissions will be accepted beginning now.

IV. ADJOURNMENT

Motion Adjourn. **Action** Adjourn, **Moved By** Joplin, **Seconded By** Jacobson. **Motion passed 5-0.**

Mayor Pro Tem Rhodes adjourned the meeting at 7:42 p.m.

APPROVED:

ATTEST:

LINDA RHODES, MAYOR PRO TEM

LESLIE E. GALLOWAY, CITY SECRETARY

MEETING DATE: AUGUST 17, 2021

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

SUBJECT

Approval of the minutes from the July 13, 2021 special meeting

ORIGINATED BY

Leslie E. Galloway, Interim City Manager

SUMMARY

Please see the attached minutes for your approval.

RECOMMENDATION

Approve

ATTACHMENTS

1.	2021_07.13 Minutes_City Council Special Meeting DRAFT	2021_07.13 Minutes_City Council Special Meeting DRAFT.pdf
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KENNEDALE CITY COUNCIL MINUTES
SPECIAL MEETING | JULY 13, 2021 AT 5:30 PM
CITY HALL COUNCIL CHAMBERS, 405 MUNICIPAL DRIVE

I. CALL TO ORDER

Mayor Pro Tem Rhodes called the meeting to order at 5:30 p.m., and made an opening statement regarding this meeting not being offered virtually, noting that COVID restrictions had been relaxed and that the decision to discontinue was based upon the pandemic; however, the City will explore options to live stream meetings going forward without the option for public input virtually.

II. ROLL CALL

Present: Mayor Pro Tem Linda Rhodes, Place 4; Jan Joplin, Place 1; Gary Mitchell, Place 2; Julie Jacobson, Place 3; James Connor, Place 5; **Absent:** Mayor Brian Johnson. **Staff:** Temporary Interim City Manager Leslie E. Galloway, Police Chief Darrell Hull, Fire Chief James Brown, Administrative Assistant Rosie Ericson

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, legal issues regarding the Open Meetings Act, and the following:
1. City Manager Separation Agreement
 2. Social Media
 3. Mayor appointment process
 4. City of Kennedale v. James Coyel
 5. Salvage yards and special exception/special use permits
- B. PURSUANT TO §551.074** — Deliberate the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee or to hear a complaint or charge against an officer or employee; and the following:
1. Interim City Manager, including interviews
 2. City Manager
 3. Community Development Director
 4. Public Works Director

5. Vacant Council seats including Mayor

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

V. SPECIAL SESSION

Mayor Pro Tem Rhodes reconvened the open session at 9:03 p.m.

A. Consider appointment of a Mayor

Mayor Pro Tem Rhodes stated that on Friday, July 2, 2021, that Mayor Brian Johnson submitted a letter of resignation; and that, according to the Texas Election Code, that a resignation is automatically accepted upon the eighth day after receipt; and that no formal action is required by the Council to fill the vacancy.

Temporary Interim City Manager Leslie E. Galloway stated that the original Charter stated that, in the vacancy of the Mayor's seat the Mayor Pro Tem would become Mayor, that the Charter had since been amended to allow the Council to appoint anyone to the role that they deemed appropriate.

Motion Approve. **Action** Approve appointment of Mayor Pro Tem Linda Rhodes as Mayor, **Moved By** Joplin, **Seconded By** Jacobson. **Motion passed with a vote of 4-0-1**, with Rhodes abstaining.

B. Oath of Office for the Mayor

At this time, City Secretary Leslie Galloway administered the Statement of Elected Official and Oath of Office to Linda Rhodes for the Place of Mayor.

Mayor Rhodes thanked the Council and former Mayor Brian Johnson and encouraged the community to stay positive during this time of change, noting some positive staffing changes and achievements that had happened recently. Mayor Rhodes added that she had also recently earned her CPM (Certified Public Manager) and discussed her other professional achievements and memberships. Mayor Rhodes closed by urging the community to work together to build a bridge and work together.

C. Consider appointment of an Interim City Manager

Motion Approve. **Action** Approve appointment of Leslie Galloway as Interim City Manager at a temporary salary increase of 26% during that service, **Moved By** Joplin, **Seconded By** Jacobson. **Motion passed unanimously.**

D. Discuss and provide direction to staff regarding the appointment process to fill any existing vacancies on the Council

Motion Approve. **Action** Approve acceptance of applications for City Council Place 4, with appointment of that position to be made at the next regular meeting on August 17, **Moved By** Joplin, **Seconded By** Jacobson. **Motion passed unanimously.**

E. Discuss and provide direction to staff regarding Council's desired process for identifying candidates for the role of City Manager

Motion Approve. **Action** Approve posting application for a City Manager, **Moved**

By Joplin, Seconded By Jacobson. Motion passed unanimously.

VI. WORK SESSION

- A. Discussion regarding potential issuance of Certificates of Obligations (CO) in the amount of \$6 million and related projects

Finance Director Lakeita Sutton stated that a staff report regarding this debt issuance was included in the packet, noting that the former Council began discussion of this issuance in March of 2020; and that the plan had originally been to secure \$6 million in fiscal year 2021, followed by another \$8 million in 2024. Sutton gave a summary of the implications that would result from either issuance or non-issuance of this debt. Discussion included the purchase of public safety apparatus, bond program project submittals, and the tax rate calculation associated with the budget process. Sutton noted that staff is recommending moving forward with the \$6 million issuance (which would not increase the debt portion of the property tax rate) followed by the \$8 million issuance in 2024. Sutton noted that the intent to sale would need to be approved at the meeting next week, and that staff was working to arrange for the financial advisors to be at the next meeting.

There was some discussion of unencumbered past debt issuances, the securing of the grant, a potential grant for Valley Lane, the projects submitted to the Tarrant County Transportation Bond Package, a potential GO Issuance, and the number of capital projects that need to be addressed. Mayor Rhodes thanked staff for bringing this item back and stated that it was her understanding that the Council would like for staff to move forward with the potential debt issuance. Ms. Sutton noted again that all budget discussions would include issuance of this debt.

- B. Discuss and establish a priority ranking of those projects submitted for consideration for inclusion in the November 2021 Tarrant County Transportation Bond Package

Following some discussion, it was a consensus among the Council to rank the projects as follows: 1. Little Road Extension (due to the emergency access issue we currently have for the west portion of town and the ETJ); 2. Collett Sublett; 3. Valley Lane; 4. Kennedale Sublett Realignment.

VII. ADJOURNMENT

Motion Adjourn. Action Adjourn, Moved By Jacobson, Seconded By Connor. Motion passed unanimously.

Mayor Linda Rhodes adjourned the meeting at 9:56 p.m.

APPROVED:

ATTEST:

LINDA RHODES, MAYOR

LESLIE E. GALLOWAY, CITY SECRETARY

MEETING DATE: AUGUST 17, 2021

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

SUBJECT

Approval of the minutes from the July 20, 2021 regular meeting

ORIGINATED BY

Leslie E. Galloway, Interim City Manager

SUMMARY

Please see the attached minutes for your approval.

RECOMMENDATION

Approve

ATTACHMENTS

1.	2021_07.20 Minutes_City Council Regular Meeting DRAFT	2021_07.20 Minutes_City Council Regular Meeting DRAFT.pdf
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KENNEDALE CITY COUNCIL MINUTES

REGULAR MEETING | JULY 20, 2021 AT 5:30 PM

CITY HALL COUNCIL CHAMBERS | 405 MUNICIPAL DRIVE, KENNEDALE, TX 76060

MEMBERS OF THE PUBLIC MAY JOIN IN PERSON OR VIRTUALLY BY VISITING

WWW.CITYOFKENNEDEALE.COM/JOINMEETING AND/OR BY DIALING

1-877-853-5257 (TOLL-FREE) AND USING ACCESS CODE 76060-76060

I. CALL TO ORDER

Mayor Linda Rhodes called the meeting to order at 5:30 p.m., noting that the public could join virtually but that the virtual option did not allow for input.

II. WORK SESSION

A. WORK SESSION REPORTS

1. Presentation by City of Arlington staff regarding current status of the Sublett Road project

Sabino Martin, Civil Engineer for the City of Arlington Public Works and Transportation gave a brief presentation regarding this project including the projected start date of February 2022, with an expected timeline of 18 months. Information can be found online at www.arlingtontx.gov/sublettroad.

2. Safe Routes to School (SRTS) update and discussion regarding remaining project costs

Interim City Manager Leslie Galloway stated that this was a cooperative project with NCTCOG to install sidewalks and crosswalks in Crestdale between Arthur Intermediate and Delaney Elementary, noting that roughly \$37,000 had been spent thus far with another ~\$400,000 necessary for completion, which could be funded via the 2018 Tax Note issuance. Mayor Rhodes added that there was a Consent Agenda item related to this Work Session Discussion. Jean Marie Barnes, Executive Vice President and Chief Operations Officer for Shield Engineering, was available to answer questions from the Council. There was some discussion of the potential for proving sidewalks and crosswalks on additional streets in the area, the funding source, the previous costs, TxDOT approval required, concerns about putting more money into the project without seeing it come to fruition, the strong community support for the project, the history of the project, that the original amount had been expected to be \$162,000, various associated costs, the bidding process.

3. Presentation and discussion regarding Senior Center reopening plan and staffing options

Library Director Amanda King presented options for re-opening the Senior Center including staffing, food service, a history of the center, and other recommendations. After some discussion, it was the consensus among the Council to unfreeze the frozen

parttime Library staff position to complete a soft re-opening of the Center as soon as possible with final decisions regarding staffing, transportation, and food service to be determined during the budget process. There was some discussion of the need to consider effects on the tax rate, bridging gap of community involvement, volunteer possibilities, and the costs of various meal options.

- **Linda Neal** spoke in support of reopening, including transportation and meals.
- **Sara Johnson** spoke in support of reopening and how Kennedale Senior Outreach assists seniors.
- **Joe Palmer** spoke against reopening the Center with additional staff.
- **Parker Chamberlain** did not speak but was in favor of reopening the Center.
- **Judy Anderson** spoke about the lack of communication regarding needs at the Senior Center.

4. Presentation by potential purchasers and developers of the Texas Raceway property

Developers Doug Skomer of Graham Hart Home Builder and Rick Swager of Double Eagle Real Estate presented concepts including 266 homes in the area, in four phases. There was a discussion of the greenspace in the development, entrances, amenities, the necessary extension of Linda Road, average lot and home size, pricing, the forthcoming re-zoning request, and the existing development agreement. Property owner Dave McMillan was also present to answer questions. Council expressed a desire to see R3 rather than – or in addition to – R4 lots.

- **John Hivale** spoke against the closing of Texas Raceway.

There was some discussion of the fact that the business had been closed since 2016 and that the owner had the right to sell the property to developers.

The Council took a short recess from 7:52 to 8:00 p.m.

B. REQUESTS FOR CLARIFICATION OF ITEMS LISTED ON THE AGENDA

III. **REGULAR SESSION**

A. ROLL CALL

Present: Mayor Linda Rhodes; Jan Joplin, Place 1; Gary Mitchell, Place 2; Julie Jacobson, Place 3; Linda Rhodes, Place 4; James Connor, Place 5; **Absent:** NONE; **Staff:** Interim City Manager Leslie E. Galloway, City Attorney Drew Larkin, Police Chief Darrell Hull, Library Director Amanda King, Director of Finance and Information Technology Lakeita Sutton, Fire Chief James Brown, Director of Human Resources and Administrative Services Danielle Clarke, Public Works Director Larry Hoover, Administrative Assistant Rosie Ericson

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

Councilmember Mitchell offered the invocation.

C. VISITOR AND CITIZEN FORUM

- **Harrell Mitchell** spoke regarding development difficulties.
- **Eric Elam** spoke regarding worries about a development abutting his property.
- **Jeff Prause** spoke regarding development difficulties.
- **Jacqueline Skaggs** spoke in support of Harrell Mitchell's project.

- **Joe Palmer (representing KABO)** spoke about lowering property taxes by supporting business development.
- **Susan Lasky** spoke in support of Harrell Mitchell's project.

D. REPORTS AND ANNOUNCEMENTS

1. Updates from the City Council

- **Jan Joplin, Place 1**, thanked staff for their dedication despite the change, thanked citizens for their patience, thanked Leslie Galloway for taking on the existing issues; announced that she attended the Chamber of Commerce luncheon, had met with citizens and staff including Fire Chief James Brown, had attended several Senior Outreach events; and thanked everyone for their offers to volunteer; had attended a TIRZ Board meeting and looked forward to the next one; attended a JPS neighborhood clinic webinar by Commissioner Devan Allen; attended the KISD Board meeting including recognition of Coach Basaldu; and announced the next school planning meeting would be July 26.
- **Gary Mitchell, Place 2**, had no updates at this time.
- **Julie Jacobson, Place 3**, had no updates at this time.
- **James Connor, Place 4**, thanked the citizens and staff; and announced that he had productive meetings in recent weeks that had brought up good points.

2. Updates from the Mayor

Mayor Linda Rhodes proclaimed Tuesday, August 3, 2021, as National Night Out (NNO) in the City of Kennedale; and announced that she attended several Senior Outreach events including bingo; attended the KISD meeting and had the pleasure of knowing Coach Basaldu; that she enjoyed meeting the KISD board of trustee members; that she would like to see future collaborative meetings between the two bodies; and attended a Southeast Tarrant Transportation (SETT) meeting along with Interim City Manager Leslie Galloway where it was announced that all cities were expected to be awarded one project submittal for the Tarrant County Transportation Bond Program.

3. Updates from the Interim City Manager

Interim City Manager Leslie Galloway announced that the Commissioners Court is expected to complete their project ranking on July 27, with the official project list expected to be announced on August 3; that Shield Engineering had drafted letters to Commissioner Allen asking that the City's projects be considered for her discretionary funding; thanked Council and the community for their patience as staff moves through this time of transition; congratulated Finance Director Lakeita Sutton and her staff on earning the Certificate of Achievement for Excellence in Financial Reporting from Government Finance Officers Association (GFOA); and announced that the first Citizens Police Academy would be held in September.

4. Financial Reports for the City and the EDC

Finance Director Lakeita Sutton stated that the financials from June 2021 showed the General Fund to be on track for the time of year; discussed that we currently have four major vacancies in the past month and due to severance packages of those tenured

employees that substantial payouts would be coming out of the General Fund; that the Water Sewer Fund was also tracking well and currently had a 61% fund balance, but that there are several large items that the City had not yet been invoiced by the City of Arlington; that the Stormwater Fund was also tracking on time, but that there were some capital projects scheduled for this year that may not occur; that she was considering recommending combining the Streets Fund with the General Fund because it is supported by franchise fees which have decreased significantly due to S.B. 2.

In response to a question to Councilmember Joplin regarding a large franchise fee payment, Ms. Sutton stated that she would have to look into it, but that it may have been a coding error. Councilmember Joplin stated her support of the idea of consolidating the Streets Fund into the General Fund.

5. Schedule of Investment Activity for quarter ending June 30, 2021

Finance Director Lakeita Sutton stated that if the Council had any questions that they should reach out.

E. CONSENT AGENDA

Councilmember Joplin asked that items 2 and 3 be removed from Consent. Mayor Rhodes noted that the Consent Agenda did not include the minutes from recent meetings, but that they would appear on the August agenda.

1. Authorize staff to execute an agreement with North Central Texas Council of Governments (NCTCOG) for the acceptance of a grant

Motion Approve. Action Approve Consent Agenda item 1, Moved By Jacobson, Seconded By Connor.

Councilmember Joplin noted that this was a grant for 25% of the cost of the fire truck.

Motion passed unanimously.

2. Consider approval of an Ordinance amending the senior and disabled discount provisions of the current water/sewer rate ordinance by extending discounts to a surviving spouse for the remainder of the fiscal year

Councilmember Joplin noted that the qualified applicants had not been receiving the discount while this was in progress; that the application period was moving from a 2- to 5-year period; and asked that staff look at streamlining the application process.

Motion Approve. Action Approve an Ordinance amending the senior and disabled discount provisions of the current water/sewer rate ordinance by extending discounts to a surviving spouse for the remainder of the fiscal year, Moved By Joplin, Seconded By Connor. Motion passed unanimously.

3. Consider authorizing the Interim City Manager to enter into a Professional Services Agreement (PSA) with Shield Engineering for engineering design and services related to the Safe Routes to School (SRTS) Program

Councilmember Joplin reiterated her desire to ensure that more money would not be committed without seeing this project come to fruition, including the matching funds.

Interim City Manager Leslie Galloway stated that she was comfortable advising the Council to move forward. Jean Marie Barnes of Shield stated that the Council could withhold the notice to proceed until funding was guaranteed.

- **Sara Johnson** spoke in support of this item.

Motion Approve. **Action** Approve authorizing the Interim City Manager, based on the information we have heard tonight, to enter into a Professional Services Agreement (PSA) with Shield Engineering for engineering design and services related to the Safe Routes to School (SRTS) Program, **Moved By** Joplin, **Seconded By** Jacobson.

Councilmember Connor requested that staff seek the adding of Magnolia, Hilltop, and Ruth, if possible.

Motion passed unanimously.

F. ITEMS FOR INDIVIDUAL CONSIDERATION

1. Authorize the Interim City Manager to prepare bidding documents and publish notice for the sale of 5412 Kennedale Street

Mayor Linda Rhodes stated that this item would be considered following Executive.

2. Consider authorizing the Interim City Manager to execute Change Order No. 1 for Inland Pipe Rehabilitation, submitted by IPR SC in the amount of \$23,517.37 which is part of the Crestdale sanitary sewer improvements

Craig Barnes of Shield Engineering was available to answer any questions from the Council. In response to a question from Councilmember Mitchell, Barnes stated that the work was completed.

Motion Approve. **Action** Approve authorizing the Interim City Manager to execute Change Order No. 1 for Inland Pipe Rehabilitation, submitted by IPR SC in the amount of \$23,517.37 which is part of the Crestdale sanitary sewer improvements, **Moved By** Joplin, **Seconded By** Jacobson. **Motion passed unanimously.**

3. Consider authorizing the Interim City Manager to execute a pay estimate to PM Construction & Rehab, LLC, in the amount of \$60,525.00 for the Crestdale sanitary sewer improvements

Motion Approve. **Action** Approve authorizing the Interim City Manager to execute Change Order No. 1 for Inland Pipe Rehabilitation, submitted by IPR SC in the amount of \$23,517.37 which is part of the Crestdale sanitary sewer improvements, **Moved By** Joplin, **Seconded By** Jacobson. **Motion passed unanimously.**

Interim City Manager noted that one more payment of about \$36,000 was expected on this project.

Motion Approve. **Action** Approve authorizing the Interim City Manager to execute Change Order No. 1 for Inland Pipe Rehabilitation, submitted by IPR SC in the amount of \$23,517.37 which is part of the Crestdale sanitary sewer improvements, **Moved By** Joplin, **Seconded By** Jacobson. **Motion passed unanimously.**

4. Consider approval of a Resolution authorizing publication of notice of intention to issue Certificates of Obligation to finance street, sidewalk and related drainage improvements at various locations in the City and the acquisition of public safety vehicles and equipment

Finance Director Lakeita Sutton stated that Mark McLiney of SAMCO Capital was present to give information and answer questions, noting that this debt would be structured to legally comply with the note's purposes. Mr. McLiney gave a brief presentation regarding the notice of intent resolution, noting that this was the first legal step to issue the debt, but was not the actual issuance – which would happen on September 21, 2021. He added that the COs must be sold before final adoption of the tax rate. There was some discussion of current debt levels, the amount being paid towards debt each year, current interest rates, and ability to pay off debt early.

Motion Approve. **Action** Approval of a Resolution authorizing publication of notice of intention to issue Certificates of Obligation to finance street, sidewalk and related drainage improvements at various locations in the City and the acquisition of public safety vehicles and equipment, **Moved By** Joplin, **Seconded By** Connor. **Motion passed unanimously.**

Following this item, the Council recessed to Executive (Closed) Session from 9:42 p.m. to 11:06 p.m.

G. PUBLIC HEARINGS

IV. EXECUTIVE SESSION

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

- A. **PURSUANT TO §551.071** — Consultation with the City Attorney pertaining to any matter in which the duty of the City Attorney under the Texas Disciplinary Rules of Professional Conduct may conflict with the Open Meetings Act, including discussion of any item posted on the agenda, legal issues regarding the Open Meetings Act, and the following:
 1. Chapter 380 and Economic Development Corporation Agreement between the City of Kennedale, the Kennedale Economic Development Corporation, and Karmali Holdings, Inc.
 2. City of Kennedale v. James Coyel
 3. Kennedale TownCenter agreements and assessments
 4. 800 W Kennedale Parkway
 5. Separation Agreement with George Campbell
 6. Salvage yards and special exception/special use permits
- B. **PURSUANT TO §551.072** — Deliberation regarding the purchase, exchange, lease, or value of real property:

1. Chapter 380 and Economic Development Corporation Agreement between the City of Kennedale, the Kennedale Economic Development Corporation, and Karmali Holdings
 2. 5412 Kennedale Street
- C. **PURSUANT TO §551.074** — Deliberate the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee; and the following:
1. City Manager
 2. Public Works Director
 3. Community Development Director
 4. City Council Place 4
- D. **PURSUANT TO §551.087** — (1) Deliberation regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations; or (2) to deliberate the offer of a financial or other incentive to a business prospect described by Subdivision (1):
1. Chapter 380 and Economic Development Corporation Agreement between the City of Kennedale, the Kennedale Economic Development Corporation, and Karmali Holdings
 2. Kennedale TownCenter

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

Mayor Rhodes reconvened the open meeting at 11:06 p.m.

Motion Approve. **Action** For the Interim City Manager to negotiate, finalize and execute, as discussed in Executive Session, a settlement agreement in the City of Kennedale v. James Coyel, **Moved By** Joplin, **Seconded By** Jacobson. **Motion passed unanimously.**

Motion Approve. **Action** Authorize the Interim City Manager to prepare bidding documents and publish notice for the sale of 5412 Kennedale Street, **Moved By** Joplin, **Seconded By** Jacobson. **Motion passed unanimously.**

VI. ADJOURNMENT

Motion Adjourn. **Action** Adjourn, **Moved By** Jacobson, **Seconded By** Connor. **Motion passed unanimously.**

Mayor Rhodes adjourned the meeting at 11:08 p.m.

APPROVED:

ATTEST:

LINDA RHODES, MAYOR

LESLIE E. GALLOWAY, CITY SECRETARY

MEETING DATE: AUGUST 17, 2021

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

SUBJECT

Consider approval of a Resolution, approving a negotiated settlement between the Atmos Cities Steering Committee ("ACSC") and Atmos Energy Corp., Mid-Tex Division regarding the company's 2021 rate review mechanism (RRM) filing

ORIGINATED BY

Leslie E. Galloway, Interim City Manager

SUMMARY

BACKGROUND AND SUMMARY

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

Since 2007, there have been several modifications to the original RRM Tariff. The most recent iteration of an RRM Tariff was reflected in an ordinance adopted by ACSC members in 2018. On or about April 1, 2021, the Company filed a rate request pursuant to the RRM Tariff adopted by ACSC members. The Company claimed that its cost-of-service in a test year ending December 31, 2020, entitled it to additional system-wide revenues of \$43.4 million.

Application of the standards set forth in ACSC's RRM Tariff reduces the Company's request to \$40.5 million, \$29.3 million of which would be applicable to ACSC members. ACSC's consultants concluded that the system-wide deficiency under the RRM regime should be \$22.34 million instead of the claimed \$40.5 million. The amount of the \$22.34 million deficiency applicable to ACSC members would be \$16.8 million.

After the Company reviewed ACSC's consultants' report, ACSC's Executive Committee and the Company negotiated a settlement whereby the Company would receive an increase of \$22.78 million from ACSC Cities, but with a two-month delay in the Effective Date until December 1, 2021. This should save ACSC cities approximately \$3.8 million.

The Executive Committee recommends a settlement at \$22.78 million. The Effective Date for new rates is December 1, 2021. ACSC members should take action approving the Resolution before October 1, 2021.

PROOF OF REVENUES

Atmos generated proof that the rate tariffs attached to the Resolution will generate \$22.78 million in additional revenues from ACSC Cities. That proof is attached as Attachment 1 to this Staff Report. ACSC consultants have agreed that Atmos' Proof of Revenues is accurate.

BILL IMPACT

The impact of the settlement on average residential rates is an increase of \$1.28 on a monthly basis, or 2.2 percent. The increase for average commercial usage will be \$4.03 or 1.61 percent. A bill impact comparison is attached as Attachment 2.

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

ACSC strongly opposed the GRIP process because it constitutes piecemeal ratemaking by ignoring declining expenses and increasing revenues while rewarding the Company for increasing capital investment on an annual

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

RRM SAVINGS OVER GRIP

While residents outside municipal limits must pay rates governed by GRIP, there are some cities served by Atmos Mid-Tex that chose to remain under GRIP rather than adopt RRM. Additionally, the City of Dallas adopted a variation of RRM which is referred to as DARR. When new rates become effective on December 1, 2021, ACSC residents will maintain an economic monthly advantage over GRIP and DARR rates. See Attachment 3.

EXPLANATION OF "BE IT RESOLVED" PARAGRAPHS:

1. This section approves all findings in the Resolution.
2. This section adopts the RRM rate tariffs and finds the adoption of the new rates to be just, reasonable, and in the public interest.
3. This section makes it clear that Cities may challenge future costs associated with gas leaks like the explosion in North Dallas or the evacuation in Georgetown.
4. This section finds that existing rates are unreasonable. Such finding is a necessary predicate to establishment of new rates. The new tariffs will permit Atmos Mid-Tex to recover an additional \$22.78 million from ACSC Cities.
5. This section approves an exhibit that establishes a benchmark for pensions and retiree medical benefits to be used in future rate cases or RRM filings.
6. This section approves an exhibit to be used in future rate cases or RRM filings regarding recovery of regulatory liabilities, such as excess deferred income taxes.
7. This section requires the Company to reimburse the City for expenses associated with review of the RRM filing, settlement discussions, and adoption of the Resolution approving new rate tariffs.
8. This section repeals any resolution or ordinance that is inconsistent with the Resolution.
9. This section finds that the meeting was conducted in compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.
10. This section is a savings clause, which provides that if any section is later found to be unconstitutional or invalid, that finding shall not affect, impair, or invalidate the remaining provisions of this Resolution. This section further directs that the remaining provisions of the Resolution are to be interpreted as if the offending section or clause never existed.
11. This section provides for an effective date upon passage. December 1, 2021 represents a two month delay in the Effective Date established by the RRM tariff.
12. This section directs that a copy of the signed Resolution be sent to a representative of the Company and legal counsel for ACSC.

CONCLUSION

The Legislature's GRIP process allowed gas utilities to receive annual rate increases associated with capital investments. The RRM process has proven to result in a more efficient and less costly (both from a consumer rate impact perspective and from a ratemaking perspective) than the GRIP process. Given Atmos Mid-Tex's claim that its historic cost of service should entitle it to recover \$43.4 million in additional system-wide revenues, the RRM settlement at \$22.78 million for ACSC Cities reflects substantial savings to ACSC Cities. Settlement at \$22.78 million (plus \$3.8 of additional savings due to the two-month delay) is fair and reasonable. The ACSC Executive Committee consisting of city employees of 18 ACSC members urges all ACSC members to pass the Resolution before October 1, 2021. New rates become effective December 1, 2021.

RECOMMENDATION

Approve

ATTACHMENTS

1.	2021 Atmos Mid-Tex RRM Model Staff Report Attachments	2021 Atmos Mid-Tex RRM Model Staff Report Attachments.pdf
2.	R594 Atmos RRM	R594 Atmos RRM.pdf
3.	2021 Atmos Mid-Tex RRM Settlement Resolution Attachments	2021 Atmos Mid-Tex RRM Settlement Resolution Attachments.pdf

**Attachment 1 to
Model Staff Report**

2021 RRM

Proof of Revenues

ATMOS ENERGY CORP., MID-TEX DIVISION
RRM CITIES RATE REVIEW MECHANISM
PROOF OF REVENUES - RRM CITIES
TEST YEAR ENDING DECEMBER 31, 2020

Line No.	Customer Class (a)	Current (b)	Proposed (c)	Bills (d)	Ccf/MmBtu (e)	Current Revenues (f)	Proposed Revenues (g)	Increase (h)
1	Residential							
2	Customer Charge	\$	20.25	\$		\$ 280,698,048	\$ 289,015,027	\$ 8,316,979
3	Consumption Charge	0.26651	0.27979	13,861,632		167,181,199	175,511,717	\$ 8,330,518
4	Revenue Related Taxes				627,298,034	30,398,805	31,528,717	
5	Total Class Revenue					\$ 478,278,052	\$ 496,055,461	\$ 17,777,409
6	Commercial							
7	Customer Charge	\$	54.50	\$		\$ 59,642,184	\$ 61,830,888	\$ 2,188,704
8	Consumption Charge	0.11728	0.12263	1,094,352		42,672,431	44,619,033	\$ 1,946,602
9	Revenue Related Taxes				363,850,875	6,944,376	7,225,051	
10	Total Class Revenue					\$ 109,258,991	\$ 113,674,972	\$ 4,415,981
11	Industrial & Transportation							
12	Customer Charge	\$	1,014.50	\$		\$ 7,158,312	\$ 7,442,316	\$ 284,004
13	Consumption Charge Tier 1	\$	0.4157	\$	7,056	3,109,328	3,238,728	\$ 129,400
14	Consumption Charge Tier 2	\$	0.3044	\$		2,521,298	2,626,490	\$ 105,192
15	Consumption Charge Tier 3	\$	0.0653	\$		850,136	885,287	\$ 35,151
16	Revenue Related Taxes				13,018,926	925,722	963,306	
17	Total Class Revenue					\$ 14,564,796	\$ 15,156,127	\$ 591,331
18	Total Excluding Other Revenue					\$ 602,101,840	\$ 624,886,561	\$ 22,784,721
19	Revenue Related Tax Factor	6.7873%						\$ 21,336,550

**Attachment 2
to 2021 RRM Staff Report**

Bill Impact

Line No.	Rate R @ 45.2 Ccf					Current	Proposed	Change
1						\$	20.25	
2	Customer charge							
3	Consumption charge							
4	Rider GCR Part A							
5	Rider GCR Part B							
6	Subtotal					\$	54.59	
7	Rider FF & Rider TAX							
8	Total					\$	3.71	
9								
10	Customer charge							
11	Consumption charge							
12	Rider GCR Part A							
13	Rider GCR Part B							
14	Subtotal					\$	55.79	
15	Rider FF & Rider TAX							
16	Total					\$	3.79	
17								
18								
19								
20	Customer charge					\$	54.50	
21	Consumption charge							
22	Rider GCR Part A							
23	Rider GCR Part B							
24	Subtotal					\$	234.20	
25	Rider FF & Rider TAX							
26	Total					\$	15.90	
27								
28	Customer charge							
29	Consumption charge							
30	Rider GCR Part A							
31	Rider GCR Part B							
32	Subtotal					\$	237.98	
33	Rider FF & Rider TAX							
34	Total					\$	16.15	
35								

**Attachment 3
to 2021 RRM Staff Report**

RRM Monthly Savings Over GRIP and DARR Rates

**ATMOS ENERGY CORP., MID-TEX DIVISION
RESIDENTIAL AVERAGE BILL COMPARISON
(EXCLUDING GAS COSTS)**

	ACSC Settled	DARR Settled	ATM Filing	ENVIRONS Filing
Customer Charge	\$20.85	\$23.80	\$27.68	\$25.90
Monthly Ccf [1]	45.2	52.7	45.2	45.2
Consumption Charge	\$0.27979	\$0.19526	\$0.14846	\$0.18653
Average Monthly Bill	\$33.50	\$34.09	\$34.39	\$34.33
		-\$0.60	-\$0.89	-\$0.83

[1] Recognizes that average normal usage for Dallas residential customers is greater than Mid-Tex average.

RESOLUTION NO. 594

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KENNEDALE, TEXAS, APPROVING A NEGOTIATED SETTLEMENT BETWEEN THE ATMOS CITIES STEERING COMMITTEE (“ACSC”) AND ATMOS ENERGY CORP., MID-TEX DIVISION REGARDING THE COMPANY’S 2021 RATE REVIEW MECHANISM FILING; DECLARING EXISTING RATES TO BE UNREASONABLE; ADOPTING TARIFFS THAT REFLECT RATE ADJUSTMENTS CONSISTENT WITH THE NEGOTIATED SETTLEMENT; FINDING THE RATES TO BE SET BY THE ATTACHED SETTLEMENT TARIFFS TO BE JUST AND REASONABLE AND IN THE PUBLIC INTEREST; APPROVING AN ATTACHED EXHIBIT ESTABLISHING A BENCHMARK FOR PENSIONS AND RETIREE MEDICAL BENEFITS; APPROVING AN ATTACHED EXHIBIT REGARDING AMORTIZATION OF REGULATORY LIABILITY; REQUIRING THE COMPANY TO REIMBURSE ACSC’S REASONABLE RATEMAKING EXPENSES; DETERMINING THAT THIS RESOLUTION WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE TEXAS OPEN MEETINGS ACT; ADOPTING A SAVINGS CLAUSE; DECLARING AN EFFECTIVE DATE; AND REQUIRING DELIVERY OF THIS RESOLUTION TO THE COMPANY AND THE ACSC’S LEGAL COUNSEL.

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

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

WHEREAS, ACSC and the Company worked collaboratively to develop a Rate Review Mechanism (“RRM”) tariff that allows for an expedited rate review process by ACSC Cities as a substitute to the Gas Reliability Infrastructure Program (“GRIP”) process instituted by the

Legislature, and that will establish rates for the ACSC Cities based on the system-wide cost of serving the Atmos Mid-Tex Division; and

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

WHEREAS, on about April 1, 2021, Atmos Mid-Tex filed its 2021 RRM rate request with ACSC Cities based on a test year ending December 31, 2020; and

WHEREAS, ACSC coordinated its review of the Atmos Mid-Tex 2021 RRM filing through its Executive Committee, assisted by ACSC's attorneys and consultants, to resolve issues identified in the Company's RRM filing; and

WHEREAS, the Executive Committee, as well as ACSC's counsel and consultants, recommend that ACSC Cities approve an increase in base rates for Atmos Mid-Tex of \$22.78 million applicable to ACSC Cities with an Effective Date of December 1, 2021; and

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

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

WHEREAS, the two month delayed Effective Date from October 1 to December 1 will save ACSC ratepayers approximately \$3.8 million off new rates imposed by the attached tariffs (Exhibit A); and

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

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

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

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

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

Section 1. That the findings set forth in this Resolution are hereby in all things approved.

Section 2. That, without prejudice to future litigation of any issue identified by ACSC, the City Council finds that the settled amount of an increase in revenues of \$22.78 million for ACSC Cities represents a comprehensive settlement of gas utility rate issues affecting the rates, operations, and services offered by Atmos Mid-Tex within the municipal limits arising from Atmos Mid-Tex's 2021 RRM filing, is in the public interest, and is consistent with the City's authority under Section 103.001 of the Texas Utilities Code.

Section 3. That despite finding Atmos Mid-Tex's plant-in-service to be reasonable, ACSC is not foreclosed in future cases from evaluating the reasonableness of costs associated with incidents involving leaks of natural gas.

Section 4. That the existing rates for natural gas service provided by Atmos Mid-Tex are unreasonable. The new tariffs attached hereto and incorporated herein as Exhibit A, are just and reasonable, and are designed to allow Atmos Mid-Tex to recover annually an additional \$22.78 million from customers in ACSC Cities, over the amount allowed under currently approved rates. Such tariffs are hereby adopted.

Section 5. That the ratemaking treatment for pensions and retiree medical benefits in Atmos Mid-Tex's next RRM filing shall be as set forth on Exhibit B, attached hereto and incorporated herein.

Section 6. That subject to any future settlement or decision regarding the balance of Excess Deferred Income Tax to be refunded to ratepayers, the amortization of regulatory liability shall be consistent with the schedule found in Exhibit C, attached hereto and incorporated herein.

Section 7. That Atmos Mid-Tex shall reimburse the reasonable ratemaking expenses of the ACSC in processing the Company's 2021 RRM filing.

Section 8. That to the extent any resolution or ordinance previously adopted by the Council is inconsistent with this Resolution, it is hereby repealed.

Section 9. That the meeting at which this Resolution was approved was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

Section 10. That if any one or more sections or clauses of this Resolution is adjudged to be unconstitutional or invalid, such judgment shall not affect, impair, or invalidate the remaining provisions of this Resolution, and the remaining provisions of the Resolution shall be interpreted as if the offending section or clause never existed.

Section 11. That consistent with the City Ordinance that established the RRM process, this Resolution shall become effective from and after its passage with rates authorized by attached tariffs to be effective for bills rendered on or after December 1, 2021.

Section 12. That a copy of this Resolution shall be sent to Atmos Mid-Tex, care of Chris Felan, Vice President of Rates and Regulatory Affairs Mid-Tex Division, Atmos Energy Corporation, 5420 LBJ Freeway, Suite 1862, Dallas, Texas 75240, and to Thomas Brocato,

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

**DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF
KENNEDEALE, TEXAS, BY A VOTE OF ____ TO ____, ON THIS THE 17TH DAY OF
AUGUST 2021.**

Mayor Linda Rhodes

ATTEST:

City Secretary Leslie E. Galloway

APPROVED AS TO FORM:

City Attorney Drew Larkin

Exhibit A
to 2021 RRM Resolution or Ordinance

Mid-Tex Tariffs
Effective December 1, 2021

RATE SCHEDULE:	R – RESIDENTIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 12/01/2021	PAGE:

Application

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

Type of Service

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

Monthly Rate

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

Charge	Amount
Customer Charge per Bill	\$ 20.85 per month
Rider CEE Surcharge	\$ 0.05 per month ¹
Total Customer Charge	\$ 20.90 per month
Commodity Charge – All <u>Ccf</u>	\$0.27979 per Ccf

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

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

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

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

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

Agreement

An Agreement for Gas Service may be required.

Notice

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

¹Reference Rider CEE - Conservation and Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2021.

RATE SCHEDULE:	C – COMMERCIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 12/01/2021	PAGE: Page

Application

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

Type of Service

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

Monthly Rate

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

Charge	Amount
Customer Charge per Bill	\$ 56.50 per month
Rider CEE Surcharge	\$ 0.01 per month ¹
Total Customer Charge	\$ 56.51 per month
Commodity Charge – All Ccf	\$ 0.12263 per Ccf

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

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

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

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

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

Agreement

An Agreement for Gas Service may be required.

Notice

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

¹ Reference Rider CEE - Conservation and Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2021.

RATE SCHEDULE:	I – INDUSTRIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 12/01/2021	PAGE:

Application

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

Type of Service

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

Monthly Rate

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

Charge	Amount
Customer Charge per Meter	\$ 1,054.75 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.4330 per MMBtu
Next 3,500 MMBtu	\$ 0.3171 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.0680 per MMBtu

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

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

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

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

Curtailment Overpull Fee

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

Replacement Index

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

RATE SCHEDULE:	I – INDUSTRIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 12/01/2021	PAGE:

Agreement

An Agreement for Gas Service may be required.

Notice

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

Special Conditions

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

RATE SCHEDULE:	T – TRANSPORTATION	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 12/01/2021	PAGE:

Application

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

Type of Service

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

Monthly Rate

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

Charge	Amount
Customer Charge per Meter	\$ 1,054.75 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.4330 per MMBtu
Next 3,500 MMBtu	\$ 0.3171 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.0680 per MMBtu

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

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

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

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

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

Imbalance Fees

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

Monthly Imbalance Fees

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

RATE SCHEDULE:	T – TRANSPORTATION	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 12/01/2021	PAGE:

Curtailment Overpull Fee

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

Replacement Index

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

Agreement

A transportation agreement is required.

Notice

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

Special Conditions

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

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	WNA – WEATHER NORMALIZATION ADJUSTMENT	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 12/01/2021	PAGE:

Provisions for Adjustment

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

Computation of Weather Normalization Adjustment

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

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

Where

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

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

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

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

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

ADD = billing cycle actual heating degree days.

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

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

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

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

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	WNA – WEATHER NORMALIZATION ADJUSTMENT	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 12/01/2021	PAGE:

Base Use/Heat Use Factors

Weather Station	<u>Residential</u>		<u>Commercial</u>	
	Base use <u>Ccf</u>	Heat use <u>Ccf/HDD</u>	Base use <u>Ccf</u>	Heat use <u>Ccf/HDD</u>
Abilene	11.88	0.1459	85.39	0.6996
Austin	10.34	0.1452	194.82	0.9398
Dallas	15.21	0.1915	148.19	1.0986
Waco	10.63	0.1373	130.39	0.7436
Wichita Falls	12.63	0.1398	109.17	0.5803

Weather Normalization Adjustment (WNA) Report

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

Exhibit B
to 2021 RRM Resolution or Ordinance

Mid-Tex
2021 Benchmark for Pensions
and Retiree Benefits

Line No.	Description	Shared Services		Mid-Tex Direct		Adjustment Total
		Pension Account Plan	Post-Employment Benefit Plan	Pension Account Plan	Supplemental Executive Benefit Plan	
	(a)	(b)	(c)	(d)	(e)	(g)
Proposed Benefits Benchmark - Fiscal Year 2021 Willis Towers Watson Report as adjusted (1) (2) (3)						
1	Allocation to Mid-Tex	\$ 2,917,949	\$ 4,908,358	\$ 5,447,063	\$ 293,818	\$ 6,600,073
2		43.68%	43.68%	76.11%	100.00%	76.11%
Proposed Benefits Benchmark Costs Allocated to Mid-Tex (Ln 1 x Ln 2)						
3		\$ 1,274,655	\$ 2,144,130	\$ 4,145,546	\$ 293,818	\$ 5,023,057
4	O&M and Capital Allocation Factor	100.00%	100.00%	100.00%	100.00%	100.00%
5	Proposed Benefits Benchmark Costs to Approve (Ln 3 x Ln 4) (3)	\$ 1,274,655	\$ 2,144,130	\$ 4,145,546	\$ 293,818	\$ 5,023,057
6						\$ 12,881,205
7						
8	Summary of Costs to Approve (1):					
9						
10	O&M Expense Factor (WP_F-2.3, Ln 2)	75.07%	75.07%	38.66%	11.00%	38.66%
11						
12						
13	Total Pension Account Plan					\$ 2,559,357
14	Total Post-Employment Benefit Plan	\$ 956,873	\$ 1,609,582	\$ 1,602,484	\$ 32,322	\$ 1,941,691
15	Total Supplemental Executive Benefit Plan					\$ 3,551,272
16	Total (Ln 13 + Ln 14 + Ln 15)	\$ 956,873	\$ 1,609,582	\$ 1,602,484	\$ 32,322	\$ 1,941,691
						\$ 6,142,952

1. Studies not applicable to Mid-Tex or Shared Services are omitted.

2. Mid-Tex is proposing that the Fiscal Year 2021 Willis Towers Watson actuarial amounts shown on WP_F-2.3 and WP_F-2.3.1, be approved by the RRM Cities as the benchmark amounts to be used to calculate the regulatory asset or liability for future periods. The benchmark amount approved by the RRM Cities for future periods includes only the expense amount. The amount attributable to capital is recorded to utility plant through the overhead process as described in the CAM.
3. SSU amounts exclude cost centers which do not allocate to Mid-Tex for rate making purposes.

3. SSU amounts exclude cost centers which do not allocate to Mid-Tex for rate making purposes. Includes only the expense amount. The amount attributable to capital is recorded to utility plant through the overhead process as described in the CHW.

Exhibit C
to 2021 RRM Resolution or Ordinance

Mid-Tex 2021 Schedule for
Amortization for Regulatory Liability

ATMOS ENERGY CORP., MID-TEX DIVISION
RATE BASE ADJUSTMENTS
TEST YEAR ENDING DECEMBER 31, 2020
AMORTIZATION OF REGULATORY LIABILITY

Line No.	Year Ended Dec. 31	Beginning Protected Balance	Protected Amortization	Ending Protected Balance	Beginning Unprotected Balance	Unprotected Amortization	Ending Unprotected Balance	Total Protected & Unprotected Amortization	Total Protected & Unprotected Balance
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	2017 (3)	\$ -	\$ -	\$ (51,477,654)	\$ -	\$ -	\$ 343,746,535	\$ -	\$ 292,268,881
2	2018	(51,477,654)	494,977	(50,982,677)	343,746,535	(3,513,868)	340,232,667	(3,018,891)	289,249,991
3	2019	(50,982,677)	1,979,910	(49,002,767)	340,232,667	(14,057,872)	326,174,795	(12,077,963)	277,172,028
4	2020	(49,002,767)	1,979,910	(47,022,857)	326,174,795	(13,988,908)	312,185,886	(12,008,999)	265,163,029
5	2021	(47,022,857)	3,464,842	(43,558,015)	312,185,886	(26,390,127)	285,795,760	(22,925,284)	242,237,745
6	2022	(43,558,015)	1,979,910	(41,578,105)	285,795,760	(60,167,528)	225,628,231	(58,187,619)	184,050,126
7	2023	(41,578,105)	1,979,910	(39,598,195)	225,628,231	(60,167,528)	165,460,703	(58,187,619)	125,862,508
8	2024	(39,598,195)	1,979,910	(37,618,286)	165,460,703	(60,167,528)	105,293,175	(58,187,619)	67,674,889
9	2025	(37,618,286)	1,979,910	(35,638,376)	105,293,175	(60,167,528)	45,125,646	(58,187,619)	9,487,270
10	2026	(35,638,376)	1,979,910	(33,658,466)	45,125,646	(45,125,646)	(0)	(43,145,737)	(33,658,466)
11	2027	(33,658,466)	1,979,910	(31,678,556)	(0)	0		1,979,910	(31,678,556)
12	2028	(31,678,556)	1,979,910	(29,698,647)	-	-		1,979,910	(29,698,647)
13	2029	(29,698,647)	1,979,910	(27,718,737)	-	-		1,979,910	(27,718,737)
14	2030	(27,718,737)	1,979,910	(25,738,827)	-	-		1,979,910	(25,738,827)
15	2031	(25,738,827)	1,979,910	(23,758,917)	-	-		1,979,910	(23,758,917)
16	2032	(23,758,917)	1,979,910	(21,779,007)	-	-		1,979,910	(21,779,007)
17	2033	(21,779,007)	1,979,910	(19,799,098)	-	-		1,979,910	(19,799,098)
18	2034	(19,799,098)	1,979,910	(17,819,188)	-	-		1,979,910	(17,819,188)
19	2035	(17,819,188)	1,979,910	(15,839,278)	-	-		1,979,910	(15,839,278)
20	2036	(15,839,278)	1,979,910	(13,859,368)	-	-		1,979,910	(13,859,368)
21	2037	(13,859,368)	1,979,910	(11,879,459)	-	-		1,979,910	(11,879,459)
22	2038	(11,879,459)	1,979,910	(9,899,549)	-	-		1,979,910	(9,899,549)
23	2039	(9,899,549)	1,979,910	(7,919,639)	-	-		1,979,910	(7,919,639)
24	2040	(7,919,639)	1,979,910	(5,939,729)	-	-		1,979,910	(5,939,729)
25	2041	(5,939,729)	1,979,910	(3,959,820)	-	-		1,979,910	(3,959,820)
26	2042	(3,959,820)	1,979,910	(1,979,910)	-	-		1,979,910	(1,979,910)
27	2043	(1,979,910)	1,979,910	0	-	-		1,979,910	0
28									
29	Revenue Related Tax Factor				See WP_F-5.1			6.79%	
30	Revenue Related Taxes on Annual Amortization				Amortization * Tax Factor		\$	3,949,355	
31	Amortization Including Revenue Related Taxes				Amortization + Taxes		\$	<u>62,136,973</u>	
32									
33	Notes:								
34	1. The annual amortization of the protected balance is a 26 year recovery period based on the Reverse South Georgia Method. The annual amortization of the unprotected balance is 5 years.								
35	2. The Regulatory Liability is recorded to FERC Accounts 253 and 242, Sub Account 27909.								
36	3. This is the final Mid-Tex liability balance filing the Fiscal Year 2018 tax return.								

MEETING DATE: AUGUST 17, 2021

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

SUBJECT

Approval of a Sourcewell negotiated contract for the purchase of a fire engine from Metro Fire Apparatus Specialists, Inc. in the amount of \$788,823

ORIGINATED BY

James Brown, Fire Chief

SUMMARY

Sourcewell is a cooperative purchasing program (similar to BuyBoard), which allows governments to purchase goods and services from pre-approved vendors at flat negotiated rates without a formal bidding process. Most standard public safety equipment can be purchased under this or similar programs.

As the Council is aware, a grant (through the Clean Fleet program facilitated by NCTCOG) is providing 25% funding (of eligible expenses) on this contract. The City will pay up-front for the full amount of the engine. After delivery of the new apparatus (which usually takes about 12 months), the former reserve apparatus must be permanently removed from service via an approved method. At that time, the City will be reimbursed for up to \$165,000 of the cost. Staff expects to receive the maximum award amount.

RECOMMENDATION

ATTACHMENTS

1.	Sourcewell - Kennedale Proposal	Sourcewell - Kennedale Proposal.pdf
----	---------------------------------	-------------------------------------



Vendor Contract #022818-SPR

August 20, 2021

City of Kennedale, Fire Department
Member # 180818
405 Municipal Dr
Kennedale, Texas 76060

We are pleased to offer to you one (1) Pumper, Midship, Star Series on a Spartan Metro Star long four-door (LFD) chassis with a 10" raised roof, with Cummins 450 HP engine, Waterous CSU 1500 GPM pump, Foam Pro 2001 Class A foam system, 750 gallons of water and 30 gallons of foam though the Sourcewell contract based on the provided specifications and drawings.

Category SC-06	
Standard Price	\$375,962.78
Options & Changes	\$459,923.22
Sourcewell Discount	\$ 47,063.00
<u>Discount Percentage</u>	<u>5.30313%</u>

Total Contract Price \$788,823

Prices above do not include any Federal, State or local taxes.

We look forward to providing your agency with an industry leading apparatus. Our legacy of expertise means your apparatus is built from the ground up on a foundation ready to handle your specific response equipment and route needs. We work with you to strategically configure your truck's specs into a design that represents the best possible mix of safety, speed, agility, ergonomics, and serviceability. And we don't stop once the truck is delivered.

Brian Russell – Apparatus Manager
brussell@mfas.com
832.541.7858

Metro Fire Apparatus Specialists, Inc.
17350 State Highway 249
Suite 250
Houston, Texas 77064



EMERGENCY RESPONSE



Spartan Motors USA, Inc

MEETING DATE: AUGUST 17, 2021

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

SUBJECT

Consider an appointment to City Council Place 4

ORIGINATED BY

Leslie E. Galloway, Interim City Manager

SUMMARY

During the Executive (Closed) Session, the Council is expected to interview the following:

- Austin Degenhart
- Elizabeth MacDonnell
- Kenneth Michels
- Jeff Nevarez
- Marah Aqqad

At this time, the Council may choose to appoint someone to serve for the remainder of the term for City Council Place 4 (thought May 2022).

RECOMMENDATION

ATTACHMENTS

MEETING DATE: AUGUST 17, 2021

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

SUBJECT

Consider appointment of Mayor Pro Tem

ORIGINATED BY

Leslie E. Galloway, Interim City Manager

SUMMARY

At this time the Council may consider appointing a member to serve as Mayor Pro Tem. As the Council is aware, Linda Rhodes most recently served as Mayor Pro Tem, but is now serving as Mayor following Brian Johnson's resignation.

***From Section 3.03 of the Charter
Mayor and Mayor Pro Tem***

The Mayor shall preside at City Council meetings, and shall be recognized as head of the City government. The Mayor shall have the right to vote only in the event of a tie. The Mayor shall also have veto power. The City Council shall elect one of its members Mayor Pro Tem. The Mayor Pro Tem shall act as Mayor in the absence of the Mayor and shall have the same duties and power as the Mayor except veto power. The Mayor Pro Tem shall retain the right to vote as a Council member.

RECOMMENDATION

ATTACHMENTS

MEETING DATE: AUGUST 17, 2021

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

SUBJECT

Discuss and consider approval of bid award for health, dental, life and accidental death and dismemberment (AD&D), and voluntary life insurances and authorize the Interim City Manager to sign the agreements

ORIGINATED BY

Leslie E. Galloway, Interim City Manager

SUMMARY

Staff has been working with Brinson Benefits, the City's insurance consulting firm, regarding benefit plans, plan utilization, and preparation for the bid process.

After receiving an insurance renewal with an overall increase of 28.02%, Brinson immediately bid the insurance to review other competitive offers. During this meeting, Dawn Brinson, owner of Brinson Benefits will be present to go over recommended bid options from the current provider (BCBS) and other companies and to answer any questions from the Council. Council consideration and direction is appreciated.

RECOMMENDATION

In order to offer continuity of care for our employees, staff would recommend to Council remaining with the current provider (BCBS), if at all feasible.

ATTACHMENTS

MEETING DATE: AUGUST 17, 2021

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

SUBJECT

Consider approval of a renewal and amendment of an interlocal agreement (ILA) with the City of Fort Worth for rabies control services

ORIGINATED BY

Darrell Hull, Police Chief

SUMMARY

The term of the original agreement (attached) was October 1, 2020 through September 30, 2021. Approval of the (also attached) renewal would extend the agreement through September 30, 2022. Additionally, there is a price increase from \$400.00 to 466.80 (flat fee per dog or quarantined animal impounded) for the upcoming renewal term (beginning on October 1, 2021).

Because of this increased rate, staff is also negotiating a separate ILA with the City of Everman for similar services, which will appear on a future agenda. Assuming Council's approval of both agreements, staff would utilize Everman as a primary source for animal impoundment. However, staff would also recommend maintaining the agreement with the City of Fort Worth for cases in which the facilities at Everman are at capacity and/or unable to accept additional animals.

Having two agreements in place will help us to provide a better continuity of service to our residents and neither agreement has a retainer or establishment cost. Instead, costs are only incurred upon utilization of the service(s).

RECOMMENDATION

Approve

ATTACHMENTS

1.	Renewal and Amendment City of Kennedale ILA	Renewal and Amendment City of Kennedale ILA.pdf
2.	Original Contract: Interlocal Agreement (2020-2021)	Interlocal Agreement (2020-2021).pdf

**RENEWAL 1 AND AMENDMENT 1 TO CITY OF FORT WORTH CONTRACT 54667
BETWEEN THE CITY OF FORT WORTH AND CITY OF KENNEDALE**

This Contract Renewal Agreement (the "Agreement") is made and entered into by and between the City of Fort Worth, a home-rule municipal corporation of the State of Texas, located within Tarrant, Denton, and Wise Counties, (hereinafter referred to as the "Fort Worth"), acting by and through its duly authorized Assistant City Manager, and City of Kennedale (hereinafter referred to as the "Kennedale"), acting by and through its Mayor, for Fort Worth to provide Kennedale limited rabies control. Each party shall be individual referred to herein as Party and collectively as Parties.

RECITALS

WHEREAS, on or about October 1, 2020, Fort Worth entered into an Interlocal Agreement with the Kennedale to provide limited rabies control services. The Interlocal Agreement was assigned City Secretary Office (CSO) Contract No. 54667 (the "Original Agreement"); and

WHEREAS, the initial term of the Original Agreement was from October 1, 2020 to September 30, 2021 and could be renewed by mutual agreement of the Parties;

WHEREAS, the Parties have continued to operate under the Original Agreement since that time;

WHEREAS, Fort Worth desires to increase the flat fee per dog or quarantined animal impounded by Fort Worth due to increase in costs per animal, medications, food, and staff for caring;

WHEREAS, the Original Agreement authorizes Fort Worth to increase fees for its services during the term of the Original Agreement so long as Kennedale is provided with 120 days' notice;

WHEREAS, on or about June 1, 2021, Fort Worth provided written notice to Kennedale informing Kennedale that Fort Worth is increasing the flat fee per dog or quarantined animal impounded by Fort Worth from \$400.00 to 466.80 for the upcoming renewal term; and

WHEREAS, the Parties agree to renew and amend the Original Agreement for a one (1) year renewal term and to increase the flat fee per dog or quarantined animal impounded by Fort Worth to \$466.80.

NOW THEREFORE Fort Worth and Kennedale do hereby agree to the following:

I.

RENEWAL OF ORIGINAL AGREEMENT

1. The Original Agreement, as amended herein, is hereby renewed and extended for a renewal term commencing on October 1, 2021 and ending on September 30, 2022.

II.

AMENDMENT TO ORIGINAL AGREEMENT

The following terms are hereby amended to either replace any conflicting terms in the Original Agreement or shall be added to the terms and shall be binding and enforceable as if they were originally included therein and the amended agreement shall be referred to as the Agreement in all future documents.

1. Exhibit A of the Original Agreement shall be deleted and replaced with the Exhibit A attached to this Agreement.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

[SIGNATURE PAGE FOLLOWS]

Accepted and Agreed to By:

CITY OF FORT WORTH

Valerie Washington
Assistant City Manager

Date: _____

RECOMMENDED

Dr. Timothy Morton
Asst. Code Compliance Director

**APPROVED AS TO FORM
AND LEGALITY**

Christopher K. Austria
Assistant City Attorney

ATTEST:

Ronald Gonzales
Acting City Secretary

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

CONTRACT COMPLIANCE MANAGER:

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

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

Renewal of CSO 54667
ILA – CFW and Kennedale

CITY OF KENNEDALE

By: Linda Rhodes
Title: Mayor

Date: _____

Leslie Galloway
Interim City Manager

**APPROVED AS TO FORM
AND LEGALITY**

Drew Larkin
City Attorney

EXHIBIT A

SCHEDULE OF FEES PAID BY CITY OF KENNEDALE

Impoundment/Boarding Fee:

City of Kennedale shall pay the City a flat fee of \$466.80 per dog or quarantine animal impounded by the City from City of Kennedale during the term of this agreement.

SPECIMEN HEAD PREPARATION AND SHIPMENT

Per Animal Head Specimen

\$200.00 per specimen

STATE OF TEXAS

§

COUNTY OF TARRANT

§

§

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

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

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

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

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

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

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

NOW, THEREFORE, it is agreed as follows:

1.

PURPOSE

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

2.
DEFINITIONS

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

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

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

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

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

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

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

DAY shall mean a calendar day or any part thereof.

DOG shall mean canis familiaris.

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

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

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

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

3.
TERM

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

4.
SERVICES BY CITY

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

5.
DUTIES OF KENNEDALE

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

6.
IMPOUNDMENT AND DISPOSITION OF ANIMALS

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

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

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

7.

EXCLUSIONS

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

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

8.

RESPONSIBILITY FOR EMPLOYEES

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

9.

COMPENSATION

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

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

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

10.

FEES CHARGED ANIMAL OWNERS

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

11.

LIABILITIES

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

12.

IMMUNITY & THIRD PARTIES

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

13.

TERMINATION

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

14.

ENTIRETY

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

15.

MODIFICATION

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

16.

SEVERABILITY

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

17.

AUTHORITY

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

18.
AUTHORIZATION

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

19.
FORCE MAJEURE

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

20.
FISCAL FUNDING LIMITATION

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

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

CITY OF FORT WORTH


Valerie Washington (Oct 12, 2020 12:27 CDT)
Valerie Washington
Assistant City Manager
Date: Oct 12, 2020

RECOMMENDED


Tim Morton (Oct 7, 2020 17:29 CDT)
Dr. Timothy Morton
Asst. Code Compliance Director

**APPROVED AS TO FORM
AND LEGALITY**


Christopher Austria (Oct 12, 2020 11:18 CDT)
Christopher K. Austria
Assistant City Attorney

ATTEST:

for Ronald P. Gonzales
for Ronald P. Gonzales (Oct 12, 2020 12:54 CDT)
Mary J. Kayser
City Secretary

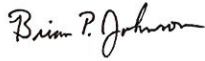
M&C: 20-0595
1295: N/A

CONTRACT COMPLIANCE MANAGER:

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

By: Christopher Lirette
Christopher Lirette (Oct 1, 2020 14:48 CDT)
Name: Christopher Lirette
Title: Code Compliance Superintendent

CITY OF KENNEDALE


By: Brian Johnson
Title: Mayor
Date: Oct 7, 2020


George Campbell
City Manager

**APPROVED AS TO FORM
AND LEGALITY**

City Attorney


Tommy Williams (Oct 7, 2020 14:41 CDT)
Tommy Williams
Chief Of Police

EXHIBIT A

SCHEDULE OF FEES PAID BY CITY OF KENNEDALE

Impoundment/Boarding Fee:

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

SPECIMEN HEAD PREPARATION AND SHIPMENT

Per Animal Head Specimen

\$200.00 per specimen

EXHIBIT B

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

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

CITY COUNCIL AGENDA



DATE: 8/25/2020 **REFERENCE **M&C 20-** **LOG NAME:** 23RABIES CONTROL VARIOUS
NO.: 0595 **MUNICIPALITIES 2021**
CODE: C **TYPE:** CONSENT **PUBLIC HEARING:** NO
SUBJECT: (ALL) Authorize Execution of Interlocal Agreements with Tarrant County and the Cities of Benbrook, Kennedale, and Pantego for the Purpose of Providing Limited Animal and Rabies Control Services and Rabies Specimen Shipments During Fiscal Year 2021 with Renewal Options

RECOMMENDATION:

It is recommended that the City Council authorize the execution of Interlocal Agreements with Tarrant County and the cities of Benbrook, Kennedale, and Pantego for the purpose of providing limited animal and rabies control services and rabies specimen shipments through September 30, 2021 with the option to renew, by mutual written agreement of the parties, for up to two additional one-year terms.

DISCUSSION:

The Code Compliance Department, Animal Care and Control Division, has historically assisted Tarrant County and various municipalities within the county by providing limited animal control services and processing and shipping of specimens to the Bureau of Laboratories in Austin for testing related to rabies control. Services associated with processing specimens include the kenneling of impounded animals, euthanasia, disposal services and specimen shipping.

Section 791.011 of the Texas Government Code provides that a local government may contract with another local government to perform "governmental functions and services," which includes functions and services related to public health and welfare. Under this provision, the City of Fort Worth (City) may enter into an Interlocal Agreement so that the Animal Care and Control Division may provide animal control, animal impoundment, boarding, quarantine, euthanasia and disposal services to a municipality.

Approval of the above recommendation will authorize Interlocal Agreements for Fiscal Year 2021. In addition, the term may be extended by mutual written agreement of the parties, for up to two additional one-year terms. Renewals do not require City Council approval. The City would provide the specified services to following entities:

The City of Benbrook is contracting for specimen shipment services only;
 The City of Kennedale and Town of Pantego are contracting for boarding, quarantine, specimen shipping, euthanasia, animal care and disposal services;
 Tarrant County is contracting for the services listed above plus periodic routine animal control services and education services by request.

SERVICE	Fiscal Year 2021 FEE
Flat Per Animal Fee for all Services	\$400.00 per animal
Service Calls and Rabies Response if no Flat Animal Fee Charged	\$100.00 per request

Service Calls and Rabies Response After Hours if no Flat Animal Fee Charged	\$200.00 per request
Head Preparation and Shipment	\$200.00 per animal head
Education Services Staff Charge	\$70.00 per hour

In addition to the above fees, Animal Care and Control will also collect fees from owners from Tarrant County and these various municipalities, as follows:

SERVICE	FISCAL YEAR 2021 FEE PER RECLAIMED ANIMAL
Rabies Vaccination Fee	\$9.00
Spay or Neuter Fee	
Per Cat	\$50.00
Per Dog	\$80.00
Microchip Fee	\$12.00
Daily Board Fees	
Kenneling (dog, cat, small animal)	\$30.00 per day
Kenneling (other than dogs, cats or small animals)	\$30.00 per day
Quarantined Animals	\$50.00 per day

FISCAL INFORMATION/CERTIFICATION:

The Finance Director certifies that the Animal Care and Control Division of the Code Compliance Department will be responsible for the collection and deposit of funds due to the City under these Agreements. Upon receipt, these funds will be deposited into the General Fund, Code Compliance Department, Animal Care and Control Division.

TO

Fund	Department ID	Account	Project ID	Program	Activity	Budget Year	Reference # (Chartfield 2)	Amount
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FROM

Fund	Department ID	Account	Project ID	Program	Activity	Budget Year	Reference # (Chartfield 2)	Amount
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Submitted for City Manager's Office by:

Valerie Washington (6199)

Originating Department Head:

Brandon Bennett (6322)

Additional Information Contact:

David B. Carson (6336)

ATTACHMENTS

MEETING DATE: AUGUST 17, 2021

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

SUBJECT

Discuss and consider approval of a Resolution of the City Council of the City of Kennedale, Texas, approving the placement of a proposal on the September 21, 2021 City Council Public Meeting agenda to adopt a 2021 tax rate that may exceed the lower of the voter-approval rate or the no-new-revenue tax rate; recording a City Council vote for a proposed tax rate; and calling a public hearing for September 15, 2021

ORIGINATED BY

Lakeita Sutton, Director of Finance and Information Technology

SUMMARY

Per 2020 Tax Rate Worksheet calculations, the City's overall rollback tax rate (now called the "Voter Approval Tax Rate", per SB2) is \$0.783057/\$100.00, and the overall effective tax rate (now called the "No New Revenue Tax Rate") is \$0.756350/\$100.00.

The City Attorney is drafting a Resolution that would allow the Council to place an item on the September 21, 2010 agenda to consider a tax rate up to the Voter Approval Tax Rate. Passage of such a Resolution would not, however, commit the Council to any specific rate. It merely sets the ceiling of what property tax rate the Council may consider adopting.

RECOMMENDATION

Approve

ATTACHMENTS

1.	2021 Tax Rate Calculation Sheet	2021 Tax Rate Calculation Sheet.pdf
2.	2021 Notice Of NNR and VATR Tax Rates	2021 Notice Of NNR and VATR Tax Rates.pdf

2021 Tax Rate Calculation Worksheet

Date: 08/02/2021 01:59 PM

Taxing Units Other Than School Districts or Water Districts

City of Kennedale

817-985-2110

Taxing Unit Name

Phone (area code and number)

504 Municipal Drive

www.cityofkennedale.com

Taxing Unit's Address, City, State, ZIP Code

Taxing Unit's Website Address

GENERAL INFORMATION: Tax Code Section 26.04(c) requires an officer or employee designated by the governing body to calculate the No-New-Revenue (NNR) tax rate and Voter-Approval tax rate for the taxing unit. These tax rates are expressed in dollars per \$100 of taxable value calculated. The calculation process starts after the chief appraiser delivers to the taxing unit the certified appraisal roll and the estimated values of properties under protest. The designated officer or employee shall certify that the officer or employee has accurately calculated the tax rates and used values shown for the certified appraisal roll or certified estimate. The officer or employee submits the rates to the governing body by Aug. 7 or as soon thereafter as practicable.

School districts do not use this form, but instead use Comptroller Form 50-859 *Tax Rate Calculation Worksheet, School Districts without Chapter 313 Agreements* or Comptroller Form 50-884 *Tax Rate Calculation Worksheet, School District with Chapter 313 Agreements*.

Water districts as defined under Water Code Section 49.001(1) do not use this form, but instead use Comptroller Form 50-858 *Water District Voter-Approval Tax Rate Worksheet for Low Tax Rate and Developing Districts* or Comptroller Form 50-860 *Developed Water District Voter-Approval Tax Rate Worksheet*.

The Comptroller's office provides this worksheet to assist taxing units in determining tax rates. The information provided in this worksheet is offered as technical assistance and not legal advice. Taxing units should consult legal counsel for interpretations of law regarding tax rate preparation and adoption.

SECTION 1: No-New-Revenue Tax Rate

The NNR tax rate enables the public to evaluate the relationship between taxes for the prior year and for the current year based on a tax rate that would produce the same amount of taxes (no new taxes) if applied to the same properties that are taxed in both years. When appraisal values increase, the NNR tax rate should decrease.

The NNR tax rate for a county is the sum of the NNR tax rates calculated for each type of tax the county levies.

While uncommon, it is possible for a taxing unit to provide an exemption for only maintenance and operations taxes. In this case, the taxing unit will need to calculate the NNR tax rate separately for the maintenance and operations tax and the debt tax, then add the two components together.

No-New-Revenue Tax Rate Worksheet	Amount/Rate
1. 2020 total taxable value. Enter the amount of 2020 taxable value on the 2020 tax roll today. Include any adjustments since last year's certification; exclude Tax Code Section 25.25(d) one-fourth and one-third over-appraisal corrections from these adjustments. Exclude any property value subject to an appeal under Chapter 42 as of July 25 (will add undisputed value in Line 6). This total includes the taxable value of homesteads with tax ceilings (will deduct in Line 2) and the captured value for tax increment financing (adjustment is made by deducting TIF taxes, as reflected in Line 17). ¹	\$840,671,152
2. 2020 tax ceilings. Counties, cities and junior college districts. Enter 2020 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing units adopted the tax ceiling provision in 2020 or a prior year for homeowners age 65 or older or disabled, use this step. ²	\$0
3. Preliminary 2020 adjusted taxable value. Subtract Line 2 from Line 1.	\$840,671,152
4. 2020 total adopted tax rate.	\$0.774085/\$100
5. 2020 taxable value lost because court appeals of ARB decisions reduced 2020 appraised value.	
A. Original 2020 ARB values:	\$1,055,227

B. 2020 values resulting from final court decisions:	\$1,013,349
C. 2020 value loss. Subtract B from A. ³	\$41,878
6. 2020 taxable value subject to an appeal under Chapter 42, as of July 25.	
A. 2020 ARB certified value:	\$867,310
B. 2020 disputed value:	\$130,097
C. 2020 undisputed value. Subtract B from A. ⁴	\$737,213
7. 2020 Chapter 42 related adjusted values Add Line 5C and Line 6C.	\$779,091
8. 2020 taxable value, adjusted for actual and potential court-ordered adjustments. Add Line 3 and Line 7.	\$841,450,243
9. 2020 taxable value of property in territory the taxing unit deannexed after Jan. 1, 2020. Enter the 2020 value of property in deannexed territory. ⁵	\$0
10. 2020 taxable value lost because property first qualified for an exemption in 2021. If the taxing unit increased an original exemption, use the difference between the original exempted amount and the increased exempted amount. Do not include value lost due to freeport, goods-in-transit, temporary disaster exemptions. Note that lowering the amount or percentage of an existing exemption in 2021 does not create a new exemption or reduce taxable value.	
A. Absolute exemptions. Use 2020 market value:	\$0
B. Partial exemptions. 2021 exemption amount or 2021 percentage exemption times 2020 value:	\$2,040,288
C. Value loss. Add A and B. ⁵	\$2,040,288
11. 2020 taxable value lost because property first qualified for agricultural appraisal (1-d or 1-d-1), timber appraisal, recreational/scenic appraisal or public access airport special appraisal in 2021. Use only properties that qualified in 2021 for the first time; do not use properties that qualified in 2020.	
A. 2020 market value:	\$0
B. 2021 productivity or special appraised value:	\$0
C. Value loss. Subtract B from A. ⁷	\$0
12. Total adjustments for lost value. Add lines 9, 10C and 11C.	\$2,040,288
13. 2020 captured value of property in a TIF. Enter the total value of 2020 captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which 2020 taxes were deposited into the tax increment fund. ⁸ If the taxing unit has no captured appraised value in line 18D, enter 0.	\$16,033,651
14. 2020 total value. Subtract Line 12 and Line 13 from Line 8.	\$823,376,304
15. Adjusted 2020 total levy. Multiply Line 4 by Line 14 and divide by \$100.	\$6,373,632
16. Taxes refunded for years preceding tax year 2020. Enter the amount of taxes refunded	\$29,378

by the taxing unit for tax years preceding tax year 2020. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for tax year 2020. This line applies only to tax years preceding tax year 2020. ⁸	
17. Adjusted 2020 levy with refunds and TIF adjustment. Add Lines 15 and 16. ¹⁰	\$6,403,010
18. Total 2021 taxable value on the 2021 certified appraisal roll today. This value includes only certified values or certified estimate of values and includes the total taxable value of homesteads with tax ceilings (will deduct in Line 20). These homesteads include homeowners age 65 or older or disabled. ¹¹ A. Certified values: B. Counties: Include railroad rolling stock values certified by the Comptroller's office: C. Pollution control and energy storage system exemption: Deduct the value of property exempted for the current tax year for the first time as pollution control or energy storage system property: D. Tax increment financing: Deduct the 2021 captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which the 2021 taxes will be deposited into the tax increment fund. Do not include any new property value that will be included in Line 23 below. ¹² E. Total 2021 value. Add A and B, then subtract C and D.	 \$830,705,663 \$0 \$0 \$18,052,741 \$812,652,922
19. Total value of properties under protest or not included on certified appraisal roll. ¹³ A. 2021 taxable value of properties under protest. The chief appraiser certifies a list of properties still under ARB protest. The list shows the appraisal district's value and the taxpayer's claimed value, if any, or an estimate of the value if the taxpayer wins. For each of the properties under protest, use the lowest of these values. Enter the total value under protest. ¹⁴ B. 2021 value of properties not under protest or included on certified appraisal roll. The chief appraiser gives taxing units a list of those taxable properties that the chief appraiser knows about, but are not included in the appraisal roll certification. These properties also are not on the list of properties that are still under protest. On this list of properties, the chief appraiser includes the market value, appraised value and exemptions for the preceding year and a reasonable estimate of the market value, appraised value and exemptions for the current year. Use the lower market, appraised or taxable value (as appropriate). Enter the total value of property not on the certified roll. ¹⁵ C. Total value under protest or not certified: Add A and B.	 \$29,303,684 \$6,653,178 \$35,956,862
20. 2021 tax ceilings. Counties, cities and junior colleges enter 2021 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing units adopted the tax ceiling provision in 2020 or a prior year for homeowners age 65 or older or disabled, use this step. ¹⁶	\$0
21. 2021 total taxable value. Add Lines 18E and 19C. Subtract Line 20. ¹⁷	\$848,609,784

22. Total 2021 taxable value of properties in territory annexed after Jan. 1, 2020. Include both real and personal property. Enter the 2021 value of property in territory annexed. ¹⁸	\$0
23. Total 2021 taxable value of new improvements and new personal property located in new improvements. New means the item was not on the appraisal roll in 2020. An improvement is a building, structure, fixture or fence erected on or affixed to land. New additions to existing improvements may be included if the appraised value can be determined. New personal property in a new improvement must have been brought into the taxing unit after Jan. 1, 2020, and be located in a new improvement. New improvements do include property on which a tax abatement agreement has expired for 2021. ¹⁹	\$2,043,380
24. Total adjustments to the 2021 taxable value. Add Lines 22 and 23.	\$2,043,380
25. Adjusted 2021 taxable value. Subtract Line 24 from Line 21.	\$846,566,404
26. 2021 NNR tax rate. Divide Line 17 by Line 25 and multiply by \$100. ²⁰	\$0.756350/\$100
27. COUNTIES ONLY. Add together the NNR tax rates for each type of tax the county levies. The total is the 2021 county NNR tax rate. ²¹	

¹Tex. Tax Code Section 26.012(14)

²Tex. Tax Code Section 26.012(14)

³Tex. Tax Code Section 26.012(13)

⁴Tex. Tax Code Section 26.012(13)

⁵Tex. Tax Code Section 26.012(15)

⁶Tex. Tax Code Section 26.012(15)

⁷Tex. Tax Code Section 26.012(13)

⁸Tex. Tax Code Section 26.012(13)

⁹Tex. Tax Code Section 26.03(c)

¹⁰Tex. Tax Code Section 26.012(13)

¹¹Tex. Tax Code Section 26.012,26.04(c-2)

¹²Tex. Tax Code Section 26.03(c)

¹³Tex. Tax Code Section 26.01(c) and (d)

¹⁴Tex. Tax Code Section 26.01(c)

¹⁵Tex. Tax Code Section 26.01(d)

¹⁶Tex. Tax Code Section 26.012(6)(b)

¹⁷Tex. Tax Code Section 26.012(6)

¹⁸Tex. Tax Code Section 26.012(17)

¹⁹Tex. Tax Code Section 26.012(17)

²⁰Tex. Tax Code Section 26.04(c)

²¹Tex. Tax Code Section 26.04(d)

²²Reserved for expansion

SECTION 2: Voter-Approval Tax Rate

The voter-approval tax rate is the highest tax rate that a taxing unit may adopt without holding an election to seek voter approval of the rate. The voter-approval tax rate is split into two separate rates:

1. **Maintenance and Operations (M&O) Tax Rate:** The M&O portion is the tax rate that is needed to raise the same amount of taxes that the taxing unit levied in the prior year plus the applicable percentage allowed by law. This rate accounts for such things as salaries, utilities and day-to-day operations
2. **Debt Rate:** The debt rate includes the debt service necessary to pay the taxing unit's debt payments in the coming year. This rate accounts for principal and interest on bonds and other debt secured by property tax revenue.

The Voter-Approval tax rate for a county is the sum of the Voter-Approval tax rates calculated for each type of tax the county levies. In most cases the Voter-Approval tax rate exceeds the No-New-Revenue tax rate, but occasionally decreases in a taxing unit's debt service will cause the NNR tax rate to be higher than the voter-approval tax rate.

Voter-Approval Tax Rate Worksheet	Amount/Rate
28. 2020 M&O tax rate. Enter the 2020 M&O tax rate.	\$0.582686/\$100
29. 2020 taxable value, adjusted for actual and potential court-ordered adjustments. Enter the amount in Line 8 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$841,450,243
30. Total 2020 M&O levy. Multiply Line 28 by Line 29 and divide by \$100.	\$4,903,012
31. Adjusted 2020 levy for calculating NNR M&O rate. A. M&O taxes refunded for years preceding tax year 2020 Enter the amount of M&O taxes refunded in the preceding year for taxes before that year. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for tax year 2020. This line applies only to tax years preceding tax year 2020.	\$21,171
B. 2020 taxes in TIF Enter the amount of taxes paid into the tax increment fund for a reinvestment zone as agreed by the taxing unit. If the taxing unit has no 2021 captured appraised value in Line 18D, enter 0.	\$102,462
C. 2020 transferred function. If discontinuing all of a department, function or activity and transferring it to another taxing unit by written contract, enter the amount spent by the taxing unit discontinuing the function in the 12 months preceding the month of this calculation. If the taxing unit did not operate this function for this 12-month period, use the amount spent in the last full fiscal year in which the taxing unit operated the function. The taxing unit discontinuing the function will subtract this amount in D below. The taxing unit receiving the function will add this amount in D below. Other taxing units enter 0.	\$0
D. 2020 M&O levy adjustments. Subtract B from A. For taxing unit with C, subtract if discontinuing function and add if receiving function.	\$-81,291
E. Add Line 30 to 31D.	\$4,821,721
32. Adjusted 2021 taxable value. Enter the amount in Line 25 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$846,566,404
33. 2021 NNR M&O rate (unadjusted). Divide Line 31E by Line 32 and multiply by \$100.	\$0.569562/\$100
34. Rate adjustment for state criminal justice mandate.²³ A. 2021 state criminal justice mandate: Enter the amount spent by a county in the previous 12 months providing for the maintenance and operation cost of keeping inmates in county-paid facilities after they have been sentenced. Do not include any state reimbursement received by the county for the same purpose.	\$0

B. 2020 state criminal justice mandate: Enter the amount spent by a county in the 12 months prior to the previous 12 months providing for the maintenance and operation cost of keeping inmates in county-paid facilities after they have been sentenced. Do not include any state reimbursement received by the county for the same purpose. Enter zero if this is the first time the mandate applies.	\$0
C. Subtract B from A and divide by Line 32 and multiply by \$100.	\$0/\$100
D. Enter the rate calculated in C. If not applicable, enter 0.	\$0/\$100
35. Rate adjustment for indigent health care expenditures.²⁴ A. 2021 indigent health care expenditures: Enter the amount paid by a taxing unit providing for the maintenance and operation cost of providing indigent health care for the period beginning on July 1, 2020 and ending on June 30, 2021, less any state assistance received for the same purpose.	\$0
B. 2020 indigent health care expenditures: Enter the amount paid by a taxing unit providing for the maintenance and operation cost of providing indigent health care for the period beginning on July 1, 2019 and ending on June 30, 2020, less any state assistance received for the same purpose.	\$0
C. Subtract B from A and divide by Line 32 and multiply by \$100.	\$0/\$100
D. Enter the rate calculated in C. If not applicable, enter 0.	\$0/\$100
36. Rate adjustment for county indigent defense compensation.²⁵ A. 2021 indigent defense compensation expenditures: Enter the amount paid by a county to provide appointed counsel for indigent individuals for the period beginning on July 1, 2020 and ending on June 30, 2021, less any state grants received by the county for the same purpose.	\$0
B. 2020 indigent defense compensation expenditures: Enter the amount paid by a county to provide appointed counsel for indigent individuals for the period beginning on July 1, 2019 and ending on June 30, 2020, less any state grants received by the county for the same purpose.	\$0
C. Subtract B from A and divide by Line 32 and multiply by \$100.	\$0/\$100
D. Multiply B by 0.05 and divide by Line 32 and multiply by \$100.	\$0/\$100
E. Enter the lessor of C and D. If not applicable, enter 0.	\$0/\$100
37. Rate adjustment for county hospital expenditures.²⁶ A. 2021 eligible county hospital expenditures: Enter the amount paid by the county or municipality to maintain and operate an eligible county hospital for the period beginning on July 1, 2020 and ending on June 30, 2021.	\$0
B. 2020 eligible county hospital expenditures: Enter the amount paid by the county or municipality to maintain and operate an eligible county hospital for the period beginning on July 1, 2019 and ending on June 30, 2020.	\$0

C. Subtract B from A and divide by Line 32 and multiply by \$100.	\$0/\$100
D. Multiply B by 0.08 and divide by Line 32 and multiply by \$100.	\$0/\$100
E. Enter the lessor of C and D, if applicable. If not applicable, enter 0.	\$0/\$100
38. Rate adjustment for defunding municipality. This adjustment only applies to a municipality that is considered to be a defunding municipality for the current tax year under Chapter 109, Local Government Code. Chapter 109, Local Government Code only applies to municipalities with a population of more than 250,000 and includes a written determination by the Office of the Governor. See Tax Code 26.0444 for more information. A. Amount appropriated for public safety in 2020. Enter the amount of money appropriated for public safety in the budget adopted by the municipality for the preceding fiscal year B. Expenditures for public safety in 2020. Enter the amount of money spent by the municipality for public safety during the preceding fiscal year. C. Subtract B from A and divide by Line 32 and multiply by \$100. D. Enter the rate calculated in C. If not applicable, enter 0.	\$0 \$0 \$0/\$100 \$0/\$100
39. Adjusted 2021 NNR M&O rate. Add Lines 33, 34D, 35D, 36E, and 37E. Subtract Line 38D.	\$0.569562/\$100
40. Adjustment for 2020 sales tax specifically to reduce property values. Cities, counties and hospital districts that collected and spent additional sales tax on M&O expenses in 2020 should complete this line. These entities will deduct the sales tax gain rate for 2021 in Section 3. Other taxing units, enter zero. A. Enter the amount of additional sales tax collected and spent on M&O expenses in 2020, if any. Counties must exclude any amount that was spent for economic development grants from the amount of sales tax spent. B. Divide Line 40A by Line 32 and multiply by \$100. C. Add Line 40B to Line 39.	\$548,709 \$0.064815 \$0.634377
41. 2021 voter-approval M&O rate. Enter the rate as calculated by the appropriate scenario below. Special Taxing Unit. If the taxing unit qualifies as a special taxing unit, multiply Line 40C by 1.08. - or - Other Taxing Unit. If the taxing unit does not qualify as a special taxing unit, multiply Line 40C by 1.035.	\$0.656580/\$100
D41. Disaster Line 41 (D41): 2021 voter-approval M&O rate for taxing unit affected by disaster declaration. If the taxing unit is located in an area declared a disaster area and at least one person is granted an exemption under Tax Code Section 11.35 for property located	\$0/\$100

in the taxing unit, the governing body may direct the person calculating the voter-approval tax rate to calculate in the manner provided for a special taxing unit. The taxing unit shall continue to calculate the voter-approval tax rate in this manner until the earlier of 1. the first year in which total taxable value on the certified appraisal roll exceeds the total taxable value of the tax year in which the disaster occurred, or 2. the third tax year after the tax year in which the disaster occurred. If the taxing unit qualifies under this scenario, multiply Line 40C by 1.08.²⁷ If the taxing unit does not qualify, do not complete Disaster Line 41 (Line D41).	
42. Total 2021 debt to be paid with property taxes and additional sales tax revenue. Debt means the interest and principal that will be paid on debts that: (1) are paid by property taxes, (2) are secured by property taxes, (3) are scheduled for payment over a period longer than one year and (4) are not classified in the taxing unit's budget as M&O expenses A. Debt also includes contractual payments to other taxing units that have incurred debts on behalf of this taxing unit, if those debts meet the four conditions above. Include only amounts that will be paid from property tax revenue. Do not include appraisal district budget payments. If the governing body of a taxing unit authorized or agreed to authorize a bond, warrant, certificate of obligation, or other evidence of indebtedness on or after Sept. 1, 2021, verify if it meets the amended definition of debt before including it here.²⁸ Enter debt amount. B. Subtract unencumbered fund amount used to reduce total debt. C. Subtract certified amount spent from sales tax to reduce debt (enter zero if none) D. Subtract amount paid from other resources. E. Adjusted debt. Subtract B, C, and D from A.	\$1,665,913 \$0 \$0 \$0 \$1,665,913
43. Certified 2020 excess debt collections. Enter the amount certified by the collector. ²⁸	\$43,906
44. Adjusted 2021 debt. Subtract Line 43 from Line 42E.	\$1,622,007
45. 2021 anticipated collection rate. A. Enter the 2021 anticipated collection rate certified by the collector:²⁹ B. Enter the 2020 actual collection rate C. Enter the 2019 actual collection rate D. Enter the 2018 actual collection rate E. If the anticipated collection rate in A is lower than actual collection rates in B, C and D, enter the lowest collection rate from B, C and D. If the anticipated rate in A is higher than at least one of the rates in the prior three years, enter the rate from A. Note that the rate can be greater than 100%.³¹	100.00% 100.48% 99.21% 100.38% 100.00%
46. 2021 debt adjusted for collections. Divide Line 44 by Line 45E	\$1,622,007
47. 2021 total taxable value. Enter the amount on Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$848,609,784

48. 2021 debt tax rate. Divide Line 46 by Line 47 and multiply by \$100.	\$0.191136/\$100
49. 2021 voter-approval tax rate. Add Lines 41 and 48.	\$0.847716/\$100
D49. Disaster Line 49 (D49): 2021 voter-approval tax rate for taxing unit affected by disaster declaration. Complete this line if the taxing unit calculated the voter-approval tax rate in the manner provided for a special taxing unit on Line D41. Add Line D41 and 48.	\$0.000000/\$100
50. COUNTIES ONLY. Add together the voter-approval tax rates for each type of tax the county levies. The total is the 2021 county voter-approval tax rate.	

²³Tex. Tax Code Section 26.044

²⁴Tex. Tax Code Section 26.0442

²⁵Tex. Tax Code Section 26.0442

²⁶Tex. Tax Code Section 26.0443

²⁷Tex. Tax Code Section 26.04(c-1)

²⁸Tex. Tax Code Section 26.012(10) and 26.04(b)

²⁹Tex. Tax Code Section 26.04(b)

³⁰Tex. Tax Code Section 26.04(b)

SECTION 3: NNR Tax Rate and Voter-Approval Tax Rate Adjustments for Additional Sales Tax to Reduce Property Taxes

Cities, counties and hospital districts may levy a sales tax specifically to reduce property taxes. Local voters by election must approve imposing or abolishing the additional sales tax. If approved, the taxing unit must reduce its NNR and voter-approval tax rates to offset the expected sales tax revenue.

This section should only be completed by a county, city or hospital district that is required to adjust its NNR tax rate and/or voter-approval tax rate because it adopted the additional sales tax.

Additional Sales and Use Tax Worksheet	Amount/Rate
51. Taxable Sales. For taxing units that adopted the sales tax in November 2020 or May 2021, enter the Comptroller's estimate of taxable sales for the previous four quarters. ²⁰ Estimates of taxable sales may be obtained through the Comptroller's Allocation Historical Summary webpage. Taxing units that adopted the sales tax before November 2020, enter 0.	\$0
52. Estimated sales tax revenue. Counties exclude any amount that is or will be spent for economic development grants from the amount of estimated sales tax revenue. ³³ Taxing units that adopted the sales tax in November 2020 or in May 2021. Multiply the amount on Line 51 by the sales tax rate (.01, .005 or .0025, as applicable) and multiply the result by .95. ³⁴ - or - Taxing units that adopted the sales tax before November 2020. Enter the sales tax revenue for the previous four quarters. Do not multiply by .95.	\$548,709
53. 2021 total taxable value. Enter the amount from Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$848,609,784
54. Sales tax adjustment rate. Divide Line 52 by Line 53 and multiply by \$100.	\$0.064660/\$100
55. 2021 NNR tax rate, unadjusted for sales tax. ³⁵ Enter the rate from Line 26 or 27, as applicable, on the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$0.756350/\$100
56. 2021 NNR tax rate, adjusted for sales tax. Taxing units that adopted the sales tax in November 2020 or in May 2021. Subtract Line 54 from Line 55. Skip to Line 57 if you adopted the additional sales tax before November 2020.	\$0.756350/\$100
57. 2021 voter-approval tax rate, unadjusted for sales tax. ³⁶ Enter the rate from Line 49, Line D49 (disaster), or Line 50 (counties), as applicable, of the <i>Voter-Approval Tax Rate Worksheet</i> .	\$0.847716/\$100
58. 2021 voter-approval tax rate, adjusted for sales tax. Subtract Line 54 from Line 57.	\$0.783056/\$100

³¹Reserved for expansion

³⁴Tex. Tax Code Section 26.041(d)

³²Tex. Tax Code Section 26.041(d)

³⁵Tex. Tax Code Section 26.04(c)

³³Tex. Tax Code Section 26.041(i)

³⁶Tex. Tax Code Section 26.04(c)

SECTION 4: Voter-Approval Tax Rate Adjustment for Pollution Control

A taxing unit may raise its rate for M&O funds used to pay for a facility, device or method for the control of air, water or land pollution. This includes any land, structure, building, installation, excavation, machinery, equipment or device that is used, constructed, acquired or installed wholly or partly to meet or exceed pollution control requirements. The taxing unit's expenses are those necessary to meet the requirements of a permit issued by the Texas Commission on Environmental Quality (TCEQ). The taxing unit must provide the tax assessor with a copy of the TCEQ letter of determination that states the portion of the cost of the installation for pollution control.

This section should only be completed by a taxing unit that uses M&O funds to pay for a facility, device or method for the control of air, water or land pollution.

Voter-Approval Protection for Pollution Control Worksheet	Amount/Rate
59. Certified expenses from the Texas Commission on Environmental Quality (TCEQ). Enter the amount certified in the determination letter from TCEQ. ³⁷ The taxing unit shall provide its tax assessor-collector with a copy of the letter. ³⁸	\$0
60. 2021 total taxable value. Enter the amount from Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$848,609,784
61. Additional rate for pollution control. Divide Line 59 by Line 60 and multiply by \$100.	\$0/\$100
62. 2021 voter-approval tax rate, adjusted for pollution control. Add Line 61 to one of the following lines (as applicable): Line 49, Line D49 (disaster), Line 50 (counties) or Line 58 (taxing units with the additional sales tax).	\$0.783056/\$100

³⁷Tex. Tax Code Section 26.045(d)

³⁸Tex. Tax Code Section 26.045(i)

SECTION 5: Voter-Approval Tax Rate Adjustment for Unused Increment Rate

The unused increment rate is the rate equal to the difference between the adopted tax rate and voter-approval tax rate before the unused increment rate for the prior three years.³⁹ In a year where a taxing unit adopts a rate by applying any portion of the unused increment rate, the unused increment rate for that year would be zero.

The difference between the adopted tax rate and voter-approval tax rate is considered zero in the following scenarios:

- a tax year before 2020; and⁴⁰
- a tax year in which the municipality is a defunding municipality, as defined by Tax Code Section 26.0501(a);⁴¹ or
- after Jan. 1, 2022, a tax year in which the comptroller determines that the county implemented a budget reduction or reallocation described by Local Government Code Section 120.002(a) without the required voter approval.⁴²

This section should only be completed by a taxing unit that does not meet the definition of a special taxing unit.⁴³

Unused Increment Rate Worksheet	Amount/Rate
63. 2020 unused increment rate. Subtract the 2020 actual tax rate and the 2020 unused increment rate from the 2020 voter-approval tax rate. If the number is less than zero, enter zero. If the year is prior to 2020, enter zero.	\$0.000001
64. 2019 unused increment rate. Subtract the 2019 actual tax rate and the 2019 unused increment rate from the 2019 voter-approval tax rate. If the number is less than zero, enter zero. If the year is prior to 2020, enter zero	\$0
65. 2018 unused increment rate. Subtract the 2018 actual tax rate and the 2018 unused increment rate from the 2018 voter-approval tax rate. If the number is less than zero, enter zero. If the year is prior to 2020, enter zero.	\$0
66. 2021 unused increment rate. Add Lines 63, 64 and 65.	\$0.000001/\$100
67. 2021 voter-approval tax rate, adjusted for unused increment rate. ²³ Add Line 66 to one of the following lines (as applicable): Line 49, Line D49(disaster), Line 50 (counties), Line 58 (taxing units with the additional sales tax) or Line 62 (taxing units with pollution control).	\$0.783057/\$100

³⁹Tex. Tax Code Section 26.013(a)

⁴⁰Tex. Tax Code Section 26.013(c)

⁴¹Tex. Tax Code Section 26.063(a)(1)

SECTION 6: De Minimis Rate

The de minimis rate is the rate equal to the sum of the no-new-revenue maintenance and operations rate, the rate that will raise \$500,000, and the current debt rate for a taxing unit.⁴²

This section should only be completed by a taxing unit that is a municipality of less than 30,000 or a taxing unit that does not meet the definition of a special taxing unit.⁴³

De Minimis Rate Worksheet	Amount/Rate
68. Adjusted 2021 NNR M&O tax rate. Enter the rate from Line 39 of the <i>Voter-Approval Tax Rate Worksheet</i>	\$0.569562/\$100
69. 2021 total taxable value. Enter the amount on Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$848,609,784
70. Rate necessary to impose \$500,000 in taxes. Divide \$500,000 by Line 69 and multiply by \$100.	\$0.058919
71. 2021 debt rate. Enter the rate from Line 48 of the <i>Voter-Approval Tax Rate Worksheet</i> .	\$0.191136/\$100
72. De minimis rate. ²³ Add Lines 68, 70 and 71.	\$0.819617/\$100

⁴²Tex. Tax Code Section 26.012(8-a)

⁴³Tex. Tax Code Section 26.063(a)(1)

⁴⁴Tex. Tax Code Section 26.04(c)

SECTION 7: Voter-Approval Tax Rate Adjustment for Emergency Revenue Rate

In the tax year after the end of the disaster calculation time period detailed in Tax Code Section 26.042(a), a taxing unit that calculated its voter-approval tax rate in the manner provided for a special taxing unit due to a disaster must calculate its emergency revenue rate and reduce its voter-approval tax rate for that year.⁴⁶

Similarly, if a taxing unit adopted a tax rate that exceeded its voter-approval tax rate, calculated normally, without holding an election to respond to a disaster, as allowed by Tax Code Section 26.042(d), in the prior year, it must also reduce its voter-approval tax rate for the current tax year.

NOTE: This section will not apply to any taxing units in 2021. It is added to implement Senate Bill 1438 (87th Regular Session) and does not apply to a taxing unit that calculated its voter-approval tax rate in the manner provided for a special taxing unit due to a declared disaster in 2020, as provided for in the recently repealed Tax Code Sections 26.04(c-1) and 26.041(c-1).

In future tax years, this section will apply to a taxing unit other than a special taxing unit that:

- directed the designated officer or employee to calculate the voter-approval tax rate of the taxing unit in the manner provided for a special taxing unit in the prior year; and
- the current year is the first tax year in which the total taxable value of property taxable by the taxing unit as shown on the appraisal roll for the taxing unit submitted by the assessor for the taxing unit to the governing body exceeds the total taxable value of property taxable by the taxing unit on January 1 of the tax year in which the disaster occurred or the disaster occurred four years ago.

In future tax years, this section will also apply to a taxing unit in a disaster area that adopted a tax rate greater than its voter-approval tax rate without holding an election in the prior year.

Note: This section does not apply if a taxing unit is continuing to calculate its voter-approval tax rate in the manner provided for a special taxing unit because it is still within the disaster calculation time period detailed in Tax Code Section 26.042(a) because it has not met the conditions in Tax Code Section 26.042(a)(1) or (2).

Emergency Revenue Rate Worksheet	Amount/Rate
73. 2020 adopted tax rate. Enter the rate in Line 4 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	N/A
74. Adjusted 2020 voter-approval tax rate. Use the taxing unit's Tax Rate Calculation Worksheets from the prior year(s) to complete this line. If a disaster occurred in 2020 and the taxing unit calculated its 2020 voter-approval tax rate using a multiplier of 1.08 on Disaster Line 41 (D41) of the 2020 worksheet due to a disaster, enter the 2020 voter-approval tax rate as calculated using a multiplier of 1.035 from Line 49. - or - If a disaster occurred prior to 2020 for which the taxing unit continued to calculate its voter-approval tax rate using a multiplier of 1.08 on Disaster Line 41 (D41) in 2020, complete the separate <i>Adjusted Voter-Approval Tax Rate for Taxing Units in Disaster Area Calculation Worksheet</i> to recalculate the voter-approval tax rate the taxing unit would have calculated in 2020 if it had generated revenue based on an adopted tax rate using a multiplier of 1.035 in the year(s) following the disaster. ⁴⁸ Enter the final adjusted 2020 voter-approval tax rate from the worksheet. - or - If the taxing unit adopted a tax rate above the 2020 voter-approval tax rate without calculating a disaster tax rate or holding an election due to a disaster, no recalculation is necessary. Enter the voter-approval tax rate from the prior year's worksheet.	N/A
75. Increase in 2020 tax rate due to disaster. Subtract Line 74 from Line 73.	N/A
76. Adjusted 2020 taxable value. Enter the amount in Line 14 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	N/A
77. Emergency revenue. Multiply Line 75 by Line 76 and divide by \$100.	N/A

78. Adjusted 2021 taxable value. Enter the amount in Line 25 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	N/A
79. Emergency revenue rate. Divide Line 77 by Line 78 and multiply by \$100. ⁴⁹	N/A
80. 2021 voter-approval tax rate, adjusted for emergency revenue. Subtract Line 79 from one of the following lines (as applicable): Line 49, Line D49(disaster), Line 50 (counties), Line 58 (taxing units with the additional sales tax), Line 62 (taxing units with pollution control) or Line 67 (taxing units with the unused increment rate).	N/A

SECTION 8: Total Tax Rate

Indicate the applicable total tax rates as calculated above.

No-New-Revenue tax rate

As applicable, enter the 2021 NNR tax rate from: Line 26, Line 27 (counties), or Line 56 (adjusted for sales tax). \$0.756350/\$100

Indicate the line number used: 26

Voter-Approval tax rate

As applicable, enter the 2021 voter-approval tax rate from: Line 49, Line 50 (counties), Line 58 (adjusted for sales tax), Line 62 (adjusted for pollution control), Line 67 (adjusted for unused increment), or Line 80 (adjusted for emergency revenue). \$0.783057/\$100

Indicate the line number used: 67

De minimis rate

If applicable, enter the de minimis rate from Line 72. \$0.819617/\$100

SECTION 9: Taxing Unit Representative Name and Signature

Enter the name of the person preparing the tax rate as authorized by the governing body of the taxing unit. By signing below, you certify that you are the designated officer or employee of the taxing unit and have accurately calculated the tax rates using values that are the same as the values shown in the taxing unit's certified appraisal roll or certified estimate of taxable value, in accordance with requirements in Tax Code.⁵⁰

print here Lakeita Sutton

Printed Name of Taxing Unit Representative

sign here

Taxing Unit Representative

Date

8/2/2021

NOTICE ABOUT 2021 TAX RATES
PROPERTY TAX RATES IN THE CITY OF KENNEDALE, TEXAS

THIS NOTICE CONCERNS THE 2021 PROPERTY TAX RATES FOR CITY OF KENNEDALE. THIS NOTICE PROVIDES INFORMATION ABOUT TWO TAX RATES USED IN ADOPTING THE CURRENT TAX YEAR'S TAX RATE. THE NO-NEW-REVENUE TAX RATE WOULD IMPOSE THE SAME AMOUNT OF TAXES AS LAST YEAR IF YOU COMPARE PROPERTIES TAXED IN BOTH YEARS. IN MOST CASES, THE VOTER-APPROVAL TAX RATE IS THE HIGHEST TAX RATE A TAXING UNIT CAN ADOPT WITHOUT HOLDING AN ELECTION. IN EACH CASE, THESE RATES ARE CALCULATED BY DIVIDING THE TOTAL AMOUNT OF TAXES BY THE CURRENT TAXABLE VALUE WITH ADJUSTMENTS AS REQUIRED BY STATE LAW. THE RATES ARE GIVEN PER \$100 OF PROPERTY VALUE.

THIS YEAR'S NO-NEW-REVENUE TAX RATE: \$0.756350 / \$100
THIS YEAR'S VOTER-APPROVAL TAX RATE: \$0.783057 / \$100

To see the full calculations, please visit for a copy of the Tax Rate Calculation Worksheet.

Unencumbered Fund Balance

The following estimated balances will be left in the unit's accounts at the end of the fiscal year. These balances are not encumbered by a corresponding debt obligation.

Type of Fund	Balance
N/A	0

Current Year Debt Service

The following amounts are for long-term debts that are secured by property taxes. These amounts will be paid from upcoming property tax revenues (*or additional sales tax revenues, if applicable*).

Description of Debt	Principal or Contract Payment to be Paid from Property Taxes	Interest to be Paid from Property Taxes	Other Amounts to be Paid	Total Payment
2007 GO REFUNDING BONDS	120,413	12,563		132,976
2007A CO BONDS	200,000	21,000		221,000
2016 GO REFUNDING BONDS	265,000	30,027		295,027
2020A GO REFUNDING BONDS	145,000	17,903		162,903
2019 TAX NOTES	275,000	31,683		306,683
DICK PRICE ROAD	95,000	11,501		106,501
2021 CO BONDS	315,000	125,823		440,823

Total required for 2021 debt service	\$1,665,913
- Amount (if any) paid from funds listed in unencumbered funds	\$0
- Amount (if any) paid from other resources	\$0
- Excess collections last year	\$43,906
= Total to be paid from taxes in 2021	\$1,622,007
+ Amount added in anticipation that the unit will collect only 100.00% of its taxes in 2021	\$0
= Total debt levy	\$1,622,007

This notice contains a summary of actual no-new-revenue and voter-approval calculations as certified by Lakeita Sutton, Finance Director on August 12, 2021.