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KENNEDALE CITY COUNCIL MINUTES

REGULAR MEETING | SEPTEMBER 21, 2021 AT 5:30 PM
CITY HALL COUNCIL CHAMBERS | 405 MUNICIPAL DRIVE, KENNEDALE, TX 76060

I. CALL TO ORDER

Mayor Linda Rhodes called the meeting to order at 5:32 p.m., noting that members of the public could join in person or via a live feed, but that the virtual option did not allow for public input.

II. WORK SESSION

A. WORK SESSION REPORTS

1. Presentation by Tarrant County Clerk Mary Louise Nicholson of the Tarrant County 2020 Coronavirus Pandemic historical book to the Kennedale Public Library

   Tarrant County Clerk Mary Louise Nicholson stated that this book was a six-month effort that resulted in an illustrative narrative, capturing the effects of COVID-19 on Tarrant County. To honor the lives of those who were lost to this pandemic, the book is now being placed in libraries across the region as a reference material.

2. Discuss and consider offering staff direction regarding the Economic Development Corporation (EDC) Board priorities, funding, and staffing

   Interim City Manager Leslie Galloway stated that this item was added at the request of Mayor Pro Tem Jan Joplin and Councilmember Austin Degenhart. Joplin stated that the importance of the EDC was that they received one-quarter of the City's sales tax revenue, receiving in revenues more than $16 million.

   There was discussion regarding EDC spending, potential amendments to the bylaws to allow for those who are not residents to be appointed, the desire for an updated Comprehensive Plan, allowable EDC projects, the potential of the EDC reimbursing the Water Fund for the property purchased on Linda Road, the partnership and history of contracts with the Chamber of Commerce, EDC-owned land, the potential and unique qualities of Kennedale, and the EDC expenditures included in the FY22 budget.

   Mayor Linda Rhodes requested that EDC minutes be included in the Council packet, as required by the bylaws.

B. REQUESTS FOR CLARIFICATION OF ITEMS LISTED ON THE AGENDA
There was no discussion at this time.

III. EXECUTIVE SESSION

THE COUNCIL RECESSED TO EXECUTIVE (CLOSED) SESSION FROM 6:11 TO 6:47 P.M.

A. **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

IV. RECONVENE INTO OPEN SESSION AND TAKE ACTION NECESSARY PURSUANT TO EXECUTIVE SESSION, IF NEEDED

Mayor Rhodes reconvened the open meeting at 6:52 p.m. There was neither discussion nor action at this time.

V. REGULAR SESSION

A. ROLL CALL

PRESENT: Mayor Linda Rhodes, Mayor Pro Tem Jan Joplin, Place 1; Gary Mitchell, Place 2; Julie Jacobson, Place 3; Austin Degenhart, Place 4; James Connor, Place 5; **ABSENT:** NONE; ***STAFF:*** *Interim City Manager Leslie E. Galloway, Director of Finance and Information Technology Lakeita Sutton, Fire Chief James Brown, Police Chief Darrell Hull, City Attorney Drew Larkin, Financial Analyst Debby Scott, Administrative Assistant Rosie Q. Ericson;* ***CONSULTANTS:*** *Andrew Friedman of SAMCO Capital*

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

Councilmember Gary Mitchell offered the invocation.

C. VISITOR AND CITIZEN FORUM

- Gail Uranga, *904 Bell Oak Drive*, stated that the Senior Discount had still not been applied to her water account.
- Daniel Joe Bennett, *408 Pemberton, White Settlement*, spoke regarding concerns about actions by the Tarrant Appraisal District (TAD) Board.

D. REPORTS AND ANNOUNCEMENTS

1. Updates from the City Council

- **Mayor Pro Tem Joplin**, **Place 1**, announced that she attended the 9/11 Memorial Event and thanked Kenneth Michels, Kimberly Courtney, and Steven Roundtree for their work on the restoration; that the Senior Center has re-opened Monday through Friday from 10:30 a.m. to 1:00 p.m.; invited the public to apply for board places; and that she appreciated seeing our City come together.
- **Gary Mitchell, Place 2**, had no announcements at this time.
- **Julie Joplin, Place 3**, had no announcements at this time.
- **Austin Degenhart, Place 4**, had no announcements at this time.
- **James Connor, Place 5**, announced that he attended a TML event regarding "civility"; and that he attended the 9/11 Day of Remembrance and thanked Kenneth Michels, Kimberly Courtney, and Steven Roundtree for their work on the restoration.

2. Updates from the Mayor
Mayor Rhodes proclaimed September as Senior Center Month; thanked staff and volunteers for the 9/11 memorial event and restoration work; announced that she also

attended the motorcycle club memorial ride organized by Sue West; thanked staff for their work on the Senior Center Re-opening on September 8, followed by a formal ribbon cutting on the 15th; that she attended the TML Region 8 meeting with James Connor and Julie Jacobson and Leslie Galloway; that the extension of Little School Road had been included in the Tarrant County Transportation Bond package for consideration by voters on November 2; and that staff was working with a local business to have former Mayor Brian Johnson's photo added to Council Chambers.

3. Updates from the Interim City Manager

Interim City Manager Leslie Galloway announced upcoming community events and noted the recent positive result for West Nile Virus on a mosquito trap on North Road.

4. Financial Reports for the City and the EDC

Finance Director Lakeita Sutton stated that revenues and expenditures were both on track

There was some discussion of sales and property tax revenue, the stormwater fund; the park dedication fund; the projected drawdown; the proposed tax rate for FY22; the projected fund balance for FY21; and the recent upgrade to a stable outlook from S&P.

E. CONSENT AGENDA

Motion Postpone. **Action** Postpone items V.E.4., V.E.5., and V.E.6., **Moved By** Connor, **Seconded By** Degenhart. **Motion passed unanimously**.

1. Adoption of Amended minutes for the June 15, 2021 Regular Meeting
2. Approval of the minutes from the July 22, 2021 special meeting
3. Approval of the minutes from the August 10, 2021 special meeting
4. Approval of the minutes from the August 17, 2021 regular meeting
5. Approval of the minutes from the August 24, 2021 special meeting
6. Approval of the minutes from the August 31, 2021 special meeting

Motion Approve. **Action** Approve Consent Agenda Items V.E.1., V.E.2., and V.E.3., **Moved By** Jacobson, **Seconded By** Connor.

Mayor Rhodes noted that Item V.E.1. was an amendment to previously approved minutes.

Motion passed unanimously.

F. ITEMS FOR INDIVIDUAL CONSIDERATION

1. Consider adoption of an Ordinance authorizing the issuance, sale and delivery of up to $6,000,000 in aggregate principal amount of "City of Kennedale, Texas Combination Tax and Revenue Certificates of Obligation, Series 2021"; securing the payment thereof by authorizing the levy of an annual ad valorem tax and a pledge of certain surplus revenues of the City's municipal waterworks and sewer system; and approving and authorizing the execution of a paying agent/registrar agreement, an official statement

and all other instruments and procedures related thereto

Finance Director Lakeita Sutton stated that this item had been discussed at length, and staff was now ready to present final bids to the Council for their consideration of issuance, noting that it would not increase the debt portion of the property tax rate. Andrew Friedman of SAMCO Capital discussed the process that staff had undertaken for this issuance, discussed the negative watch that was placed on the City by their bond rating agency in 2017 (that was recently lifted), that the credit rating was not changed (still AA-), the effect adoption of deficit budgets could have on that rating, the GFOA recommendation to keep a minimum of 25% fund balance, and how these financial aspects affected the bids received – the lowest of which was 20-year financing at rate of 1.61% (among the seven bidders).

There was some discussion of the lack of impact on the tax rate, average ad valorem growth in the last decade, projected growth going forward, capital projects, the amortization of the ambulance over ten years (rather than 20), the cost of the issuance, the ability to pay off the debt ahead of schedule or to refinance, and the dedicated uses for this debt.

Motion Approve. **Action** Approve an Ordinance authorizing the issuance, sale and delivery of up to $6,000,000 in aggregate principal amount of "City of Kennedale, Texas Combination Tax and Revenue Certificates of Obligation, Series 2021"; securing the payment thereof by authorizing the levy of an annual ad valorem tax and a pledge of certain surplus revenues of the City's municipal waterworks and sewer system; and approving and authorizing the execution of a paying agent/registrar agreement, an official statement and all other instruments and procedures related thereto **Moved By** Connor, **Seconded By** Degenhart.

Mayor Pro Tem Joplin stated that the staff report stated that there had been direction by Council regarding debt issuance, but that the direction was not given by this Council.

Motion passed unanimously.

2. Discuss and consider an Ordinance, adopting the Budget for the Fiscal Year beginning October 1, 2021, and ending September 30, 2022

Finance Director Lakeita Sutton stated that staff was asking the Council to consider adopting the budget for FY21-22, which was originally proposed in August. She noted that all statutory requirements have been met regarding Truth-in-Taxation, that the Ordinance exhibit detailed revenues and expenditures, that the General Fund was supported by a property tax rate of $0.764085, and that the staff report summarized those items that were updated since the budget was proposed.

There was some discussion of the drawdown potentially being mitigated by the receipt of ARPA Funding and that a budget amendment should be expected due to that funding.

Motion Approve. **Action** Approve an Ordinance, adopting the Budget for the Fiscal Year beginning October 1, 2021, and ending September 30, 2022, **Moved By** Connor, **Seconded By** Jacobson. **Motion passed unanimously**.

3. Discuss and consider ratification of property tax increase reflected in FY2021–2022 Adopted Budget

Finance Director Lakeita Sutton stated that this a formality because the effective (no-new-revenue) tax rate was lower than what was reflected in the adopted budget, making it an effective tax increase.

Motion Approve. **Action** Approve the ratification of the property tax increase reflected in the FY21-22 Adopted Budget, **Moved By** Connor, **Seconded By** Jacobson. **Motion passed unanimously**.

4. Discuss and consider approval of an Ordinance, fixing and levying municipal Ad Valorem Taxes for the City of Kennedale, Texas, for the Fiscal Year beginning October 1, 2021, and ending September 30, 2022

Finance Director Lakeita Sutton stated that this was the final step in budget and tax rate adoption, that staff had included a summary of past discussions and statutory requirements fulfilled, and that the tax rate to support the budget was $0.764085, which is effectively a 0.59 percent increase.

Motion Approve. **Action** Approve that the property tax rate be increased by the adoption of a tax rate of $0.764085, which is effectively a 0.59 percent increase in the tax rate, **Moved By** Connor, **Seconded By** Jacobson. **Motion passed unanimously**, with a vote of 5-0, with Mayor Pro Tem Jopin voting in favor, Councilmember Gary Mitchell voting in favor, Councilmember Julie Jacobson voting in favor, Councilmember Austin Degenhart voting in favor, and Councilmember James Connor voting in favor.

5. Discuss and consider approval of a three-year renewal of M&R Janitorial Services contract

Interim City Manager Leslie Galloway stated that staff had been very pleased with the services provided, and that the consideration was a three-year extension of this contract at the same level of service and the same pricing.

Motion Approve. **Action** Approve a three-year renewal of M&R Janitorial Services contract, **Moved By** Connor, **Seconded By** Jacobson. **Motion passed unanimously**.

G. PUBLIC HEARINGS

VI. ADJOURNMENT

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

Mayor Rhodes adjourned the meeting at 8:08 p.m.

APPROVED:

LINDA RHODES, MAYOR

ATTEST:

CITY OF KENNEDALE TARRANT COUNTY, TEXAS

LESLIE E. GALLOWAY, CITY SECRETARY