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KENNEDALE CITY COUNCIL AGENDA

REGULAR MEETING | JULY 19, 2022 AT 5:30 PM
CITY HALL COUNCIL CHAMBERS | 405 MUNICIPAL DRIVE, KENNEDALE, TX 76060

MEMBERS OF THE PUBLIC MAY JOIN IN PERSON OR
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THE VIRTUAL OPTION DOES NOT ALLOW FOR PUBLIC COMMENT

I. CALL TO ORDER

To address the Kennedale 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 Kennedale City Council as a whole, rather than individual members or staff. Pursuant to Texas Government Code §551.071, the Kennedale City Council reserves the right to adjourn into Executive (Closed) Session at any time during the meeting to seek legal advice from the City Attorney on any item posted on the agenda.

A. ROLL CALL

II. WORK SESSION

A. WORK SESSION REPORTS

B. DISCUSSION AND/OR REQUESTS FOR CLARIFICATION OF ITEMS LISTED ON THE AGENDA

C. DISCUSS FY 22-23 BUDGET

III. REGULAR SESSION

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

"Honor the Texas Flag; I Pledge Allegiance to Thee, Texas, One State under God; One and Indivisible."

B. REPORTS AND ANNOUNCEMENTS

In addition to any items below, the Kennedale City Council, the presiding officer, and/or staff 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 members of the Kennedale City Council
2. Updates from the Mayor
3. Updates from the City Manager
4. Financial Reports for the City and/or the EDC

C. VISITOR AND CITIZEN FORUM

At this time, any person may address the Kennedale City Council about items not on the agenda. Rules and procedures for addressing the Kennedale City 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 Kennedale City Council considers that item.

D. 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 21, 2022 regular meeting
2. Increase in Fire Truck Repair Cost from $36,029.19 (approved by Council in May) to $39,696.67
3. Oncor Rate Case approval of Steering Committee Resolution

E. ITEMS FOR INDIVIDUAL CONSIDERATION

1. City Investment Report & Consideration of Policy Admendments
2. Professional Services Agreement between Freese and Nichols and City of Kennedale
3. Approval of Spectrum Fiber Contract
4. Approval of extension of Strong Roots Landscaping Contract through September 30, 2022
5. City Manager Contract
6. Conduct a Public Hearing and consider approval of a Resolution, authorizing funding participation with Tarrant County Community Development and Housing for the Community Development Block Grant -Cares Act (CDBG-CV) Project for the replacement of roughly 450 linear feet of asbestos concrete water main, valves, and services.
7. Resolution to appoint Escrow Agent for a $432k grant from the Texas Water Development Board for the Valley Lane Project

IV. EXECUTIVE SESSION

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

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

B. ***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):*

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 Secretary

D. ***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:

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

VI. ADJOURNMENT

CERTIFICATION

I DO HEREBY CERTIFY THAT THE JULY 19, 2022 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.

Rosie Q. Ericsson

ROSIE Q. ERICSSON, 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.

STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: JULY 19, 2022

AGENDA ITEM NUMBER: WORK SESSION ITEM II.A.

SUBJECT
WORK SESSION REPORTS

ORIGINATED BY

SUMMARY

RECOMMENDATION

ATTACHMENTS

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STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: JULY 19, 2022

AGENDA ITEM NUMBER: WORK SESSION ITEM II.B.

SUBJECT
DISCUSSION AND/OR REQUESTS FOR CLARIFICATION OF ITEMS LISTED ON THE AGENDA

ORIGINATED BY

SUMMARY

RECOMMENDATION

ATTACHMENTS

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STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: JULY 19, 2022

AGENDA ITEM NUMBER: WORK SESSION ITEM II.C.

SUBJECT
DISCUSS FY 22-23 BUDGET

ORIGINATED BY: Anne LaMere

SUMMARY
The Budget Calendar has hearings set for September 6th and 13th. Times have yet to be determined. Please keep these dates open.

RECOMMENDATION

ATTACHMENTS

City of Kennedale Budget Calendar FY 2022 - 2023

DATE	ENTITY	DESCRIPTION OF ACTION / REQUIREMENTS	Occurred
28-Apr	Tarrant Appraisal District (TAD)	Notification of Tax Increment Financing (TIF) values for the following year to tax jurisdictions for billing and collection (Invoice Tarrant County)	✓
15-May	TAD	Last day for Businesses to File Property Tax Renditions	✓
25-May	Finance	Review and Distribute Budget Calendar to Directors	✓
31-May	TAD	Property owner has 30 days from date of notice (or until May 31) to file a protest, whichever is later	✓
31-May	Finance & HR	Provide direction to City Benefit Administrator to bid City health insurance contract for 22-23 FY	✓
12-Jun	Finance	Distribute Working Documents to Department Heads	✓
17-Jun	Finance	Update Tarrant County Entity Contact Information	✓
14-Jun	City Staff	Submit FY22-23 proposed budget requests and new projects to Finance	✓
July 18-22	City Manager, Finance & City Staff	Meet with each Department to Review Submittals	
19-Jul	City Manager City Council	Regular Meeting 7 pm – Distribute Draft 22-23 FY Calendar	✓
Ongoing	City Manager	Survey submitted to City Council to determine budget priorities	
19-Jul	City Council	Regular Meeting 5:30 pm - Appove budget public hearing meetings for September 6 and 13	
25-Jul	TAD	Notification of Preliminary Values to all Jurisdictions (Includes TIF reports)	
25-Jul	Finance	Present draft budget to City Manager	
1-Aug	City Manager, Finance	Prepare Budget Message	
2-Aug	Finance City Secretary	Prepare and Print Proposed Budget Books; File with City Secretary *File with City Secretary before the 30th day before the governing body makes tax levy for FY;* *Proposed budget shall be available for inspection by any person in-person and online.*	
9-Aug	City Council	Work Session: Budget Workshop 5:30 pm *Submit certified roll and calculations; Submit proposed budget given certified values; Discuss tax rate;* *If proposed rate exceeds the lower of the effective or rollback rate, vote to place proposal for tax increase on future agenda and schedule public hearings;* ***Must be record vote and, although may be left blank going into meeting, must specify desired rate at time of resolution adoption***	
16-Aug	City Council	Regular Meeting 5:30 pm -- Budget Workshop *Continue budgetary discussion; Staff available to answer any questions from Council*	
23-Aug	City Secretary	Publish Notice of Public Hearing on Budget (pg2); and Proposed Tax Rate (pg3) including First and Second Public Hearings on Tax Rate in Newspaper of Record (FW Star-Telegram) *Not earlier than the 30th or later than the 10th day before the date of the hearing; Must be done by September 1.*	
1-Sep	TAD	Notification of supplemental/last certified roll to jurisdictions for billing/collection	
6-Sep	City Council	Special Session 5:30 pm PUBLIC HEARING ON BUDGET — AND — *Must be set for date occurring after 15th day after proposed budget filed with City Secretary, but before tax rate adoption; Public holiday or weekend not permitted; Quorum required* FIRST PUBLIC HEARING ON TAX INCREASE (IF REQUIRED) *Mayor must announce date, time, and location of vote on Tax Rate. Must have two (2) hearings in addition to Vote On Tax Rate; Public holiday or weekend not permitted; Quorum required*	
13-Sep	City Council	Special Session 5:30pm and SECOND PUBLIC HEARING ON TAX INCREASE **Same as First Public Hearing; Not earlier than 7th day after the First Public Hearing*	
20-Sep	City Council	Regular Meeting 5:30 p.m. – Approve Budget Ordinance, Vote on Tax Rate Ordinance, and Ratify Budget *Vote must be not less than 3 days and not more than 14 days after second Public Hearing; Motion for Tax Rate requires special language and Ordinance requires special language;* ***Must be record vote on tax rate;*** *Must adopt Tax Rate within 60 days after certified roll is received or by September 30, whichever is earlier*	
21-Sep	Finance	Submit tax rates to Tarrant County and Tarrant Appraisal District (TAD)	
30-Sep	City Council	Last Day to Adopt Budget	
3-Oct	TAD	Tax Assessor prepares and mails tax bills	
24-Oct	TownCenter Development District (TDD) Board	Approve Tax Assessment and Levy	

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STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: JULY 19, 2022

AGENDA ITEM NUMBER: REGULAR SESSION ITEM III.A.

SUBJECT
INVOCATION AND PLEDGES OF ALLEGIANCE TO THE U.S. AND TEXAS FLAGS
"Honor the Texas Flag; I Pledge Allegiance to Thee, Texas, One State under God; One and Indivisible."

ORIGINATED BY

SUMMARY

RECOMMENDATION

ATTACHMENTS

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STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: JULY 19, 2022

AGENDA ITEM NUMBER: REPORTS AND ANNOUNCEMENTS ITEM III.B.

SUBJECT
REPORTS AND ANNOUNCEMENTS
In addition to any items below, the Kennedale City Council, the presiding officer, and/or staff 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.

ORIGINATED BY

SUMMARY

RECOMMENDATION

ATTACHMENTS

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STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: JULY 19, 2022

AGENDA ITEM NUMBER: REPORTS AND ANNOUNCEMENTS ITEM III.B.1.

SUBJECT
Updates from members of the Kennedale City Council

ORIGINATED BY

SUMMARY

RECOMMENDATION

ATTACHMENTS

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STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: JULY 19, 2022

AGENDA ITEM NUMBER: REPORTS AND ANNOUNCEMENTS ITEM III.B.2.

SUBJECT
Updates from the Mayor

ORIGINATED BY

SUMMARY

RECOMMENDATION

ATTACHMENTS

STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: JULY 19, 2022

AGENDA ITEM NUMBER: REPORTS AND ANNOUNCEMENTS ITEM III.B.3.

SUBJECT
Updates from the City Manager

ORIGINATED BY

SUMMARY

RECOMMENDATION

ATTACHMENTS

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STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: JULY 19, 2022

AGENDA ITEM NUMBER: REPORTS AND ANNOUNCEMENTS ITEM III.B.4.

SUBJECT
Financial Reports for the City and/or the EDC

ORIGINATED BY: Anne LaMere

SUMMARY: The City is financially healthy

SUBJECT: 1) Revenue & Expense; 2) Cash Balance by Fund & Diamond Jubilee Summary; 3) EDC Financial; and 4) Debt Overview

Revenue & Expense Report
Every fund is showing revenue greater than expenses except funds 34 LEOSE (last year funds in fund balance being spent this year), Fund 41 Cares Act (deferred revenue on balance sheet will be put into current year revenue) and Fund 45 Roadway Impact (revenues are lower than expense).

Cash Balances by Fund Report & Diamond Jubilee
Variances greater than $100k are analyzed on the Cash Balances Report. The Diamond revenue of $16,885.00 is less than expenses of $27,439.38 by $10,554.38. Council had authorized $10k for the Jubilee.

EDC Financial
This report was presented to the EDC Board. It is provided for informational purposes.

Debt Overview
Several Council members have requested a Debt Overview showing the debt issues and amount of debt payments per year. This report is provided for information purposes.

Conclusion
The City is financially healthy. There is nothing in the financials that causes me concern, or that I believe needs to be addressed by Council at this point in time.

Recommendation in the Form of a Motion
Item is under report section of the agenda. No motion required.

Attachments
4 attachments as listed in the subject line

RECOMMENDATION

ATTACHMENTS

1.	June 2022 Kennedale Financial Report	June 2022 Kennedale Financial Report.pdf

City of Kennedale June 2022 Monthly Financial Report

Fund / Description	2021 Year To Date	2021 Actual	% Expensed	Budget	Jun-22	Year To Date	% Expensed	Budget Remaining
	2021			Current Year As of June 2022				
Fund 01 General Fund Revenues	$7,315,008	$8,928,392	95.35%	$8,002,160	$354,470	$7,228,198	90.33%	$773,962
Fund 01 General Fund Expenditures								
Department 01 City Manager	$218,923	$537,284	68.1%	$298,728	$7,593	$166,002	55.57%	$132,726
Department 02 Mayor / Council	$58,785	$122,505	41.8%	$173,025	$21,954	$130,263	75.29%	$42,762
Department 03 City Secretary	$96,647	$157,098	52.6%	$187,082	$2,459	$35,376	18.91%	$151,706
Department 04 Municipal Court	$67,409	$111,029	65.1%	$106,204	$9,833	$86,492	81.44%	$19,712
Department 05 Human Resources	$90,811	$123,888	67.2%	$141,526	$9,735	$98,827	69.83%	$42,699
Department 07 Finance	$328,408	$431,525	70.7%	$484,149	$13,813	$320,827	66.27%	$163,322
Department 09 Police	$2,264,331	$3,161,819	70.8%	$3,337,833	$230,994	$2,176,866	65.22%	$1,160,967
Department 10 Fire	$1,575,228	$2,346,382	63.2%	$2,649,247	$181,696	$1,751,778	66.12%	$897,469
Department 12 Community Development	$351,714	$667,713	85.2%	$438,900	$39,541	$330,711	75.35%	$108,189
Department 16 Senior Citizen Center	$12,225	$69,374	13.8%	$48,316	$1,745	$19,515	40.39%	$28,801
Department 17 Library	$182,331	$279,655	62.0%	$299,681	$18,388	$157,968	52.71%	$141,713
Department 90 Non Departmental	$603,135	$719,699	104.0%	$736,900	$29,378	$646,255	87.70%	$90,645
Fund 01 General Fund Expenditure Subtotal	$5,849,948	$8,727,970	69.53%	$8,901,591	$567,129	$5,920,880	66.51%	$2,980,711
Fund 01 General Fund Total	$1,465,061	$200,422	-197.27%	($899,431)	($212,659)	$1,307,318		($2,206,749)
Fund 02 Debt Service Fund Revenues	$1,601,233	$3,415,023	97.35%	$1,727,705	$28,575	$1,662,682	96.24%	$65,023
Fund 02 Debt Service Fund Expenditures	$1,467,912	$3,216,655	99.42%	$1,668,763		$1,540,962	92.34%	$127,801
Fund 02 Debt Service Fund Total	$133,321	$198,369	79.20%	$58,942	$28,575	$121,720	206.51%	($62,778)
Fund 04 Capital Projects Fund Revenues	$87,101	$148,987	104.63%	$120,060	$164	$57,850	48.18%	$62,210
Fund 04 Capital Projects Fund Expenditures		$103,157	0.00%	$106,501			0.00%	$106,501
Fund 04 Capital Projects Fund Total	$87,101	$45,830	-4.38%	$13,559	$164	$57,850	426.65%	($44,291)
Fund 05 Capital Vehicle/Computer Replace Revenue	$11,409	$104,856	11.59%	$234,703	$20,049	$181,901	77.50%	$52,802
Fund 05 Capital Replacement Fund Expenditures	$138,577	$183,680	76.81%	$219,663	$12,602	$135,546	61.71%	$84,117
Fund 05 Capital Replacement Fund Total	($127,169)	($78,824)	155.06%	$15,040	$7,447	$46,355	308.21%	($31,315)
Fund 07 Stormwater Utility Fund Revenues	$199,467	$265,543	61.96%	$266,175	$23,035	$202,694	76.15%	$63,481
Fund 07 Stormwater Utility Fund Expenditures	$104,641	$174,438	46.89%	$229,343	$1,191	$22,893	9.98%	$206,450
Fund 07 Stormwater Utility Fund Total	$94,826	$91,105	96.00%	$36,832	$21,844	$179,801	488.16%	($142,969)

City of Kennedale June 2022 Monthly Financial Report

Fund / Description	2021 Year To Date	2021 Actual	2021 % Expensed	Current Year As of June 2022 Budget	Jun-22	Year To Date	% Expensed	Budget Remaining
Fund 10 Water/Sewer Fund Revenue	$3,324,735	$4,875,668	75.03%	$4,521,797	$526,319	$3,557,681	78.68%	$964,116
Fund 10 Water/Sewer Expenditures								
Department 01 Utility Billing	$823,099	$1,426,495	56.37%	$1,343,331	$122,837	$847,317	63.08%	$496,014
Department 02 Operations	$1,104,805	$1,203,505	80.22%	$1,388,069	$115,523	$1,078,855	77.72%	$309,214
Department 03 Debt Service	$330,761	$60,108	92.25%	$295,216		$272,384	92.27%	$22,832
Department 04 Municipal Court	$9,230		1.54%	$483,000	$1,110	$45,594	9.44%	$437,406
Department 90 Non Departmental	$536,630	$1,793,598	75.53%	$867,846	$70,222	$652,734	75.21%	$215,112
Fund 10 Water/Sewer Expenditure Subtotal	$2,804,525	$4,483,706	62.23%	$4,377,462	$309,692	$2,896,885	66.18%	$1,480,577
Fund 10 Water/Sewer Fund Total	$520,209	$391,962	-692.00%	$144,335	$216,627	$660,796	457.82%	($516,461)
Fund 12 Court Security Fund Revenues	1,305.32	2,019.79	56.75%	$2,115	$363	$2,781	131.48%	($665.71)
Fund 12 Court Security Fund Expenditures								
Fund 12 Court Security Fund Total	$1,305	$2,020	56.75%	$2,115	$363	$2,781	131.48%	($665.71)
Fund 13 Capital Bond Fund Revenues	$924	$1,047	0.02%	$1,235	$6,645	$6,030,661	488312.63%	($6,029,426)
Fund 13 Capital Bond Fund Expenditures	$40,567	$41,107	1.74%		$6,044	$55,486	0.00%	($55,486)
Fund 13 Capital Bond Fund Total	($39,643)	($40,060)	-1.08%	$1,235	$601	$5,975,175	483819.85%	($5,973,940)
Fund 14 Park Dedication Fund Revenues	$212,356	$547,188	###############	$375	$1,756	$46,040	12277.45%	($45,665)
Fund 14 Park Dedication Fund Expenditures	$280	$780	164.71%	$170		$125	73.53%	$45
Fund 14 Park Dedication Fund Total	$212,076	$546,408	###############	$205	$1,756	$45,915	22397.77%	($45,710)
Fund 15 EDC4B Fund Revenues	$560,367	$995,486	77.41%	$800,048	$77,917	$604,171	75.52%	$195,877
Fund 15 EDC4B Fund Expenditures	$467,779	$569,828	77.06%	$625,073	$22,395	$488,066	78.08%	$137,007
Fund 15 EDC4B Fund Total	$92,588	$425,658	79.19%	$174,975	$55,522	$116,105	66.36%	$58,870
Fund 16 Court Technology Fund Revenues	$1,215	$1,828	92.02%	$1,210	$293	$2,363	195.25%	($1,153)
Fund 16 Court Technology Fund Expenditures				$875				$875
Fund 16 Court Technology Fund Total	$1,215	$1,828	272.95%	$335	$293	$2,363	705.23%	($2,028)
Fund 17 Street Improvement Fund Revenues	$614,796	$837,782	70.05%	$917,506	$144,680	$749,633	81.70%	$167,873
Fund 17 Street Improvement Fund Expenditures	$614,548	$961,928	57.80%	$1,154,766	$55,789	$537,104	46.51%	$617,662
Fund 17 Street Improvement Fund Total	$247	($124,145)	-0.13%	($237,260)	$88,891	$212,529	-89.58%	($449,789)

City of Kennedale June 2022 Monthly Financial Report

Fund / Description	2021 Year To Date	2021 Actual	2021 % Expensed	Budget	Jun-22	Year To Date	% Expensed	Budget Remaining
				Current Year As of June 2022				
Fund 18 Juvenile Case Manager Fund Revenues	$528	$639	24.54%	$1,205	$13	$393	32.59%	$812
Fund 18 Juvenile Case Manager Fund Expenditures								
Fund 18 Juvenile Case Manager Fund Total	$528	$639	24.54%	$1,205	$13	$393	32.59%	$812
Fund 21 TIF #1 New Hope Fund Revenues	$178,377	$188,404	109.61%	$192,748	$30,724	$187,808	97.44%	$4,940
Fund 21 TIF #1 New Hope Fund Expenditures								
Fund 21 TIF #1 New Hope Fund Total	$178,377	$188,404	109.61%	$192,748	$30,724	$187,808	97.44%	$4,940
Fund 30 Hotel/Motel Tax Fund Revenues	$5,342	$16,227	105.78%	$11,006	$29	$6,111	55.53%	$4,895
Fund 30 Hotel/Motel Tax Fund Expenditures								
Fund 30 Hotel/Motel Tax Fund Total	$5,342	$16,227	105.78%	$11,006	$29	$6,111	55.53%	$4,895
Fund 31 Police Seizure Fund Fund Revenues	$0	$0	0.00%	0	$3	$2,970		($2,970)
Fund 31 Police Seizure Fund Fund Expenditures								
Fund 31 Police Seizure Fund Fund Total	$0	$0	0.00%	$0	$3	$2,970		($2,970)
Fund 32 Library Building Fund Revenues	$261	$285	163.28%	$110	$18	$134	121.71%	($24)
Fund 32 Library Building Fund Expenditures								
Fund 32 Library Building Fund Total	$261	$285	163.28%	$110	$18	$134	121.71%	($24)
Fund 34 LEOSE Fund Revenues	($71)	($70)	-4.05%	$1,740	$2	$1,416	81.39%	$324
Fund 34 LEOSE Fund Expenditures	1700	$1,700	103.03%	$1,650	$1,448	$1,448	87.73%	$203
Fund 34 LEOSE Fund Total	($1,771)	($1,770)	-1967.27%	$90	($1,445)	($31)	-34.77%	$121
Fund 35 Disaster Recovery Fund Revenues	$70	$76,564	70.17%		$862	$3,800		($3,800)
Fund 35 Disaster Recovery Fund Expenditures	$75,777	$76,564	22.51%					
Fund 35 Disaster Recovery Fund Total	($75,707)	($0)	22.50%	$0	$862	$3,800		($3,800)
Fund 41 Disaster Recovery Fund Revenues	$12	$13	23.02%	$13	$9,315	$16,953	130404.62%	($16,940)
Fund 41 Disaster Recovery Fund Expenditures					$15,929	$17,679		($17,679)
Fund 41 Disaster Recovery Fund Total	$12	$13	23.02%	$13	($6,614)	($726)	-5587.54%	$739
Fund 45 Roadway Impact Fee Fund Revenues	$340,544	$363,531	2270.29%	$12,130	$4,686	$96,721	797.37%	($84,591)
Fund 45 Roadway Impact Fee Fund Expenditures	$188,099	$247,786	95.23%	$137,525	$11,460	$103,144	75.00%	$34,381
Fund 45 Roadway Impact Fee Fund Total	$152,445	$115,745	-83.52%	($125,395)	($6,774)	($6,423)	5.12%	($118,972)

City of Kennedale June 2022 Monthly Financial Report

Fund / Description	2021 Year To Date	2021 Actual	% Expensed	Current Year As of June 2022 Budget	Jun-22	Year To Date	% Expensed	Budget Remaining
Fund 61 Water Impact Fund Revenues	$165,993	$180,865	306.05%	$52,660	$2,926	$55,195	104.81%	($2,535)
Fund 61 Water Impact Fund Expenditures								
Fund 61 Water Impact Fund Total	$165,993	$180,865	306.05%	$52,660	$2,926	$55,195	104.81%	($2,535)
Fund 62 Sewer Impact Fund Revenues	$108,821	$121,467	588.06%	$16,948	$3,073	$68,093	401.78%	($51,145)
Fund 62 Sewer Impact Fund Expenditures			0.00%	$60,000	$5,000	$45,000	75.00%	$15,000
Fund 62 Sewer Impact Fund Total	$108,821	$121,467	588.06%	($43,052)	($1,927)	$23,093	-53.64%	($66,145)
Fund 83 Tree Restoration Fund Revenues	$28	$32	5.62%	$30	$57	$133	442.40%	($103)
Fund 83 Tree Restoration Fund Expenditures								
Fund 83 Tree Restoration Fund Total	$28	$32	5.62%	$30	$57	$133	442.40%	($103)
Fund 85 Unclaimed Property Fund Revenues					$2	$3		($3)
Fund 85 Unclaimed Property Fund Expenditures								
Fund 85 Unclaimed Property Fund Total	$0	$0		$0	$2	$3		($3)
Fund 95 EDC4B Bond Reserve Fund Revenues	$50	$56	9.95%	$55	$101	$235	426.96%	($180)
Fund 95 EDC4B Bond Reserve Fund Expenditures								
Fund 95 EDC4B Bond Reserve Fund Total	$50	$56	9.95%	$55	$101	$235	426.96%	($180)

Cash Balance by Fund & Diamond Jubilee Summary as of June 30, 2022

Fund	Description	May-22	Oct 2021	Difference	Notes on > $100k Variance
01	01-1010 General Fund	4,006,764.82	2,637,665.21	1,369,099.61	Revenue exceeds expense for 2022
02	02-1010 Debt Service Fund	806,435.12	685,336.54	121,098.58	Revenue exceeds expense for 2022
04	04-1010 Capital Project Fund	204,772.89	132,969.24	71,803.65	
05	05-1010 Vehicle Fund	82,794.27	31,598.52	51,195.75	
07	07-1010 Storm Drainage Fund	561,431.62	377,531.98	183,899.64	Revenue exceeds expense for 2022
10	10-1010 Water and Sewer Fund	4,197,026.75	3,160,810.57	1,036,216.18	Rev > expense $660k + repayment from Fund 21 $320k
12	12-1010 Court Security Fund	28,006.66	25,247.76	2,758.90	
13	13-1010 CIP Fund	8,272,484.92	2,303,905.70	5,968,579.22	Related to $6M bond issue
14	14-1010 Park Dedication Fund	693,377.48	648,504.61	44,872.87	
15	15-1010 EDC 4B Fund	1,369,057.42	1,071,297.50	297,759.92	Collection of $185k in receivables + Rev exceeds Expense for 2022 $116k
16	16-1010 Court Technology Fund	16,681.34	14,331.79	2,349.55	
17	17-1010 Streets Improvement Fund	480,606.89	104,138.11	376,468.78	Rev > expense $212k + repayment from Fund 21 $176k
18	18-1010 Juvenile Case Manager Fund	8,514.85	8,133.83	381.02	
21	21-1010 TIF Fund	30,448.84	497,686.80	(467,237.96)	Rev > Exp $188k less Repayment to other funds (approved by Council in June) ($654k)
30	30-1010 Hotel/Motel Tax Fund	35,645.09	24,012.09	11,633.00	
31	31-1010 Police Seizure Fund	3,630.12	662.94	2,967.18	
32	32-1010 Library Building Fund	(1,941.41)	(2,075.29)	133.88	
34	34-1010 LEOSE Fund	1,852.72	1,886.04	(33.32)	
35	35-1010 Disaster Recovery Fund	1,073,992.23	1,071,842.07	2,150.16	
41	41-1010 Park Recreation and Donations	33,216.58	36,524.24	(3,307.66)	
45	45-1010 Roadway Impact Fee Fund	489,128.82	346,792.10	142,336.72	Repayment from Fund 21 $149k
61	61-1010 Water Impact Fee Fund	103,371.99	48,258.05	55,113.94	
62	62-1010 Sewer Impact Fee Fund	193,005.62	170,064.85	22,940.77	
83	83-1010 Tree Reforestation Fund	71,130.37	71,053.25	77.12	
85	85-1010 Unclaimed Property Fund	1,991.77		1,991.77	
95	95-1010 Revenue Bonds Fund	125,858.61	125,722.16	136.45	
	Totals:	22,889,286.38	13,593,900.66	9,295,385.72	

Diamond Jubilee Summary	
Donation Revenue	16,885.00
Expense	27,439.38
Net	(10,554.38)

Kennedale Economic Development Corporation Balance Sheet as of the Period Ended

Account	Description	9/30/2020	9/30/2021		Oct 2021	Nov 2021	Dec 2021	Jan 2022	Feb 2021	March 2021	April 2022	May 2022	June 2022
	Cash & Investments												
15-1010-00-00	INVEST IN CONSOLIDATED CASH	736,931	1,071,320		1,088,767	1,209,257	1,247,305	1,274,692	1,246,263	1,306,295	1,233,870	1,308,794	1,370,133
95-1010-00-00	INVEST IN CONSOLIDATED CASH	125,668	125,725		125,728	125,732	125,736	125,740	125,746	125,762	125,793	125,859	125,960
	Cash & Investments	**862,599**	**1,197,045**		**1,214,495**	**1,334,989**	**1,373,040**	**1,400,432**	**1,372,009**	**1,432,057**	**1,359,664**	**1,434,653**	**1,496,092**
	Sales Tax Receivable												
15-1233-00-00	SALES TAX RECEIVABLE	92,918	121,687		70,216	0	0	0	0	0	0	0	0
	Other Receivables												
15-1281-00-00	DUE FROM TOWN CENTER	17,996	17,706		19,568	40,153	41,333	63,865	23,367	25,705	25,316	27,382	21,565
15-1285-00-00	ACCRUED RECEIVABLE	183	74,623		74,507	106	0	0	0	0	0	0	0
	Other Receivables	**18,179**	**92,329**		**94,075**	**40,259**	**41,333**	**63,865**	**23,367**	**25,705**	**25,316**	**27,382**	**21,565**
	Prepaid Expenses												
15-2040-00-00	BANK ESCROW-SHOPPING CENTER	10,000	10,000		10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
	Total Current Assets	**983,696**	**1,421,061**	**0**	**1,388,785**	**1,385,248**	**1,424,374**	**1,474,297**	**1,405,376**	**1,467,762**	**1,394,980**	**1,472,035**	**1,527,658**
	Capital Assets - Net												
03-1400-00-00	LAND	864,017	845,292		845,292	845,292	845,292	845,292	845,292	845,292	845,292	845,292	845,292
03-1410-00-00	BUILDING & BLDG COMPONENTS	4,917,189	4,917,189		4,917,189	4,917,189	4,917,189	4,917,189	4,917,189	4,917,189	4,917,189	4,917,189	4,917,189
03-1420-00-00	IMPROVE OTHER THAN BLDG	1,084,193	1,084,193		1,084,193	1,084,193	1,084,193	1,084,193	1,084,193	1,084,193	1,084,193	1,084,193	1,084,193
03-1490-00-00	INFRASTRUCTURE IMPROVE	209,707	209,707		209,707	209,707	209,707	209,707	209,707	209,707	209,707	209,707	209,707
03-1500-00-00	ACCUMULATED DEPRECIATION	(2,652,119)	(2,956,383)		(2,956,383)	(2,956,383)	(2,956,383)	(2,956,383)	(2,956,383)	(2,956,383)	(2,956,383)	(2,956,383)	(2,956,383)
	Capital Assets - Net	**4,422,987**	**4,099,998**		**4,099,998**	**4,099,998**	**4,099,998**	**4,099,998**	**4,099,998**	**4,099,998**	**4,099,998**	**4,099,998**	**4,099,998**
	Long Term Debt												
20-9004-00-00	DEBT - DUE <1 YEAR	105,594	117,134		117,134	117,134	117,134	117,134	117,134	117,134	117,134	117,134	117,134
20-9005-00-00	AMT TO BE PROVIDED-LTD	(1,032,517)	(800,836)		(800,836)	(800,836)	(800,836)	(800,836)	(800,836)	(800,836)	(800,836)	(800,836)	(800,836)
20-9007-00-00	ACCRUED INTEREST PAYABLE	19,377	19,377		19,377	19,377	19,377	19,377	19,377	19,377	19,377	19,377	19,377
20-9010-00-00	2007 SALES TAX BONDS PAYABLE	605,000	530,000		530,000	530,000	530,000	530,000	530,000	530,000	530,000	530,000	530,000
20-9020-00-00	2011 TX LEVERAGE LOAN PAYABLE	302,546	254,326		254,326	254,326	254,326	254,326	254,326	254,326	254,326	254,326	254,326
20-9030-00-00	2020 GO REFUNDING BONDS PAYABL	0	(120,000)		(120,000)	(120,000)	(120,000)	(120,000)	(120,000)	(120,000)	(120,000)	(120,000)	(120,000)
	Long Term Debt	**0**	**1**		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	Non-Current Assets	**4,422,987**	**4,099,999**		**4,099,998**	**4,099,998**	**4,099,998**	**4,099,998**	**4,099,998**	**4,099,998**	**4,099,998**	**4,099,998**	**4,099,998**
	Total Assets	**5,406,683**	**5,521,060**		**5,488,783**	**5,485,246**	**5,524,371**	**5,574,295**	**5,505,374**	**5,567,760**	**5,494,977**	**5,572,032**	**5,627,655**
	Accounts Payable												
15-2190-00-00	ACCOUNTS PAYABLE	3,804	10,455		7,266	0	0	0	0	0	0	0	0
	Security Deposit												
15-2041-00-00	SECURITY DEPOSIT-SHOPPING CNTR	28,188	33,188		33,188	33,188	33,188	33,188	33,188	33,188	33,899	33,899	33,899
	Current Liabilities	**31,992**	**43,643**		**40,454**	**33,188**	**33,188**	**33,188**	**33,188**	**33,188**	**33,899**	**33,899**	**33,899**
	Total Liabilities	**31,992**	**43,643**		**40,454**	**33,188**	**33,188**	**33,188**	**33,188**	**33,188**	**33,899**	**33,899**	**33,899**
	Fund Balance												
03-3001-00-00	FUND BALANCE	4,422,986	4,099,998		4,099,998	4,099,998	4,099,998	4,099,998	4,099,998	4,099,998	4,099,998	4,099,998	4,099,998
15-3001-00-00	FUND BALANCE	418,581	826,036		1,251,694	1,251,694	1,251,694	1,251,694	1,251,694	1,251,694	1,251,694	1,251,694	1,251,694
95-3001-00-00	FUND BALANCE	124,607	125,670		125,725	125,725	125,725	125,725	125,725	125,725	125,725	125,725	125,725
	Fund Balance Equity	**4,966,174**	**5,051,704**		**5,477,416**	**5,477,416**	**5,477,416**	**5,477,416**	**5,477,416**	**5,477,416**	**5,477,416**	**5,477,416**	**5,477,416**
	Net Income (Loss)	**408,517**	**425,713**		**(29,087)**	**(25,358)**	**13,767**	**63,691**	**(5,230)**	**57,156**	**(16,338)**	**60,717**	**116,340**
	Total Equity	**5,374,691**	**5,477,417**		**5,448,329**	**5,452,058**	**5,491,183**	**5,541,107**	**5,472,186**	**5,534,572**	**5,461,078**	**5,538,133**	**5,593,756**
	Total Liability and Equity	**5,406,683**	**5,521,060**		**5,488,783**	**5,485,246**	**5,524,371**	**5,574,295**	**5,505,374**	**5,567,760**	**5,494,977**	**5,572,032**	**5,627,655**

Kennedale Economic Development Corporation Statement of Revenue and Expense -- Cumulative as of the End Date Shown

Account	Description	9/30/2020	9/30/2021	Oct 2021	Nov 2021	Dec 2021	Jan 2022	Feb 2021	March 2021	April 2022	May 2022	June 2022	Budget 2022	Remain 2022
	Special Sales Tax													
15-4002-00-00	MMD TAX-CURRENT YEAR	0	74,283	0	0	0	0	0	0	0	0	0	35,000	35,000
15-4081-00-00	SALES TAX	548,709	612,809	190	381	44,202	86,945	143,718	195,947	232,553	306,746	355,874	515,000	159,126
	Special Sales Tax	**548,709**	**687,092**	**190**	**381**	**44,202**	**86,945**	**143,718**	**195,947**	**232,553**	**306,746**	**355,874**	**550,000**	**194,126**
	Rental Income													
15-4805-00-00	RENTAL FEES-SHOPPING CTR	224,073	251,500	24,146	48,659	73,172	97,685	122,198	146,711	171,225	195,738	220,251	243,848	23,597
	Investment Earnings													
15-4401-00-00	INVESTMENT INCOME	3,809	370	29	64	100	140	201	370	682	1,341	2,416	2,000	(416)
95-4401-00-00	INVESTMENT INCOME	1,061	56	3	7	11	15	21	38	69	134	235	55	(180)
	Investment Earnings	**4,870**	**426**	**33**	**71**	**111**	**155**	**222**	**407**	**751**	**1,475**	**2,651**	**2,055**	**(596)**
	Miscellaneous Income													
15-4409-00-00	MISCELLANEOUS INCOME	25,289	37,798	2,500	6,050	8,900	11,534	14,189	19,684	19,788	22,429	25,629	4,200	(21,429)
15-4412-00-00	LAND PROCEEDS	150,368	18,725	0	0	0	0	0	0	0	0		0	0
	Miscellaneous Income	**175,657**	**56,523**	**2,500**	**6,050**	**8,900**	**11,534**	**14,189**	**19,684**	**19,788**	**22,429**	**25,629**	**4,200**	**(21,429)**
	Total Revenues	**953,309**	**995,541**	**26,868**	**55,160**	**126,385**	**196,318**	**280,328**	**362,750**	**424,316**	**526,388**	**604,406**	**800,103**	**195,697**
	Economic Development Expense													
15-5240-01-00	PRINTED SUPPLIES												2,000	2,000
15-5260-01-00	GENERAL OFFICE SUPPLIES												50	50
15-5261-01-00	POSTAGE												50	50
15-5403-02-00	BUILDING MAINTENANCE	49,602	35,921	3,897	6,411	8,325	8,864	12,250	12,837	14,165	15,168	19,094	32,616	13,522
15-5501-01-00	ADVERTISING	234	0	0	0	0	0	0	0	0	0		1,200	1,200
15-5510-01-00	ASSOC DUES/PUBLICATIONS	1,125	1,170	0	0	1,217	1,217	1,217	1,217	1,217	1,217	1,217	1,575	358
15-5525-01-00	TRAINING/SEMINARS	0	265	0	0	0	0	0	0	0	0		250	250
15-5530-02-00	ELECTRIC SERVICES	4,413	4,814	421	854	1,292	1,754	2,398	3,007	3,592	4,056	4,479	5,960	1,481
15-5545-02-00	INSURANCE-PROPERTY	9,976	9,979	14,287	14,287	14,287	14,287	14,287	14,287	14,287	14,287	14,287	0	(14,287)
15-5565-01-00	LEGAL SERVICES	8,854	24,236	0	0	8,639	8,806	8,865	8,865	9,923	9,923	10,099	18,000	7,901
15-5567-01-00	AUDIT SERVICES	4,250	4,250	0	0	0	0	0	0	4,250	4,250	4,250	4,250	0
15-5570-01-00	SPECIAL SERVICES	11,616	9,383	1,050	1,050	3,150	4,200	4,200	5,250	6,300	7,350	7,350	48,738	41,388
15-5570-02-00	SPECIAL SERVICES	7,282	18,195	966	1,946	2,927	3,907	4,888	5,868	6,849	7,830	8,810	13,000	4,190
15-5578-01-00	TRAVEL												100	100
15-5595-01-00	ADMIN CHARGE-GENERAL FUND	116,318	116,318	12,155	24,309	36,464	48,618	60,773	72,927	85,082	97,237	109,391	145,855	36,464
15-5595-02-00	LANDSCAPING -- CAM	0	0	0	0	0	0	0	0	2,700	2,700	2,700	9,600	6,900
15-5615-01-00	FUNCTIONAL GRANT	27,151	39,165	0	3,824	3,824	3,824	3,824	3,824	16,511	16,511	16,511	32,831	16,320
15-5621-02-00	BANK FEES	0	0	0	0	0	0	0	0	19	19	19	0	(19)
	Economic Development Expense	**240,821**	**263,696**	**32,775**	**52,682**	**80,125**	**95,478**	**112,703**	**128,083**	**164,895**	**180,547**	**198,207**	**316,075**	**117,868**
	Debt Service Principal													
15-5644-01-03	2007 1.2M TAX BOND-PRINCIPAL	65,000	70,000	0	0	0	0	0	0	75,000	75,000	75,000	75,000	0
15-5646-01-03	2011 1.7M TX LEVERAGE-PRI	44,291	46,680	3,959	7,928	11,909	15,900	19,902	23,915	27,938	35,941	39,936	48,220	8,284
15-5667-01-03	2020 $1.26M GO REFUNDING-PRIN	0	0	0	0	0	0	120,000	120,000	120,000	120,000	120,000	120,000	0
	Debt Service Principal	**109,291**	**116,680**	**3,959**	**7,928**	**11,909**	**15,900**	**139,902**	**143,915**	**222,938**	**230,941**	**234,936**	**243,220**	**8,284**
	Debt Service Interest													
15-5643-01-03	2007 1.2M TAX BOND-INTEREST	46,496	42,048	18,524	18,524	18,524	18,524	18,524	18,524	37,115	37,115	37,115	37,182	67
15-5645-01-03	2011 1.7M TX LEVERAGE-INT	13,545	9,196	698	1,384	2,060	2,726	3,380	4,024	4,656	6,019	6,758	7,656	898
15-5668-01-03	2020 1.26M GO REFUNDING-INT	11,889	0	0	0	0	0	11,049	11,049	11,049	11,049	11,049	20,940	9,891
15-5702-01-03	TRANSFER OUT-DEBT SERVICE FUND	122,750	138,208	0	0	0	0	0	0	0	0	0	0	0
	Debt Service Interest	**194,680**	**189,452 0**	**19,221**	**19,908**	**20,584**	**21,249**	**32,953**	**33,597**	**52,821**	**54,183**	**54,922**	**65,778**	**10,856**
	Total Expenses	**544,792**	**569,828**	**55,955**	**80,518**	**112,618**	**132,627**	**285,558**	**305,594**	**440,654**	**465,671**	**488,066**	**625,073**	**137,007**
	Net Income (Loss)	**408,517**	**425,713**	**(29,087)**	**(25,358)**	**13,767**	**63,691**	**(5,230)**	**57,156**	**(16,338)**	**60,717**	**116,340**	**175,030**	**58,690**

City of Kennedale Debt Summary

Year	$4,365,000 GO Refunding Bonds Series 2007		$2,900,000 Comb Tax & Rev C/O Series 2007		$1,200,000 Sales Tax Rev Bonds Taxable Series 2007		$2,735,000 Comb Tax & Rev C/O Series 2007A		$3,720,000 GO Refunding Bond Series 2016		$2,000,000 Tax Notes Series 2019		$1,260,000 GO Refunding Bonds Series 2020		$1,540,000 GO Refunding Bonds Series 2020A		$5,735,000 Comb Tax and Rev C/O Series 2021		$1,700,000 Texas Leverage Fund Original 3.25% Interest Rate		Total Debt Service by Year
	Princl	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Princip	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Total
2022	$ 195,000	$ 20,346	$ 170,000	$42,845	$ 75,000	$37,183	$ 200,000	$21,000	$ 360,000	$41,528	$ 275,000	$ 31,683	$ 120,000	$ 20,941	$ 145,000	$ 16,135	$ 310,000	$ 140,550	$ 56,812	$ 4,857	$ 2,283,879
2023	205,000	12,406	175,000	35,773	80,000	31,970	210,000	12,800	365,000	35,039	370,000	25,555	120,000	18,625	145,000	19,335	215,000	132,550	56,812	6,940	$ 2,272,805
2024	210,000	4,169	185,000	28,393	85,000	26,410	215,000	4,300	375,000	28,416	380,000	18,430	125,000	16,260	150,000	12,505	185,000	131,831	56,812	5,474	$ 2,242,999
2025	-		190,000	20,705	90,000	20,503	-		375,000	21,704	385,000	11,163	125,000	13,848	150,000	15,645	240,000	124,050	56,812	3,568	$ 1,842,996
2026	-		200,000	12,710	100,000	14,248	-		385,000	14,902	395,000	3,753	125,000	11,435	155,000	8,754	265,000	113,950	56,812	952	$ 1,862,514
2027	-		210,000	4,305	105,000	7,298	-		315,000	8,637	-		130,000	8,975	155,000	6,863	275,000	103,150			$ 1,329,226
2028	-		-		-		-		325,000	2,909	-		130,000	6,466	155,000	4,972	285,000	91,950			$ 1,001,296
2029	-		-		-		-		-		-		135,000	3,908	155,000	4,972	300,000	80,250			$ 679,130
2030	-		-		-		-		-		-		135,000	1,303	165,000	3,020	310,000	68,050			$ 682,372
2031	-		-		-		-		-		-		-		165,000	1,007	320,000	59,450			$ 545,457
2032	-		-		-		-		-		-		-		-		280,000	54,950			$ 334,950
2033	-		-		-		-		-		-		-		-		285,000	50,713			$ 335,713
2034	-		-		-		-		-		-		-		-		290,000	46,038			$ 336,038
2035	-		-		-		-		-		-		-		-		295,000	40,550			$ 335,550
2036	-		-		-		-		-		-		-		-		300,000	34,600			$ 334,600
2037	-		-		-		-		-		-		-		-		305,000	28,550			$ 333,550
2038	-		-		-		-		-		-		-		-		310,000	22,400			$ 332,400
2039	-		-		-		-		-		-		-		-		315,000	16,150			$ 331,150
2040	-		-		-		-		-		-		-		-		325,000	9,750			$ 334,750
2041	-		-		-		-		-		-		-		-		325,000	3,250			$ 328,250
																					$ 18,079,624
Total	$ 610,000		$ 1,130,000		$ 535,000		$ 625,000		$ 2,500,000		$ 1,805,000		$ 1,145,000		$ 1,540,000		$ 5,735,000		$284,060 Variable Interest based on Fed Funds Rate		
Call Option	Any Date + Prepayment		Any Date + Prepayment		Any Date + Prepayment		Any Date + Prepayment		Not Callable		Not Callable		Not Callable		Callable Anytime		Callable 2/1/2030				
Dated Date	2/1/2007		2/1/2007		5/1/2007		10/1/2007		9/15/2016		9/1/2019		2/1/2020		12/30/2020		9/15/2021		11/11/2011		
Coupon	2/15 and 8/15		2/15 and 8/15		5/1 and 11/1		2/15 and 8/15		2/15 and 8/15		2/1 and 8/1		2/15/ and 8/15		2/1 and 8/1		2/1 and 8/1				
Maturity	2/15		2/15		5/1		2/15		2/15		2/1		2/15		2/1		$2				
Insurer	None		None		None		None		None		None		None		None		None		Bank of NY		
Paying	Wells Fargo		Wells Fargo		Bank of America		Wells Fargo		First Ntnl Bank of		First Ntnl Bank of Texas		JPMorgan Chase Bank		Alliance Bank		BOKF				
Purpose	Refunding		New Money		New Money		New Money		Refunding		New Money		Refunding		Refunding		Streets, Fire Truck and Ambulance		Link Street Purchase		
Repayment Source	61.75% General Fund & 38.25% Utility Fund		100% Utility Fund		100% Sales Tax		100% General Fund		26.61% Dick Price & 73.39% General Fund		100% General Fund		100% Sales Tax		100% General Fund		100% General Fund		100% EDC Debt		

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STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: JULY 19, 2022

AGENDA ITEM NUMBER: REGULAR SESSION ITEM III.C.

SUBJECT
VISITOR AND CITIZEN FORUM
At this time, any person may address the Kennedale City Council about items not on the agenda. Rules and procedures for addressing the Kennedale City 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 Kennedale City Council considers that item.

ORIGINATED BY

SUMMARY

RECOMMENDATION

ATTACHMENTS

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STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: JULY 19, 2022

AGENDA ITEM NUMBER: CONSENT AGENDA ITEM III.D.1.

SUBJECT
Approval of the minutes from the June 21, 2022 regular meeting

ORIGINATED BY: Rosie Ericson

SUMMARY: Minutes will be distributed on the Dias

RECOMMENDATION

ATTACHMENTS

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STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: JULY 19, 2022

AGENDA ITEM NUMBER: CONSENT AGENDA ITEM III.D.2.

SUBJECT
Increase in Fire Truck Repair Cost from $36,029.19 (approved by Council in May) to $39,696.67

ORIGINATED BY: James Brown, Fire Chief

SUMMARY

During the May council meeting, council approved funding in the amount of $36,029.19 for repairs to one of our fire engines. This amount was based from cost estimates from our vendor Siddons Martin. Once they tore into the vehicle they discovered several other items that needed repair. I am back asking council to increase this funding by up to an additional $5,000.00.

Staff is available for any question's council may have.

RECOMMENDATION
Approval

MEETING DATE: JULY 19, 2022

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

SUBJECT: ONCOR Rate Case

ORIGINATED BY: Darrell Hull

ACTION MUST BE TAKEN TO SUSPEND THE EFFECTIVE DATE ON OR BEFORE AUGUST 1, 2022***

PURPOSE

Oncor Electric Delivery Company ("Oncor" or "the Company") filed an application on or about May 13, 2022 with cities retaining original jurisdiction seeking to increase system-wide transmission and distribution rates by about $251 million or approximately 4.5% over present revenues. The Company asks the City to approve an 11.2% increase in residential rates and a 1.6% increase in street lighting rates. If approved, a residential customer using 1,300 kWh per month would see a bill increase of about $6.02 per month.

The resolution suspends the August 1, 2022 effective date of the Company's rate increase for the maximum period permitted by law to allow the City, working in conjunction with the Steering Committee of Cities Served by Oncor, to evaluate the filing, determine whether the filing complies with law, and if lawful, to determine what further strategy, including settlement, to pursue.

The law provides that a rate request made by an electric utility cannot become effective until at least 35 days following the filing of the application to change rates. The law permits the City to suspend the rate change for 90 days after the date the rate change would otherwise be effective. **If the City fails to take some action regarding the filing before the effective date, Oncor's rate request is deemed administratively approved.**

DISCUSSION

The City of Kennedale is a member of a 169-city coalition known as the Steering Committee of Cities Served by Oncor ("Steering Committee"). The Steering Committee has been in existence since the late 1980s. It took on a formal structure in the early 1990s when cities served by the former TXU gave up their statutory right to rate case expense reimbursement in exchange for higher franchise fee payments. Empowered by city resolutions and funded by *per capita* assessments, the Steering Committee has been the primary public interest advocate before the Public Utility Commission, the Courts, and the Legislature on electric utility regulation matters for the last 30 years.

Although Oncor has increased rates many times over the past few years, this is the first comprehensive base rate case for the Company since March 2017.

Explanation of "Be It Resolved" Paragraphs:

Section 1. The City is authorized to suspend the rate change for 90 days after the date that the rate change would otherwise be effective for any legitimate purpose. Time to study and investigate the application is always a legitimate purpose. Please note that the resolution refers to the suspension period as “the maximum period allowed by law” rather than ending by a specific date. This is because the Company controls the effective date and can extend the deadline for final city action to increase the time that the City retains jurisdiction if necessary to reach settlement on the case. If the suspension period is not otherwise extended by the Company, the City must take final action on Oncor's request to raise rates by August 1, 2022.

Section 2. This provision authorizes the Steering Committee, consistent with the City's resolution approving membership in the Steering Committee, to act on behalf of the City at the local level in settlement discussions, in preparation of a rate ordinance, on appeal of the rate ordinance to the PUC, and on appeal to the Courts. Negotiating clout and efficiency are enhanced by the City cooperating with the Steering Committee in a common review and common purpose. Additionally, rate case expenses are minimized when the Steering Committee hires one set of attorneys and experts who work under the guidance and control of the Executive Committee of the Steering Committee.

Section 3. The Company will reimburse the Steering Committee for its reasonable rate case expenses. Legal counsel and consultants approved by the Executive Committee of the Steering Committee will submit monthly invoices that will be forwarded to Oncor for reimbursement. No individual city incurs liability for payment of rate case expenses by adopting a suspension resolution.

Section 4. This section merely recites that the resolution was passed at a meeting that was open to the public and that the consideration of the Resolution was properly noticed.

Section 5. This section provides that both Oncor and Steering Committee counsel will be notified of the City’s action by sending a copy of the approved and signed resolution to certain designated individuals.

ATTACHMENTS

1.	2022_04.20 Oncor Rate Change Letter	2022_04.20 Oncor Rate Change Letter.pdf

J. Michael Sherburne
Vice President - Regulatory

April 8, 2022

APR 2 0 2022

City of Kennedale
405 Municipal Drive
Kennedale, TX 76060

TO THE HONORABLE GOVERNING BODY OF THE CITY OF KENNEDALE:

Please be advised Oncor Electric Delivery Company LLC intends to file with the Public Utility Commission of Texas ("Commission") and each municipality with original rate-setting jurisdiction in its service area a statement of intent to change rates. Oncor will make the filing no earlier than May 11, 2022.

This notice is being provided to you as required by Section 33.024(a) of the Public Utility Regulatory Act, and no action is required in response to this letter. If your municipality has ceded its original rate-setting jurisdiction to the Commission, this information is being provided to you as a courtesy.

If you have any questions, please contact your local manager or myself.

Sincerely,

J. Michael Sherburne

Oncor
1616 Woodall Rodgers Freeway
Dallas, Texas 75202
Tel: 214.486.4981
mike.sherburne@oncor.com

RESOLUTION NO. 607

RESOLUTION OF THE CITY OF KENNEDALE SUSPENDING THE JUNE 17, 2022 EFFECTIVE DATE OF ONCOR ELECTRIC DELIVERY COMPANY'S REQUESTED RATE CHANGE TO PERMIT THE CITY TIME TO STUDY THE REQUEST AND TO ESTABLISH REASONABLE RATES; APPROVING COOPERATION WITH THE STEERING COMMITTEE OF CITIES SERVED BY ONCOR TO HIRE LEGAL AND CONSULTING SERVICES AND TO NEGOTIATE WITH THE COMPANY AND DIRECT ANY NECESSARY LITIGATION AND APPEALS; FINDING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW; REQUIRING NOTICE OF THIS RESOLUTION TO THE COMPANY AND LEGAL COUNSEL FOR THE STEERING COMMITTEE

WHEREAS, on or about May 13, 2022, Oncor Electric Delivery Company (Oncor), pursuant to PURA §§ 33.001 and 36.001 filed with the City of Kennedale a Statement of Intent to increase electric transmission and distribution rates in all municipalities exercising original jurisdiction within its service area effective June 17, 2022; and

WHEREAS, the City of Kennedale is a member of the Steering Committee of Cities Served by Oncor ("Steering Committee") and will cooperate with the 169 similarly situated city members and other city participants in conducting a review of the Company's application and to hire and direct legal counsel and consultants and to prepare a common response and to negotiate with the Company prior to getting reasonable rates and direct any necessary litigation; and

WHEREAS, PURA § 36.108 grants local regulatory authorities the right to suspend the effective date of proposed rate changes for ninety (90) days after the date the rate change would otherwise be effective; and

WHEREAS, PURA § 33.023 provides that costs incurred by Cities in ratemaking proceedings are to be reimbursed by the regulated utility.

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

1. That the June 17, 2022 effective date of the rate request submitted by Oncor on or about May 13, 2022, be suspended for the maximum period allowed by law to permit adequate time to review the proposed changes and to establish reasonable rates.

2. As indicated in the City's resolution approving membership in the Steering Committee, the Executive Committee of Steering Committee is authorized to hire and direct legal counsel and consultants, negotiate with the Company, make recommendations regarding reasonable rates, and to intervene and direct any necessary administrative proceedings or court litigation associated with an appeal of a rate ordinance and the rate case filed with the City or Public Utility Commission.

3. That the City's reasonable rate case expenses shall be reimbursed by Oncor.

4. That it is hereby officially found and determined that the meeting at which this Resolution is passed is open to the public as required by law and the public notice of the time, place, and purpose of said meeting was given as required.

5. A copy of this Resolution shall be sent to Oncor, Care of Howard V. Fisher, Oncor Electric Delivery Company LLC, 1616 Woodall Rodgers Freeway, Dallas, Texas 75202 and to Thomas Brocato, Counsel to the Steering Committee, at Lloyd Gosselink Rochelle & Townsend, P.C., P.O. Box 1725, Austin, Texas 78767-1725.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF KENNEDALE this the 19th day of JULY, 2022

____

MAYOR, HOLLIS C. MATTHEWS

ATTEST:

____

BOARD SECRETARY, ROSIE ERICSON

RESOLUTION NO. 607

RESOLUTION OF THE CITY OF KENNEDALE SUSPENDING THE AUGUST 1, 2022 EFFECTIVE DATE OF ONCOR ELECTRIC DELIVERY COMPANY'S REQUESTED RATE CHANGE TO PERMIT THE CITY TIME TO STUDY THE REQUEST AND TO ESTABLISH REASONABLE RATES; APPROVING COOPERATION WITH THE STEERING COMMITTEE OF CITIES SERVED BY ONCOR TO HIRE LEGAL AND CONSULTING SERVICES AND TO NEGOTIATE WITH THE COMPANY AND DIRECT ANY NECESSARY LITIGATION AND APPEALS; FINDING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW; REQUIRING NOTICE OF THIS RESOLUTION TO THE COMPANY AND LEGAL COUNSEL FOR THE STEERING COMMITTEE

WHEREAS, on or about May 13, 2022, Oncor Electric Delivery Company (Oncor), pursuant to PURA §§ 33.001 and 36.001 filed with the City of Kennedale a Statement of Intent to increase electric transmission and distribution rates in all municipalities exercising original jurisdiction within its service area effective August 1, 2022; and

WHEREAS, the City of Kennedale is a member of the Steering Committee of Cities Served by Oncor ("Steering Committee") and will cooperate with the 169 similarly situated city members and other city participants in conducting a review of the Company's application and to hire and direct legal counsel and consultants and to prepare a common response and to negotiate with the Company prior to getting reasonable rates and direct any necessary litigation; and

WHEREAS, PURA § 36.108 grants local regulatory authorities the right to suspend the effective date of proposed rate changes for ninety (90) days after the date the rate change would otherwise be effective; and

WHEREAS, PURA § 33.023 provides that costs incurred by Cities in ratemaking proceedings are to be reimbursed by the regulated utility.

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

1. That the August 1, 2022 effective date of the rate request submitted by Oncor on or about May 13, 2022, be suspended for the maximum period allowed by law to permit adequate time to review the proposed changes and to establish reasonable rates.

2. As indicated in the City's resolution approving membership in the Steering Committee, the Executive Committee of Steering Committee is authorized to hire and direct legal counsel and consultants, negotiate with the Company, make recommendations regarding reasonable rates, and to intervene and direct any necessary administrative proceedings or court litigation associated with an appeal of a rate ordinance and the rate case filed with the City or Public Utility Commission.

3. That the City's reasonable rate case expenses shall be reimbursed by Oncor.

4. That it is hereby officially found and determined that the meeting at which this Resolution is passed is open to the public as required by law and the public notice of the time, place, and purpose of said meeting was given as required.

5. A copy of this Resolution shall be sent to Oncor, Care of Howard V. Fisher, Oncor Electric Delivery Company LLC, 1616 Woodall Rodgers Freeway, Dallas, Texas 75202 and to Thomas Brocato, Counsel to the Steering Committee, at Lloyd Gosselink Rochelle & Townsend, P.C., P.O. Box 1725, Austin, Texas 78767-1725.

DULY PASSED AND APPROVED BY THE CITY OF KENNEDALE THIS 19TH DAY OF JULY 2022.

____

MAYOR HOLLIS C. MATTHEWS

ATTEST:

____

BOARD SECRETARY, ROSIE ERICSON

STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: JULY 19, 2022

AGENDA ITEM NUMBER: INDIVIDUAL CONSIDERATION ITEM III.E.

SUBJECT
ITEMS FOR INDIVIDUAL CONSIDERATION

ORIGINATED BY

SUMMARY

RECOMMENDATION

ATTACHMENTS

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STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: JULY 19, 2022

AGENDA ITEM NUMBER: REPORTS AND ANNOUNCEMENTS ITEM III.E.1.

SUBJECT
City Investment Report & Consideration of Investment Alternatives

ORIGINATED BY: Anne LaMere

SUMMARY: Currently the City's $21.8M in investments have been earning .6% interest per year in TexPool and TexStar. With the Federal Reserve Rate increase, TexPool and TexStar are estimating1% interest per year or $218,000. Staff is recommending a strategy with an expected interest yield of $391,800 –

1) using Frost Bank as a brokerage to purchase $8M in US Treasuries ($4M 6 month and $4M 1 year) earning about 3% or yielding $240,000
2) closing the TexStar account
3) opening a TexPool Prime account with initial $6.9M investment earning 1.2% or $82,00
4) leaving $6.9M in the TexPool account earning 1% or $69,000

Additional Information
There is a required annual review of the investment policy and adoption of resolution documenting the review.

Recommendation in the Form of a Motion
Move approval of

1) Resolution 608 amending the Investment Policy for minor changes;
2) Approval of Mayor Hollis and City Manager Hull as check signers;
3) Approval of City Manager Hull, Finance Director LaMere, and Accountant Sherman as investment signatories;
4) Open brokerage account with Frost Bank
5) Approval to close the TexStar account and move all funds to the newly opened Frost Bank account
6) Move an amount that would total $8M (to include the TexStar balance) from TexPool to Frost Bank
7) Purchase $8M in US Treasuries -- $4M six month and $4M 1 year
8) Open a TexPool Prime account
9) Move ½ of the remaining TexPool balance into the TexPool Prime account

Attachments

1) Investment Report for Period Ended June 30, 2022
2) Investment Policy Revised July 19, 2022
3) Resolution 608 Adopting an Amended City of Kennedale Investment Policy

RECOMMENDATION

ATTACHMENTS

Investment Report
For Period Ended June 30, 2022

Presented by Anne LaMere
July 19, 2022

Table of Contents

International Global Conditions

The world economy recovered from the 2007 financial crisis and entered a global slowdown. COVID is an ongoing global pandemic that began in January 2020 and has created many global supply shortages to include computer chips, IT equipment, vehicles, and raw materials. On February 24, 2022, Russia invaded Ukraine. Africa, India, and Cambodia have the fastest growing economies and represent good international investment opportunities

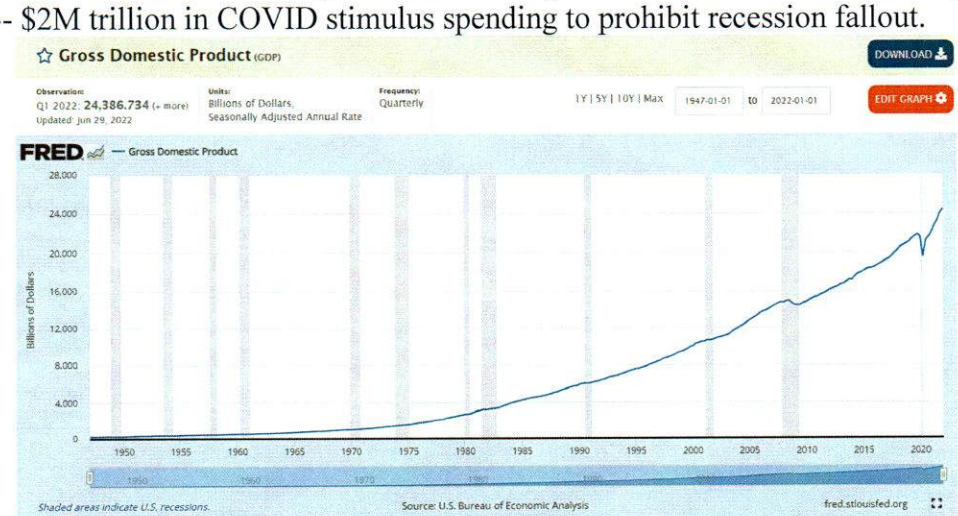
US Economy and Economic Indicators

President Biden was sworn into office January 2021. COVID is still endangering lives with 1/3 of the US population still unvaccinated. Inflation is a concern. The supply chain has seen shortages to include food and baby formula. Employment is plagued by the Great Resignation, some say due to COVID, lack of a livable minimum wage, baby boomers reaching retirement age, or lack of respect from an older generation of bosses who do not understand the younger generation. Biden's call to provide infrastructure changes, known as the Build Back Better Plan, is facing resistance. Gasoline prices and prices of other goods and services purchased by households have soared. The average price of a gallon of gasoline has risen from $1.50 in June 2020 to $4.50 in June 2022. The US Stock market reached new high levels for the S&P 500 of just over 5,000 in December 2021, yet has been declining during 2022 and closed 3,802 on 13 July 2022. Jerome Powell has headed the Federal Reserve since February 2018, and during 2022 Quarter 2 oversaw the increase of the federal reserve rate to 1.75%, the biggest rate hike in nearly three decades.

Gross Domestic Product (GDP)

GDP represents the total market value of all final goods and services produced by the US in a given calendar year. Strong economic growth is conducive to tighter monetary policy. GDP took a dip of (3.4%) in 2020 due to COVID. GDP is once again increasing as the supply chain system recovers.

GDP is a lagging indicator of US economic health, with a general rule that if GDP drops for more than 2 quarters, a recession is coming. GDP increases when the economy is strong. However, GDP can be misleading as seen recently with a 4% increase due to government spending -- $2M trillion in COVID stimulus spending to prohibit recession fallout.

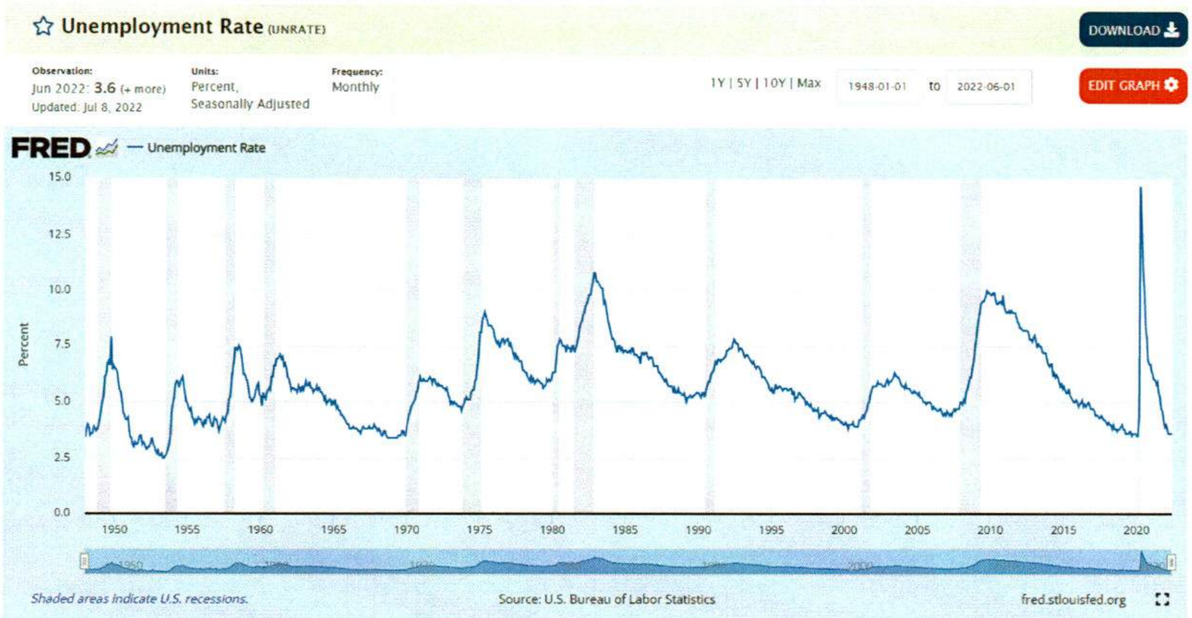


Source: St. Louis Federal Reserve https://fred.stlouisfed.org/series/GDP#0

Unemployment

The unemployment rate reached a high of 14.7% in April 2020, however it is now at 3.6%

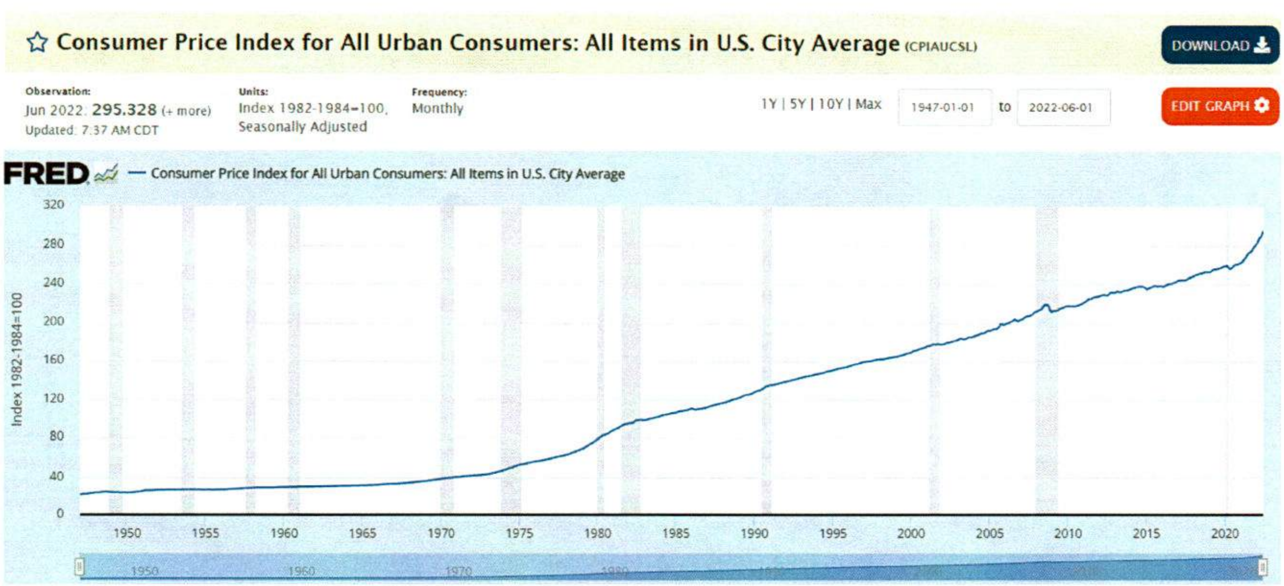
which is a low rate compared to historical rates. The unemployment rate is a lagging indicator, with increasing rates indicating a poor economy and decreasing rates indicating a strong economy.



Source: St. Louis Federal Reserve https://fred.stlouisfed.org/series/UNRATE

Consumer Price Index (CPI)

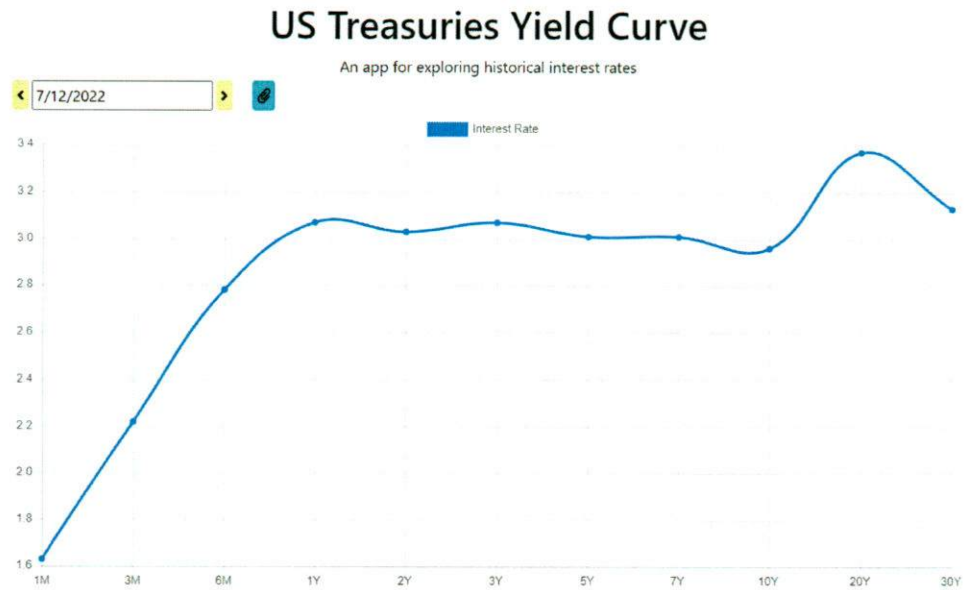
The Consumer Price Index (CPI) is a measure of the average change in prices over time of goods and services purchased by households (inflation).



Source: St. Louis Federal Reserve https://fred.stlouisfed.org/series/CPIAUCSL

Treasury Yield Curve

The US Treasury Yield Curve is a leading indicator of recession in instances where the longer-term Treasury rates (generally 10 year) fall below the shorter-term Treasury rates (generally 2 year). That is not the case currently as this is a standard curve where an investor taking more risk with a longer term will receive a higher rate of return for the investment.



Source: https://www.ustreasuryyieldcurve.com

Treasury Rates for First Week in July

Date	1 Mo	2 Mo	3 Mo	6 Mo	1 Yr	2 Yr	3 Yr	5 Yr	7 Yr	10 Yr	20 Yr	30 Yr
07/01/2022	1.27	1.68	1.73	2.52	2.79	2.84	2.85	2.88	2.92	2.88	3.35	3.11
07/05/2022	1.33	1.71	1.90	2.59	2.77	2.82	2.82	2.82	2.87	2.82	3.31	3.05
07/06/2022	1.36	1.70	1.90	2.62	2.82	2.97	2.99	2.96	2.99	2.93	3.42	3.14
07/07/2022	1.55	1.90	1.95	2.64	2.87	3.03	3.05	3.05	3.07	3.01	3.45	3.20
07/08/2022	1.57	1.92	1.98	2.68	2.96	3.12	3.14	3.13	3.16	3.09	3.53	3.27
07/11/2022	1.58	1.95	2.18	2.79	2.97	3.07	3.09	3.05	3.06	2.99	3.43	3.18
07/12/2022	1.63	2.01	2.22	2.78	3.07	3.03	3.07	3.01	3.01	2.96	3.37	3.13
07/13/2022	1.78	2.20	2.39	2.96	3.21	3.13	3.14	3.02	3.00	2.91	3.35	3.08

Source: US Treasury https://home.treasury.gov/resource-center/data-chart-center/interest-rates/TextView?type =daily_treasury_yield_curve&field_tdr_date_value_month=202207Annual Review of Investment Policy

Summary of US Economy and Economic Indicators

The US economy is very healthy and strong. There is no reason to go to international investment instead of US investment. US Treasuries are strong with good rates. There is not enough difference between a 1 year and 10 year treasuries to go for the longer term. In other words, there is not enough of an interest payout to risk funds being tied up for long terms.

Annual Review of Investment Policy

The Texas Public Funds Investment Act (PFIA) and the City Investment Policy (Page 4, Section II. C.) requires an annual review of the City's Investment Policy ***and adoption of a resolution stating the review has been completed***. The last Investment Policy review occurred in June 2018. The following changes are recommended –

1) Page 2 – Change "All City funds shall be invested, to the maximum extent possible~~, at the highest rates obtainable at the time of the investment~~.
2) Page 2 – Effective cash management is recognized as essential to good fiscal management. ~~An aggressive~~ prudent cash management and investment policy will be pursued. (Note: This agrees with section Page 4 Section III Prudence and Page 5 Section IV Objectives.)
3) Removal of all references related to repurchase or reverse repurchase agreements being an acceptable investment, including language at VI. G, VII. D. 3) and 4) and adding item I. 5) as repurchase and/or reverse repurchase agreements as unauthorized investments. (Note: Given that these types of investments are high risk, and others are available, recommending that these not be allowed by the City.)

Additionally, due to changes in City personnel, changes have been made to the signatories on the accounts. Check signers on the Wells Fargo accounts for both accounts payable and payroll disbursements are Mayor Hollis Matthews and City Manager Darrell Hull.

Signatories for both TexPool and TexStar have been changed to City Manager Darrell Hull, Finance Director Anne LaMere, and Accountant Tanisha Sherman.

I would ask that the Resolution for any changes to the Investment Policy include a designation of these individuals as signatories on the accounts.

Portfolio Presentation

Account	Institution	Description	Book Balances At June 30, 2022	Quarterly Interest	Quarter % Earned	Annualized Return	Avg Weighted Maturity
99-1005-00-00	Wells Fargo	Consolidated Operating Cash	620,055	-	0.00%		
99-1010-00-00	Wells Fargo	Employee Health Benefit Trust	59	5	0.06%	0.23%	
99-1095-00-00	TexPool	TexPool	21,922,407	35,036	0.16%	0.64%	24
99-1098-00-00	TexStar	TexStar	346,765	563	0.16%	0.65%	46
			22,889,286	35,603			

Note: These investments all have positive earnings. TexPool and TexStar operate as Money Market funds.
The balance in TexPool and TexStar are liquid investements and can be withdrawn at any time. The book balance is the market value.

Balance Changes during the Quarter: TexStar had no deposits or withdrawals other than interest.
TexPool recieves daily deposits from property tax revenue and there was one withdrawal on $500k on 4/28/2002 for operating needs. The $500k withdrawal was deposited in the Wells Fargo Consolidated Operating Cash Account.
The two Wells Fargo accounts have had deposits and check withdrawals as these are the City's operating accounts.

Collateral

The TexPool and TexStar funds are collateralized at the entire fund level by the entities that run them. The Wells Fargo balances are collateralized with $500k FDIC coverage (2 accounts) and $2,101,713.46 of pledged collateral. The City receives a detailed collateral report monthly.

Consideration of Investment Strategy

Brokerages

Currently the City does not have a brokerage account, which is needed to purchase investments. The following have been contacted regarding establishment of a brokerage account –

1) EECU – financial institution within Kennedale and member of the Chamber. Offer CD's to individuals and businesses. There is no provision in their Charter to offer CD's to municipalities or political divisions of the State of Texas. CD rates are currently 1.1% six month and 1.35% one year.
2) Frost Bank – located in Mansfield and a member of the Chamber. Very interested in working with the City. Local, knowledgeable. Offers a variety of instruments to include US Treasuries. Process would be to open a brokerage account and purchase the Treasuries. Recommended a ladder investment approach of 2 year, 1 year, and 6 month Treasuries given the unpredictability of current interest rates.
3) Chase Bank – located in Dallas and are a special group within Chase to offer services to municipalities. Very interested in working with the City. Very knowledgeable. Same process as Frost to open a brokerage account.
4) Time Value Investments (TVI) – Contacted me via a cold call as they do business with City of Forest Hill, City of Benbrook and Cooke-County and are looking for business. Located in Seattle Washington. Serve as investment service. If US Treasuries are purchased, account would be opened with TVI and another account with a brokerage. TVI cannot hold securities. Recommending the City purchase Treasuries, FDIC Insured CDs, and/or Government Agency Bonds.

Of the 4, I was must impressed with Frost and glad that they are local, with Chase following behind as a close second choice. I do not recommend TVI and EECU is unable to work with the City.

Given that the US economy is strong and the investment objectives of the City are (Investment Policy Page 5 Section IV) 1) Preservation and safety of principal, Liquidity, and Yield, US Treasuries are recommended. Per policy (VII A. 2.) bidding of broker or yield is not required for US Treasuries.

As of 11 July, Yields for pools are as follows –
TexPool 1.0013% / TexPool Prime 1.2031%

And as of 13 July Yields for Treasuries are as follows --
6 month 2.96 / 1 year 3.21 / 2 year 3.13

Operating Needs

1) The City will draw down $500k from TexPool to the Cash Consolidated Operating Account on 7/14/2022 to meet operating needs for general payroll and accounts payable.
2) There are outstanding purchase orders for $1.36M –
   a. Motorola Solutions $49k Fire Communications Equipment
   b. Metro Fire $788k for Fire Truck
   c. Southwest Ambulance $254k Ambulance
   d. Caldwell Country Ford and ancillary suppliers $182k Police Vehicles
   e. Holt Cat $86k Skid Steer Tractor

Recommendation for Mayor and Council

1) Adopt resolution for the annual review of the Investment Policy with following changes --

a. Page 2 – remove words "at the highest rates obtainable at the time of the investment."
b. Page 2 – Change the words "An aggressive to prudent
c. Change repurchase or reverse repurchase agreements being an acceptable investment to being an unacceptable investment.

2) In the resolution, authorize check signers Mayor Hollis Matthews and City Manager Darrell Hull.
3) In the resolution, authorize investment account signers of City Manager Darrell Hull, Finance Director Anne LaMere, and Accountant Tanisha Sherman.
4) Authorize staff to open a brokerage account with Frost Bank, Mansfield Texas
5) Invest the $21.8M of investible balances as follows –
    a. Close the TexStar account and move all funds to the newly opened Frost Bank account
    b. Move an amount that would total $8M (to include the TexStar balance) from TexPool to Frost Bank
    c. Purchase $8M in US Treasuries in the following denominations -- $4M six month / $4M 1 year.
    d. Open a TexPool Prime account
    e. Move ½ of the remaining TexPool balance into the TexPool Prime account

After the above items have occurred, balances should be approximately as follows –

Frost Bank -- $4M six month US Treasuries expecting 2.96% yield and $4M 1 year US Treasuries expecting 3.21% yield (note: there will be a slight reduction in interest for brokerage fees)
TexStar -- $0
TexPool Prime $6.9M Expecting 1.20%
TexPool $6.9M Expecting 1.00%

Certification

This quarterly report for the 3rd Quarter ended June 30, 2022 is in compliance with the investment policy and strategy as established by the City of Kennedale, and the Public Funds Investment Act (Chapter 2256, Texas Government Code).

In full disclosure, we do understand that within 12 months after assuming duties, completion of one ten-hour investment training session is required with retraining during each subsequent 2-year period. Anne has completed training in 2019, and will complete the required training within the 12-month window.

Darrell Hull, City Manager

Anne M. LaMere

Anne LaMere, Finance Director

CITY OF KENNEDALE

KENNEDALE
Finance Department

INVESTMENT POLICY

Revised July 19, 2022

ORIGINALLY ADOPTED BY CITY COUNCIL: SEPTEMBER 13, 2001

PREFACE

State and local public laws govern the investment process for City funds. Laws cannot ensure that public officials manage public funds in a disciplined and prudent manner. The actions of public officials responsible for investing public funds must be guided by knowledge, skills, systems, policies, procedures and confidence that can be described only as professional discipline.

It is the policy of the City of Kennedale, that giving due regard to safety and risk of investments, all available funds shall be invested in conformance with these legal and administrative guidelines. All City funds shall be invested, to the maximum extent possible, ~~at the highest rates obtainable at the time of the investment.~~

Effective cash management is recognized as essential to good fiscal management. ~~An aggressive~~ A prudent cash management and investment policy will be pursued. To that end, investment interest will be used as a viable and material revenue source for all City funds. Earnings from investments will be used in a manner that will best serve the interest of the City of Kennedale.

The City's portfolio shall be designed and managed in a manner responsive to the public trust and consistent with state and local law.

SUBSEQUENT REVIEW & ADOPTION

SEPTEMBER 12, 2002
OCTOBER 9, 2003
SEPTEMBER 9, 2004
SEPTEMBER 13, 2005
SEPTEMBER 14, 2006
SEPTEMBER 13, 2007
NOVEMBER 13, 2008
NOVEMBER 5, 2009
NOVEMBER 17, 2011
OCTOBER 3, 2012
OCTOBER 1, 2013
OCTOBER 13, 2014
OCTOBER 19, 2015
OCTOBER 17, 2016
JUNE 18, 2018

I. PURPOSE

Chapter 2256 of the Government Code, as amended from time to time by the Texas State Legislature ("Public Funds Investment Act") requires each city to adopt rules governing its investment practices and to define the authority of the investment official. The Investment Policy addresses the methods, procedures and practices which must be exercised to ensure effective and prudent fiscal management of the City of Kennedale funds.

II. SCOPE

The Investment Policy applies to the investment and management of all funds under direct authority of the City of Kennedale.

A. These funds are accounted for in the City's Annual Financial Report (CAFR) and include the following:

1) General Fund;

2) Special Revenue Funds;

3) Capital Project Funds;

4) Enterprise/Proprietary Funds;

5) Trust and Agency Funds, to the extent not required by law or existing contract to be kept segregated and managed separately;

6) Debt Service Funds, including reserves and sinking funds to the extent not required by law or existing contract to be kept segregated and managed separately; and

7) Any new fund created by the City, unless specifically exempted from this policy by the City or by law.

This investment policy shall apply to all transactions involving the financial assets and related activity of all the foregoing funds.

B. This policy excludes:

1) Employee Retirement and Pension Funds administered or sponsored by the City.

2) Defeased bond funds held in trust escrow accounts.

C. Review & Amendment: The City Council is required by state statute and by this investment policy to review this investment policy and investment strategies not less than annually and to adopt a resolution stating the review has been completed and recording any changes made to either the policy or strategy statements.

III. PRUDENCE

Investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived.

In determining whether an investment official has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration:

1) the investment of all funds, or funds under the entity's control, over which the officer had responsibility rather than a consideration as to the prudence of a single investment; and

2) whether the investment decision was consistent with the written investment policy of the City.

All participants in the investment program will seek to act responsibly as custodians of the public trust. Investment officials will avoid any transaction that might impair public confidence in the City's ability to govern effectively. Investment officials shall recognize that the investment portfolio is subject to public review and evaluation. The overall program shall be designed and managed with a degree of professionalism which is worthy of the public trust. Nevertheless, the City recognizes that in a marketable, diversified portfolio, occasional measured losses are inevitable and must be considered within the context of the overall portfolio's investment rate of return.

Investment officials, acting in accordance with written procedures and exercising due diligence, shall not be held personally responsible for market price changes, provided that these deviations from expectations are reported immediately to the Director of Finance, the City Manager and the City Council of the City of Kennedale, and that appropriate action is taken by the investment officials and their oversight managers to control adverse developments.

IV. OBJECTIVES

A. Preservation & Safety of Principal: Preservation of capital is the foremost objective of the City. Each investment transaction shall seek first to ensure that capital losses are avoided, whether the loss occurs from the default of a security or from erosion of market value.

B. Liquidity: The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements which can be reasonably anticipated. Liquidity will be achieved by matching investment maturities with forecasted cash flow requirements and by investing in securities with active secondary markets.

C. Yield: The investment portfolio of the City shall be designed to meet or exceed the average rate of return on 91-day U.S. treasury bills throughout budgetary and economic cycles, taking into account the City's investment risk constraints and the cash flow characteristics of the portfolio. Legal constraints on debt proceeds that are not exempt from federal arbitrage regulations are limited to the arbitrage yield of the debt obligation. Investment officials will seek to maximize the yield of these funds in the same manner as all other City funds. However, if the yield achieved by the City is higher than the arbitrage yield, positive arbitrage income will be averaged over a five year period, netted against any negative arbitrage income and the net amount shall be rebated to the federal government as required by federal regulations.

V. RESPONSIBILITY & CONTROL

A. Delegation: Management responsibility to establish written procedures for the operation of the investment program consistent with this investment policy has been assigned to the Director of Finance by the City Manager. Such procedures shall include explicit delegation of authority to persons responsible for the daily cash management operation, the execution of investment transactions, overall portfolio management and investment reporting. The Director of Finance may delegate the daily investment responsibilities to either an internal investment official or an external investment advisor in combination with an internal investment official. The Director of Finance and/or his representative(s) will be limited by conformance with all federal regulations, ordinances, and the statements of investment strategy.

B. Subordinates: All persons involved in investment activities shall be referred to as "Investment Officials." No person shall engage in an investment transaction, except as provided under the terms of this policy, the procedures established by the Director of Finance and the explicit authorization by the City Manager to withdraw, transfer, deposit and invest the City's funds. The Director of Finance shall be responsible for all transactions undertaken, and shall establish a system of controls to regulate the activities of subordinate Investment Officials.

C. Internal Controls: Internal controls shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by investment officials. Controls deemed most important would include: control of collusion, separation of duties, third-party custodial safekeeping, avoidance of bearer-form securities, clear delegation of authority, specific limitations regarding securities losses and remedial action, written confirmation of telephone transactions, minimizing the number of authorized investment officials, and documentation of and rationale for investment transactions.

In conjunction with the annual independent audit, a compliance audit of management controls on investments and adherence to the Investment Policy and the Investment Strategy may be performed by the City's independent auditor.

D. Ethics & Conflicts of Interest: An investment officer of the City who has a personal business relationship with a business organization offering to engage in an investment transaction with the City shall file a statement disclosing that personal business interest. An investment officer who is related within the second degree of affinity or consanguinity to an individual seeking to sell an investment to the City shall file a statement disclosing that relationship with the Texas Ethics Commission and the City Council. For purposes of this section, an investment officer has a personal business relationship with a business organization if:

1) the investment officer owns 10 percent or more of the voting stock or shares of the business organization or owns $5,000 or more of the fair market value of the business organization;

2) funds received by the investment officer from the business organization exceed 10 percent of the investment officer's gross income for the previous year; or

3) the investment officer has acquired from the business organization during the previous year investments with a book value of $2,500 or more for the personal account of the investment officer.

Investment officials of the City shall refrain from personal and business activities involving any of the City's custodians, depositories, broker/dealers or investment advisors which may influence the officer's ability to conduct his duties in an unbiased manner. Investment officials will not utilize investment advice concerning specific securities or classes of securities obtained in the transaction of the City's business for personal investment decisions, will in all respects subordinate their personal investment transactions to those of the City, particularly with regard to the timing of purchase and sales and will keep all investment advice obtained on behalf of the City and all transactions contemplated and completed by the City confidential, except when disclosure is required by law.

E. Investment Training Requirements: The Director of Finance and the Investment officials shall attend at least one ten hour training session relating to their investment responsibilities within 12 months after assuming their duties. In addition to this ten hour requirement, each investment officer shall receive not less than eight hours of instruction in their investment responsibilities at least once during each two year period that begins on October 1st and consists of the two consecutive fiscal years after that date. The investment training session shall be provided by an independent source. For purposes of this policy, an "independent source" from which investment training shall be obtained shall include a professional organization, an institute of higher learning or any other sponsor other than a Business Organization with whom the City of Kennedale may engage in an investment transaction. Such training shall include education in investment controls, credit risk, market risk, investment strategies, and compliance with investment laws, including the Texas State Public Funds Investment Act.

VI. AUTHORIZED INVESTMENTS

A. Obligations, including letters of credit, of the United States or its agencies and instrumentalities.

B. Direct obligations of the State of Texas or its agencies and instrumentalities.

C. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, the State of Texas, or the United States or its instrumentalities.

D. Obligations of states, agencies, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than "A" or its equivalent.

E. Joint Investment Pools of political subdivisions in the State of Texas which invest in instruments and follow practices allowed by current law. A pool must be continuously rated no lower than AAA or AAA-m or at an equivalent rating by at least one nationally recognized rating service.

F. Certificates of Deposit issued by a depository institution that has its main office or branch office in Texas;

1) and such Certificates of Deposit are:

- guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund or their successors; or

- secured by obligations described in Article VI, sections A through D above.

2) or such depository institution contractually agrees to place the funds in federally insured depository institutions in accordance with the conditions prescribed in Section 2256.010(b) of the Government Code (Public Funds Investment Act) as amended.

Certificates of Deposit brokered by an authorized broker/dealer that has its main office or a branch office in Texas who contractually agrees to place the funds in federally insured depository institutions in accordance with the conditions prescribed in Section 2256.010(b) of the Government Code (Public Funds Investment Act) as amended.

~~G. Fully collateralized repurchase or reverse repurchase agreements, including flexible repurchase agreements (flex repo), with a defined termination date secured by a combination of cash and obligations of the United States or its agencies and instrumentalities pledged to the City held in the City's name by a third party selected by the City. Repurchase agreements must be purchased through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in Texas. The securities received for repurchase agreements must have a market value greater than or equal to 103 percent at the time funds are disbursed. All transactions shall be governed by a Master Repurchase Agreement between the City and the primary government securities dealer or financial institution initiating Repurchase Agreement transactions.~~

~~The term of any reverse security repurchase agreement may not exceed 90 days after the date the reverse security repurchase agreement is delivered. Money received under the terms of a reverse security repurchase agreement shall be used to acquire additional authorized investments, but the term of the authorized investments acquired must mature not later than the expiration date stated in the reverse security repurchase agreement.~~

H. No-load money market mutual funds if the mutual fund:

1) is registered with and regulated by the Securities and Exchange Commission;

2) has a dollar-weighted average stated maturity of 90 days or fewer; and

3) includes in its investment objectives the maintenance of a stable net asset value of one dollar for each share.

I. Investment instruments not authorized for purchase by the City of Kennedale include the following:

1) Banker's Acceptances;

2) "Bond" Mutual Funds;

3) Collateralized Mortgage Obligations of any type; and

4) Commercial Paper, except that the City can invest in local government investment pools and money market mutual funds that have commercial paper as authorized investments. A local government investment pool or money market mutual fund that invests in commercial paper must meet the requirements of Article VI, Sections E and H above.

5) Repurchase agreements and reverse repurchase agreements.

J. If an investment in the City's portfolio becomes an unauthorized investment due to changes in the Investment Policy or the Public Funds Investment Act, or an authorized investment is rated in a way that causes it to become an unauthorized investment, the investment officials of the City shall review the investment and determine whether it would be more prudent to hold the investment until its maturity, or to redeem the investment. Officials shall consider the time remaining until maturity of the investment, the quality of the investment, and the quality and amounts of any collateral which may be securing the investment in determining the appropriate steps to take.

VII. PORTFOLIO AND INVESTMENT ASSET PARAMETERS

A. Bidding Process for Investments: It is the policy of the City to require competitive bidding for all investment transactions (securities and bank C.D.'s) except for:

1) transactions with money market mutual funds and local government investment pools (which are deemed to be made at prevailing market rates); and

2) treasury and agency securities purchased at issue through an approved broker/dealer.

At least three (3) bids or offers must be solicited for all other investment transactions. In a situation where the exact security being offered is not offered by other dealers, offers on the closest comparable investment may be used to establish a fair market price of the security. Security swaps are allowed, as long as maturity extensions, credit quality changes and profits or losses taken are within the other guidelines set forth in this policy.

B. Maximum Maturities: The City of Kennedale will manage its investments to meet anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than five (5) years from the date of purchase.

C. Maximum Dollar-Weighted Average Maturity: Under most market conditions, the composite portfolio will be managed to achieve a one-year or less dollar-weighted average maturity. However, under certain market conditions investment officials may need to shorten or lengthen the average life or duration of the portfolio to protect the City. The maximum dollar-weighted average maturity based on the stated final maturity, authorized by this investment policy for the composite portfolio of the City shall be three (3) years.

D. Diversification: The allocation of assets in the portfolios should be flexible depending upon the outlook for the economy and the securities markets. In establishing specific diversification strategies, the following general policies and constraints shall apply.

1) Portfolio maturities and call dates shall be staggered in a way that avoids undue concentration of assets in a specific sector. Maturities shall be selected which provide for stability of income and reasonable liquidity.

2) To attain sufficient liquidity, the City shall schedule the maturity of its investments to coincide with known disbursements. Risk of market price volatility shall be controlled through maturity diversification such that aggregate realized price losses on instruments with maturities exceeding one (1) year shall not be greater than coupon interest and investment income received from the balance of the portfolio.

3) The following maximum limits, by instrument, are established for the City's total portfolio:

- Certificates of Deposit...50%
- Local Government Investment Pools *(See D.(5) below)*.........100%
- Money Market Mutual Funds *(See D.(5) below)*....................100%
- Obligations of states, agencies, cities & other political subdivisions of any state..25%
- ~~Repurchase Agreements *(See D. (4) below)*............................50%~~
- State of Texas Obligations & Agencies.....................................50%
- US Treasury & US Agency Callables..25%
- US Government Agencies & Instrumentalities..........................100%
- US Treasury Notes/Bills..100%

~~4) The City shall not invest more than 50% of the investment portfolio in repurchase agreements, excluding bond proceeds and reserves.~~

5) The investment committee shall review diversification strategies and establish or confirm guidelines on at least an annual basis regarding the percentages of the total portfolio that may be invested in securities other than U.S. Government Obligations. The investment committee shall review quarterly investment reports and evaluate the probability of market and default risk in various investment sectors as part of its consideration.

VIII. AUTHORIZED BROKER/DEALERS & FINANCIAL INSTITUTIONS

A. Investment officials will maintain a list of financial institutions and broker/dealers selected by credit worthiness, who are authorized to provide investment services to the City. These firms may include:

1) all primary government securities dealers; and

2) those regional broker/dealers who qualify under Securities and Exchange Commission Rule 15C3-1(uniform net capital rule), and who meet other financial credit criteria standards in the industry.

The investment officials may select up to six (6) firms from the approved list to conduct a portion of the daily City investment business. These firms will be selected based on their competitiveness, participation in agency selling groups and the experience and background of the salesperson handling the account. The approved broker/dealer list will be reviewed and approved along with this investment policy at least annually by the investment committee.

B. All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the investment officials with the following:

1) Audited financial statements;

2) Proof of National Association of Securities Dealers (N.A.S.D.) certification, unless it is a bank;

3) Resumes of all sales representatives who will represent the financial institution or broker/dealer firm in dealings with the City; and

4) An executed written instrument, by the qualified representative, in a form acceptable to the City and the business organization substantially to the effect that the business organization has received and reviewed the investment policy of the City and acknowledges that the business organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the City and the organization that are not authorized by the City's investment policy, except to the extent that this

authorization is dependent on an analysis of the makeup of the City's entire portfolio or requires an interpretation of subjective investment standards.

IX. SAFEKEEPING & CUSTODY OF INVESTMENT ASSETS

All security transactions, including collateral for repurchase agreements entered into by the City shall be conducted using the delivery vs. payment (DVP) basis. That is, funds shall not be wired or paid until verification has been made that the correct security was received by the safekeeping bank. The only exceptions to DVP settlement shall be wire transactions for money market funds and government investment pools. The safekeeping or custody bank is responsible for matching up instructions from the City's investment officials on an investment settlement with what is wired from the broker/dealer, prior to releasing the City's designated funds for a given purchase. The security shall be held in the name of the City or held on behalf of the City in a bank nominee name. Securities will be held by a third party custodian designated by the investment officials and evidenced by safekeeping receipts or statements. The safekeeping bank's records shall assure the notation of the City's ownership of or explicit claim on the securities. The original copy of all safekeeping receipts shall be delivered to the City. A safekeeping agreement must be in place which clearly defines the responsibilities of the safekeeping bank.

X. COLLATERAL

The City's depository bank shall comply with Chapter 2257 of the Government Code, Collateral for Public Funds, as required in the City's bank depository contract.

A. Market Value: The Market Value of pledged Collateral must be equal to or greater than 102% of the principal and accrued interest for cash balances in excess of the Federal Deposit Insurance Corporation (FDIC) or National Credit Union Share Insurance Fund (NCUSIF) insurance coverage. The Federal Reserve Bank and the Federal Home Loan Bank are designated as custodial agents for collateral. An authorized City representative will approve and release all pledged collateral. The securities comprising the collateral will be marked to market on a monthly basis using quotes by a recognized market pricing service quoted on the valuation date, and the City will be sent reports monthly.

B. Collateral Substitution: Collateralized investments often require substitution of collateral. The Safekeeping bank must contact the City for approval and settlement. The substitution will be approved if its value is equal to or greater than the required collateral value.

C. Collateral Reduction: Should the collateral's market value exceed the required amount, the Safekeeping bank may request approval from the City to reduce Collateral.

Collateral reductions may be permitted only if the collateral's market value exceeds the required amount.

D Letters of Credit: Letters of Credit, as defined in Article VI (A), are acceptable collateral for Certificates of Deposit. Upon the discretion of the City, a Letter of Credit can be acceptable collateral for City funds held by the City's bank depository.

XI. INVESTMENT REPORTS

A. Reporting Requirements: The investment officials shall prepare a quarterly investment report in compliance with section 2256.023 of the Public Funds Investment Act of the State of Texas. The report shall be submitted to the City Council and the Investment Committee within 30 days following the end of the quarter.

B. Investment Records: An investment official designated by the City Manager shall be responsible for the recording of investment transactions and the maintenance of the investment records with reconciliation of the accounting records and of investments carried out by an accountant. Information to maintain the investment program and the reporting requirements, including pricing or marking to market the portfolio, may be derived from various sources such as: broker/dealer research reports, newspapers, financial on-line market quotes, direct communication with broker/dealers, market pricing services, investment software for maintenance of portfolio records, spreadsheet software, or external financial consulting services relating to investments.

C. Auditor Review: The City's independent external auditor may formally review the quarterly investment reports annually to ensure compliance with the State of Texas Public Funds Investment Act, and any other applicable State Statutes.

XII. INVESTMENT COMMITTEE

A. Members: An Investment Committee, consisting of the City Manager or designee and the Director of Finance, shall review the City's investment strategies and monitor the results of the investment program at least quarterly. This review can be done by reviewing the quarterly written reports and by holding committee meetings as necessary. The committee will be authorized to invite other advisors to attend meetings as needed.

B. Scope: The Investment Committee shall include in its deliberations, such topics as economic outlook, investment strategies, portfolio diversification, maturity structure, potential risk to the City's funds, evaluation and authorization of broker/dealers, rate of return on the investment portfolio, review and approval of training providers and compliance with the investment policy. The Investment Committee will also advise the

City Council of any future amendments to the investment policy that are deemed necessary or recommended.

XIII. INVESTMENT STRATEGY STATEMENTS

The City of Kennedale portfolio will be structured to benefit from anticipated market conditions and to achieve a reasonable return. Relative value among asset groups shall be analyzed and pursued as part of the investment program within the restrictions set forth by the investment policy. The City of Kennedale maintains portfolios which utilize four specific investment strategy considerations designed to address the unique characteristics of the fund groups represented in the portfolios.

A. Operating Funds

1) Suitability - All investments authorized in the Investment Policy are suitable for Operating Funds.

2) Preservation & Safety of Principal - All investments shall be high quality securities with no perceived default risk.

3) Liquidity - Investment strategies for the pooled operating funds have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The dollar-weighted average maturity of operating funds, based on the stated final maturity date of each security, will be calculated and comply with SEC Rule 2a-7. Investments for these funds shall not exceed an 18-month period from date of purchase.

4) Marketability - Securities with active and efficient secondary markets will be purchased in the event of an unanticipated cash requirement.

5) Diversification - Maturities shall be staggered throughout the budget cycle to provide cash flows based on anticipated needs. Investment risks will be reduced through diversification among authorized investments.

6) Yield - The City's objective is to attain a competitive market yield for comparable securities and portfolio constraints. The benchmark for Operating Funds shall be the 91 day Treasury bill.

B. Reserve & Deposit Funds

1) Suitability - All investments authorized in the Investment Policy are suitable for Reserve and Deposit Funds.

2) <u>Preservation & Safety of Principal</u> - All investments shall be high quality securities with no perceived default risk.

3) <u>Liquidity</u> - Investment strategies for reserve and deposit funds shall have as the primary objective the ability to generate a dependable revenue stream to the appropriate reserve fund from investments with a low degree of volatility. Except as may be required by the bond ordinance specific to an individual issue, investments should be of high quality, with short-to-intermediate-term maturities. The dollar-weighted average maturity of reserve and deposit funds, based on the stated final maturity date of each security, will be calculated and limited to three years or less.

4) <u>Marketability</u> - Securities with active and efficient secondary markets will be purchased in the event of an unanticipated cash requirement.

5) <u>Diversification</u> - Maturities shall be staggered throughout the budget cycle to provide cash flows based on anticipated needs. Investment risks will be reduced through diversification among authorized investments.

6) <u>Yield</u> - The City's objective is to attain a competitive market yield for comparable securities and portfolio constraints. The benchmark for Reserve and Deposit Funds shall be the 91 day Treasury bill.

C. Bond & Certificate Capital Project Funds & Special Purpose Funds

1) <u>Suitability</u> - All investments authorized in the Investment Policy are suitable for Bond and Certificate Capital Project Funds and Special Purpose Funds.

2) <u>Preservation & Safety of Principal</u> - All investments shall be high quality securities with no perceived default risk.

3) <u>Liquidity</u> - Investment strategies for bond and certificate capital project funds, special projects and special purpose funds portfolios will have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The stated final maturity dates of investments held should not exceed the estimated project completion date or a maturity of no greater than five years. The dollar-weighted average maturity of bond and certificate capital project funds and special purpose funds, based on the stated final maturity date of each security, will be calculated and limited to three years or less.

4) <u>Marketability</u> - Securities with active and efficient secondary markets will be purchased in the event of an unanticipated cash requirement.

5) Diversification - Maturities shall be staggered throughout the budget cycle to provide cash flows based on anticipated needs. Investment risks will be reduced through diversification among authorized investments.

6) Yield - The City's objective is to attain a competitive market yield for comparable securities and portfolio constraints. The benchmark for Bond and Certificate Capital Project Funds and Special Purpose Funds shall be the 91 day Treasury bill. A secondary objective of these funds is to achieve a yield equal to or greater than the arbitrage yield of the applicable bond or certificate.

D. Debt Service Funds

1) Suitability - All investments authorized in the Investment Policy are suitable for Debt Service Funds.

2) Preservation & Safety of Principal - All investments shall be high quality securities with no perceived default risk.

3) Liquidity - Investment strategies for debt service funds shall have as the primary objective the assurance of investment liquidity adequate to cover the debt service obligation on the required payment date. Securities purchased shall not have a stated final maturity date which exceeds the debt service payment date. The dollar-weighted average maturity of debt service funds, based on the stated final maturity date of each security, will be calculated and comply with SEC Rule 2a-7.

4) Marketability - Securities with active and efficient secondary markets will be purchased in the event of an unanticipated cash requirement.

5) Diversification - Maturities shall be staggered throughout the budget cycle to provide cash flows based on anticipated needs. Investment risks will be reduced through diversification among authorized investments.

6) Yield - The City's objective is to attain a competitive market yield for comparable securities and portfolio constraints. The benchmark for Debt Service Funds shall be the 91 day Treasury bill.

XIV. ANNUAL REVIEW

The Director of Finance shall, at a minimum, submit proposed amendments of this policy to the City Council annually.

APPENDIX A

CITY OF KENNEDALE, TEXAS
TEXAS PUBLIC FUNDS INVESTMENT ACT
CERTIFICATION BY BUSINESS ORGANIZATION

This certification is executed on behalf of the City of Kennedale, Texas and ______________________________ (the Business Organization) pursuant to the Public Funds Investment Act, Chapter 2256, Texas Government Code, (the Act) in connection with investment transactions conducted between the Investor and the Business Organization.

The undersigned Qualified Representative of the Business Organization hereby certifies on behalf of the Business Organization that:

The undersigned is a Qualified Representative of the Business Organization offering to enter an investment transaction with the City of Kennedale, Texas (as defined in the Act); and

The Qualified Representative of the Business Organization has received and reviewed the Investment Policy furnished by the City of Kennedale, Texas; and

The Qualified Representative of the Business Organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the Business Organization and the City of Kennedale, Texas that are not authorized by the investment policy of the City of Kennedale, Texas, except to the extent that this authorization is dependent on an analysis of the makeup of the City of Kennedale, Texas entire portfolio or requires an interpretation of subjective investment standards.

Qualified Representative of the Business Organization

____

Name ______________________________

Title ______________________________

Date ______________________________

RESOLUTION NO. 608

A RESOLUTION ADOPTING AN AMENDED CITY OF KENNEDALE INVESTMENT POLICY.

WHEREAS, on September 13, 2001, City Council adopted the document entitled, "Investment Policy," a framework that provides the guidelines by which the City of Kennedale will maintain the minimum amount of cash in its bank accounts to meet daily needs, and to provide protection for its principal and liquidity while prudently investing funds not needed for operational requirements; and

WHEREAS, this serves to satisfy the statutory requirements of defining and adopting a formal investment policy and is authorized by the Public Funds Investment Act as amended; and

WHEREAS, the City Council has reviewed the City's Investment Policy.

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

The City Council of the City of Kennedale, Texas hereby approves the amended Investment Policy dated July 19, 2022, attached hereto as "Exhibit A."

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF KENNEDALE ON THE 19th DAY OF JULY 2022

APPROVED:

MAYOR, HOLLIS MATTHEWS

ATTEST:

INTERIM CITY SECRETARY, CAROLINE GREEN

RESOLUTION NO. 608

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APPROVED:

MAYOR, HOLLIS MATTHEWS

[C I T Y S E A L]

ATTEST:

INTERIM CITY SECRETARY, CAROLINE GREEN

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STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: JULY 19, 2022

AGENDA ITEM NUMBER: INDIVIDUAL CONSIDERATION ITEM III.E.2.

SUBJECT
Professional Services Agreement between Freese and Nichols and City of Kennedale

ORIGINATED BY

SUMMARY

RECOMMENDATION
Approve

ATTACHMENTS

Rev. 4/19

PROFESSIONAL SERVICES AGREEMENT

STATE OF TEXAS §

COUNTY OF TARRANT §

This Agreement is entered into by City of Kennedale, hereinafter called "City" and Freese and Nichols, Inc., hereinafter called "FNI." In consideration of the Agreements herein, the parties agree as follows:

I. **EMPLOYMENT OF FNI:** In accordance with the terms of this Agreement, City agrees to employ and compensate FNI to perform professional services in connection with the Project. The Project is described as On-call Water/Wastewater Modeling and Planning Services.

II. **SCOPE OF SERVICES:** FNI shall render professional services in connection with Project as set forth in Attachment SC – Scope of Services and Responsibilities of City which is attached to and made a part of this Agreement.

III. **COMPENSATION:** City agrees to pay FNI for all professional services rendered under this Agreement for time and materials in accordance with Attachment CO – Compensation which is attached and made a part of this Agreement. FNI shall perform professional services as outlined in the "Scope of Services" for a not to exceed fee of Fifty Thousand Dollars, $50,000.00.

If FNI's services are delayed or suspended by City, or if FNI's services are extended for more than 60 days through no fault of FNI, FNI shall be entitled to equitable adjustment of rates and amounts of compensation to reflect reasonable costs incurred by FNI in connection with such delay or suspension and reactivation and the fact that the time for performance under this Agreement has been revised.

IV. **TERMS AND CONDITIONS OF AGREEMENT:** The Terms and Conditions of Agreement as set forth as Attachment TC – Terms and Conditions of Agreement shall govern the relationship between the City and FNI.

Nothing under this Agreement shall be construed to give any rights or benefits in this Agreement to anyone other than City and FNI, and all duties and responsibilities undertaken pursuant to this Agreement will be for the sole and exclusive benefit of City and FNI and not for the benefit of any other party.

This Agreement constitutes the entire Agreement between City and FNI and supersedes all prior written or oral understandings.

This contract is executed in two counterparts. IN TESTIMONY HEREOF, Agreement executed:

Freese and Nichols, Inc.

By: Mazen H. Kawasmi

Mazen H. Kawasmi, PE Vice President
Print Name and Title

Date: June 29, 2022

ATTEST: Stephanie Stephenson

City of Kennedale

By: ____________________

____
Print Name and Title

Date: ____________________

ATTEST: ____________________

EXHIBIT "A"

Scope of Services

City of Kennedale

On-call Water/Wastewater Modeling and Planning Services

Project Understanding:

Freese and Nichols, Inc. (FNI) understands that the City of Kennedale (City) is requesting professional services for On-call Water/Wastewater Modeling and Planning.

Scope of Work:

The scope of work is undefined at this point, but will consist of tasks requested by the City related to water and wastewater system planning and engineering analysis.

Potential tasks could include:

- Water/wastewater system modeling
- Development impacts on existing water distribution system and/or wastewater collection system infrastructure
- "What If" scenario analysis
- Water/wastewater cost evaluations
- Hydraulic capacity analysis
- Other identified tasks

Schedule:

The schedule for each request from the City will be determined jointly by the City and FNI at the beginning of each task request.

Engineering Fee:

Compensation shall be based on the Schedule of Charges in Attachment CO with a not-to-exceed fee of **$50,000**. Upon receipt of each task request from the City, FNI will provide the City with an estimate of the level of effort expected to complete the task. The City retains the option to amend the agreement to add additional fee once FNI has reached the not-to-exceed amount of $50,000.

COMPENSATION

Compensation to FNI for Basic Services in Attachment SC shall be computed on the basis of the following Schedule of Charges, but shall not exceed Fifty Thousand Dollars ($50,000.00).

If FNI sees the Scope of Services changing so that Additional Services are needed, including but not limited to those services described as Additional Services in Attachment SC, FNI will notify OWNER for OWNER's approval before proceeding. Additional Services shall be computed based on the following Schedule of Charges.

	Hourly Rate	
Position	**Min**	**Max**
Professional 1	81	143
Professional 2	106	166
Professional 3	102	232
Professional 4	160	242
Professional 5	190	340
Professional 6	206	402
Construction Manager 1	101	131
Construction Manager 2	88	167
Construction Manager 3	128	158
Construction Manager 4	151	206
Construction Manager 5	186	259
Construction Manager 6	229	292
Construction Representative 1	82	84
Construction Representative 2	84	92
Construction Representative 3	97	154
Construction Representative 4	111	176
CAD Technician/Designer 1	67	140
CAD Technician/Designer 2	109	162
CAD Technician/Designer 3	142	206
Corporate Project Support 1	55	113
Corporate Project Support 2	73	181
Corporate Project Support 3	115	270
Intern / Coop	48	82
Senior Advisor	175	175

Rates for In-House Services and Equipment

Mileage
Standard IRS Rates

Tech Charges
8.50 per hour

Bulk Printing and Reproduction

	B&W	Color
Small Format (per copy)	$0.10	$0.25
Large Format (per sq. ft.)		
Bond	$0.25	$0.75
Glossy / Mylar	$0.75	$1.25
Vinyl / Adhesive	$1.50	$2.00
Mounting (per sq. ft.)	$2.00	
Binding (per binding)	$0.25	

Equipment

Valve Crew Vehicle (hour)		$75
Pressure Data Logger (each)		$100
Water Quality Meter (per day)		$100
Microscope (each)		$150
Pressure Recorder (per day)		$200
Ultrasonic Thickness Guage (per day)		$275
Coating Inspection Kit (per day)		$275
Flushing / Cfactor (each)		$500
Backpack Electrofisher (each)		$1,000
	Survey Grade	Standard
Drone (per day)	$200	$100
GPS (per day)	$150	$50

OTHER DIRECT EXPENSES:

Other direct expenses are reimbursed at actual cost times a multiplier of 1.10. They include outside printing and reproduction expense, communication expense, travel, transportation and subsistence away from the FNI office. For other miscellaneous expenses directly related to the work, including costs of laboratory analysis, test, and other work required to be done by independent persons other than staff members, these services will be billed at a cost times a multipler of 1.10. For Resident Representative services performed by non-FNI employees and CAD services performed In-house by non-FNI employees where FNI provides workspace and equipment to perform such services, these services will be billed at cost times a multiplier of 2.0. This markup approximates the cost to FNI if an FNI employee was performing the same or similar services.

These ranges and/or rates will be adjusted annually in February. Last updated February 2021.

TERMS AND CONDITIONS OF AGREEMENT

1. **DEFINITIONS:** The term City as used herein refers to the City of Kennedale. The term FNI as used herein refers to Freese and Nichols, Inc., its employees and agents, and its subcontractors and their employees and agents. As used herein, Services refers to the professional services performed by FNI pursuant to the Agreement.

2. **CHANGES:** City, without invalidating the Agreement, may order changes within the general scope of the work required by the Agreement by altering, adding to and/or deducting from the work to be performed. If any change under this clause causes an increase or decrease in FNI's cost of, or the time required for, the performance of any part of the Services, an equitable adjustment will be made by mutual agreement and the Agreement modified in writing accordingly.

3. **TERMINATION:** The obligation to provide Services under this Agreement may be terminated by either party upon 10 days' written notice. In the event of termination, FNI will be paid for all Services rendered and reimbursable expenses incurred to the date of termination and, in addition, all reimbursable expenses directly attributable to termination.

4. **CONSEQUENTIAL DAMAGES:** In no event shall FNI or its subcontractors be liable in contract, tort, strict liability, warranty, or otherwise for any special, indirect, incidental or consequential damages, such as loss of product, loss of use of the equipment or system, loss of anticipated profits or revenue, non-operation or increased expense of operation or other equipment or systems.

5. **INFORMATION FURNISHED BY CITY:** City will assist FNI by placing at FNI's disposal all available information pertinent to the Project including previous reports and any other data relative to design or construction of the Project. FNI shall have no liability for defects or negligence in the Services attributable to FNI's reliance upon or use of data, design criteria, drawings, specifications or other information furnished by City and City agrees to indemnify and hold FNI harmless from any and all claims and judgments, and all losses, costs and expenses arising therefrom. FNI shall disclose to City, prior to use thereof, defects or omissions in the data, design criteria, drawings, specifications or other information furnished by City to FNI that FNI may reasonably discover in its review and inspection thereof.

6. **INSURANCE:** FNI shall provide City with certificates of insurance with the following minimum coverage:

Commercial General Liability		**Workers' Compensation**
General Aggregate	$2,000,000	As required by Statute
Automobile Liability (Any Auto)		**Professional Liability**
CSL	$1,000,000	$3,000,000 Annual Aggregate

7. **SUBCONTRACTS:** If, for any reason and at any time during the progress of providing Services, City determines that any subcontractor for FNI is incompetent or undesirable, City will notify FNI accordingly and FNI shall take immediate steps for cancellation of such subcontract. Subletting by subcontractors shall be subject to the same regulations. Nothing contained in the Agreement shall create any contractual relation between any subcontractor and City.

8. **OWNERSHIP OF DOCUMENTS:** All drawings, reports, data and other project information developed in the execution of the Services provided under this Agreement shall be the property of City upon payment of FNI's fees for Services. FNI may retain copies for record purposes. City agrees such documents are not intended or represented to be suitable for reuse by City or others. Any reuse by City or by those who obtained said documents from City without written verification or adaptation by FNI, will be at City's sole risk and without liability or legal exposure to FNI, or to FNI's independent associates or consultants, and City shall indemnify and hold harmless FNI and FNI's independent associates and consultants from all claims, damages, losses and expenses including attorneys' fees arising out of or resulting therefrom. Any such verification or adaptation will entitle FNI to further reasonable compensation. FNI may reuse all drawings, report data and other project information in the execution of the Services provided under this Agreement in FNI's other activities. Any reuse by FNI will be at FNI's sole risk and without liability or legal exposure to City, and FNI shall indemnify and hold harmless City from all claims, damages, losses and expenses including attorneys' fees arising out of or resulting therefrom.

9. **POLLUTANTS AND HAZARDOUS WASTES:** It is understood and agreed that FNI has neither created nor contributed to the creation or existence of any hazardous, radioactive, toxic, irritant, pollutant, or otherwise dangerous substance or condition at the site, if any, and its compensation hereunder is in no way commensurate with the potential risk of injury or loss that may be caused by exposures to such substances or conditions. The parties agree that in performing the Services required by this Agreement, FNI does not take possession or control of the subject site, but acts as an invitee in performing the Services, and is not therefore responsible for the existence of any pollutant present on or migrating from the site. Further, FNI shall have no responsibility for any pollutant during clean-up, transportation, storage or disposal

FNI MK
CITY ______

activities.

10. **OPINION OF PROBABLE COSTS:** FNI will furnish an opinion of probable project development cost based on present day cost, but does not guarantee the accuracy of such estimates. Opinions of probable cost, financial evaluations, feasibility studies, economic analyses of alternate solutions and utilitarian considerations of operations and maintenance costs prepared by FNI hereunder will be made on the basis of FNI's experience and qualifications and represent FNI's judgment as an experienced and qualified design professional. It is recognized, however, that FNI does not have control over the cost of labor, material, equipment or services furnished by others or over market conditions or contractors' methods of determining their prices.

11. **CONSTRUCTION REPRESENTATION:** If required by the Agreement, FNI will furnish construction representation according to the defined scope for these services. FNI will observe the progress and the quality of work to determine in general if the work is proceeding in accordance with the Contract Documents. In performing these services, FNI will report any observed deficiencies to City, however, it is understood that FNI does not guarantee the Contractor's performance, nor is FNI responsible for the supervision of the Contractor's operation and employees. FNI shall not be responsible for the means, methods, techniques, sequences or procedures of construction selected by the Contractor, or the safety precautions and programs incident to the work of the Contractor. FNI shall not be responsible for the acts or omissions of any person (except its own employees or agents) at the Project site or otherwise performing any of the work of the Project. If City designates a Resident Project Representative that is not an employee or agent of FNI, the duties, responsibilities and limitations of authority of such Resident Project Representative will be set forth in writing and made a part of this Agreement before the Construction Phase of the Project begins.

12. **GENERAL CONDITIONS OF THE CONSTRUCTION CONTRACT:** City agrees to include provisions in the General Conditions of the Construction Contract that require Contractor to include FNI: (1) as an additional insured and in any waiver of subrogation rights with respect to such liability insurance purchased and maintained by Contractor for the Project (except workers' compensation and professional liability policies); and (2) as an indemnified party in the Contractor's indemnification provisions where the Owner is named as an indemnified party.

13. **PAYMENT:** Progress payments may be requested by FNI based on the amount of Services completed. Payment for the Services of FNI shall be due and payable upon submission of a statement for Services to CITY and in acceptance of the Services as satisfactory by the City. Statements for Services shall not be submitted more frequently than monthly. Any applicable new taxes imposed upon Services, expenses and charges by any governmental body after the execution of this Agreement will be added to FNI's compensation.

    If City fails to make any payment due FNI for services and expenses within 30 days after receipt of FNI's statement for services therefore, the amounts due FNI will be increased at the rate of 1 percent per month from said 30th day, and, in addition, FNI may, after giving 7 days' written notice to City, suspend services under this Agreement until FNI has been paid in full, all amounts due for services, expenses and charges.

14. **ARBITRATION:** No arbitration, arising out of or relating to this Agreement, involving one party to this Agreement may include the other party to this Agreement without their approval.

15. **SUCCESSORS AND ASSIGNMENTS:** City and FNI each are hereby bound and the partners, successors, executors, administrators and legal representatives of City and FNI are hereby bound to the other party to this Agreement and to the partners, successors, executors, administrators and legal representatives (and said assigns) of such other party, in respect of all covenants, agreements and obligations of this Agreement.

    Neither City nor FNI shall assign, sublet or transfer any rights under or interest in (including, but without limitation, moneys that may become due or moneys that are due) this Agreement without the written consent of the other, except to the extent that any assignment, subletting or transfer is mandated by law or the effect of this limitation may be restricted by law. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement. Nothing contained in this paragraph shall prevent FNI from employing such independent associates and consultants as FNI may deem appropriate to assist in the performance of Services hereunder.

16. **PURCHASE ORDERS:** If a Purchase Order is used to authorize FNI's Services, only the terms, conditions/instructions typed on the face of the Purchase Order shall apply to this Agreement. Should there be any conflict between the Purchase Order and the terms of this Agreement, then this Agreement shall prevail and shall be determinative of the conflict.

FNI MK
CITY ____________

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STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: JULY 19, 2022

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

ORIGINATED BY: Anne LaMere, Finance Director

SUMMARY: The City entered into a 3-year contract (9/3/2019 – 9/3/2022) with Spectrum for a 1G fiber line to provide internet service to the City at a cost of $1,999 per month ($71.964). Since the City is within 6 months of renewal, Spectrum agreed to enter into negotiations for a new contract and has agreed to $1,399 per month for 36 months ($50,364).

Conclusion
Staff recommends early renewal of this contract at a lower rate.

Recommendation in the Form of a Motion
Move that contract with Spectrum 1G Fiber Contract be authorized at $1,399 per month for 36 months for a total cost of $50,364.

Attachments
Correspondence and contract with Spectrum.

Anne LaMere

From: Larson, Cathy J <Cathy.Larson@charter.com>
Sent: Tuesday, June 28, 2022 11:39 AM
To: Anne LaMere
Subject: RE: Spectrum Services

Good Morning Anne,

The service orders are system generated, sadly, we have no way to format them. Also, I am not allowed to add anything under the terms and conditions section.

Please let me know if you have any questions.

Thank you and have a great day!

Cathy Larson | Strategic Account Manager – North Texas SLED
972.630.5028 O | 214.784.4154 M – cathy.larson@charter.com
701 Canyon Drive |Coppell, Texas, 75019
DIR Contract #: DIR-TEX-AN-NG-CTSA-008
https://enterprise.spectrum.com/solutions/government/texas-government-dir-msa-contract.html
Enterprise Technical Support – 888-812-2591 (Press 1 for ETS)
Billing / Account Support – 888-812-2591 (Press 2 for Client Services)

From: Anne LaMere <alamere@cityofkennedale.com>
Sent: Monday, June 27, 2022 4:07 PM
To: Larson, Cathy J <Cathy.Larson@charter.com>
Subject: [EXTERNAL] FW: Spectrum Services

Cathy,
This contract has been added to the July 19 Council Meeting Agenda. In order for the mayor to sign, it will need to be reformatted.

Can you delete Page 2 and 5 since there is nothing there? Can you also list that there are no Special Terms under item 3 and bring the signature block up so that there are only two pages?

V/r, Anne

Anne LaMere, CPA, CGMA, CPM
Finance Director, City of Kennedale
405 Municipal Drive
Kennedale, TX 76760
Finance@cityofkennedale.com

Spectrum ENTERPRISE

SERVICE ORDER

THIS SERVICE ORDER ("Service Order"), is executed and effective upon the date of the signature set forth in the signature block below ("Effective Date") and is by and between Charter Communications Operating, LLC on behalf of those operating subsidiaries providing the Service(s) hereunder ("Spectrum") and Customer (as shown below) and is governed by and subject to the Spectrum Enterprise Commercial Terms of Service posted to the Spectrum Enterprise website, https://enterprise.spectrum.com/ (or successor url) or, if applicable, an existing services agreement mutually executed by the parties (each, as appropriate, a "Service Agreement"). Except as specifically modified herein, all other terms and conditions of the Service Agreement shall remain unamended and in full force and effect.

Spectrum Enterprise Contact Information
Contact: Cathy Larson Telephone: 214-784-4154 Email: cathy.larson@charter.com

Customer Information		
Customer Name KENNEDALE CITY HALL		Order # 13226027
Address 405 MUNICIPAL DR KENNEDALE TX 76060-2249		
Telephone (817) 985-2105	Email: dhull@cityofkennedale.com	
Contact Name Darrell Hull	Telephone (817) 985-2105	Email: dhull@cityofkennedale.com
Billing Address 405 MUNICIPAL DR KENNEDALE TX 76060-2249		

NEW AND REVISED SERVICES AT 405 MUNICIPAL DR , KENNEDALE TX 76060

Service Description	Order Term	Quantity	Monthly Recurring Charge(s)	Total Monthly Recurring Charge(s)
Fiber Internet 1Gbps	36 Months	1	$1,399.00	$1,399.00
TOTAL*				$1,399.00

Spectrum ENTERPRISE

Page 2
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Spectrum ENTERPRISE

1. **TOTAL CHARGE(S). Total Monthly Recurring Charges and Total One-Time Charges are due in accordance with the monthly invoice.**

2. **TAXES**. Plus applicable taxes, fees, and surcharges as presented on the respective invoice(s).

3. **SPECIAL TERMS**.

No Special Terms
Remainder of page is blank

By signing below, the signatory represents they are duly authorized to execute this Service Order.

CUSTOMER SIGNATURE

Signature:____

Printed Name:____

Title:____

Date:____

Remainder of page is blank

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Page 5
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STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: JULY 19, 2022

AGENDA ITEM NUMBER: INDIVIDUAL CONSIDERATION ITEM III.E.5.

SUBJECT
Approval of extension of Strong Roots Landscaping Contract through September 30, 2022

ORIGINATED BY: Anne LaMere, Finance Director

SUMMARY: In 2020, three bids were received from landscaping firms to mow the grass around the 4 City Buildings around Town Center Park. The lowest bid was accepted from Strong Roots (changed name from SG Landscape & Outdoors, LLC) for $1,900 per month or $22,800 per year. Purchase Order 980 was issued for $22,800 for 2022 FY. In December 2021 mowing around the Chamber Building was added for an additional $100 per month -- $2,000 per month or $24,000 per year. In June 2022, the Director of Public Works added the following additional work –

Flower bed cleanup / 6" Polyboard 6" x 20' and Poly Stakes	$2,360.00
Fountain irrigation check repair, flush, and pump repair	$2,840.00
Sonora Park mow, edge, and blow	$1,000.00
Town Center 24' shrub riser and shrub adapter	$1,490.81
Flower bed labor Town Center	$ 895.44

Public Works is in the process of rebidding the landscaping contract. The new contract will begin October 1, 2022.

Conclusion
The amount of work under the PO for 2022 is now expected to be $38,000. Request approval of a change order to the existing Purchase Order for $15,200.

Recommendation in the Form of a Motion
Move that PO 980 to Strong Roots Landscaping be increased to $38,000 to continue landscaping work the September 30, 2022.

Attachments
None.

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STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: JULY 19, 2022

AGENDA ITEM NUMBER: INDIVIDUAL CONSIDERATION ITEM III.E.5.

SUBJECT
City Manager Contract

ORIGINATED BY

SUMMARY

RECOMMENDATION

ATTACHMENTS

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STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: JULY 19, 2022

AGENDA ITEM NUMBER: INDIVIDUAL CONSIDERATION ITEM III.E.7.

SUBJECT
Resolution to appoint Escrow Agent for a $432k grant from the Texas Water Development Board for the Valley Lane Project

ORIGINATED BY

SUMMARY

RECOMMENDATION

ATTACHMENTS

CERTIFICATE FOR RESOLUTION

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

I, the undersigned City Secretary of the **CITY OF KENNEDALE, TEXAS** (the "***City***"), hereby certify as follows:

1. The City Council of the City (the "***City Council***") convened in Regular Meeting on June 21, 2022, at the designated meeting place (the "***Meeting***"), and the roll was called of the duly constituted officers and members of the City Council, to wit:

Hollis Matthews, Mayor
Jan Joplin, Mayor Pro Tem, Councilmember Place 1
Gary Mitchell, Councilmember, Place 2
Kenneth Michels, Councilmember, Place 3
Austin Degenhart, Councilmember, Place 4
James Connor, Councilmember, Place 5

and all of the officers and members of the City Council were present, except the following absentees:____________________________________, thus constituting a quorum. Whereupon, among other business, the following was transacted at the Meeting: a written Resolution No. ________ entitled

RESOLUTION BY THE CITY COUNCIL OF THE CITY OF KENNEDALE, TEXAS (THE "CITY") AUTHORIZING THE CITY TO EXECUTE A GRANT AGREEMENT (THE "GRANT AGREEMENT") WITH THE TEXAS WATER DEVELOPMENT BOARD (THE "TWDB") AND AN ESCROW AGREEMENT (THE "ESCROW AGREEMENT")WITH A FINANCIAL INSTITUTION TO SERVE AS THE ESCROW AGENT, ALL IN CONNECTION WITH THE RECEIPT OF GRANT FUNDS FROM THE TWDB TO FINANCE A CERTAIN FLOOD CONTROL PROJECT (THE "PROJECT") AND APPROVING OTHER MATTERS RELATED THERETO

the "***Resolution***") was duly introduced for the consideration of the City Council. It was then duly moved and seconded that the Resolution be adopted; and, after due discussion, said motion carrying with it the adoption of the Resolution, prevailed and carried by the following vote:

AYES:_______NOES:________ABSTENTIONS: _______

2. A true, full and correct copy of the Resolution adopted at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate;; the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of the City Council as indicated therein; each of the officers and members of the City Council was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the Meeting, and that the Resolution would be introduced and considered for passage at the Meeting, and each of said officers and members consented, in advance, to the holding of the Meeting for such purpose; and the Meeting was open to the public and public notice of the time, place and purpose of the Meeting was given, all as required by Chapter 551, Texas Government Code.

SIGNED AND SEALED________________________.

____
City Secretary
City of Kennedale, Texas

(SEAL)

[Signature Page to the Certificate for Resolution]

ESCROW AGREEMENT

THIS ESCROW AGREEMENT (the “Agreement”), made by and between the City of Kennedale, Texas, a political subdivision of the State of Texas in Tarrant, Texas, (the “City”), and BOKF, NA (the “Escrow Agent”) together with any successor in such capacity;

W I TN E S S E T H:

WHEREAS, pursuant to a Grant Agreement, pursuant to which the City will accept certain contractual obligations (the “Obligations”) to obtain financial assistance from the Texas Water Development Board (the “TWDB”) for the purpose of funding a project identified as Project No. 40187 (the “Project”); and

WHEREAS, the Escrow Agent is a state or national bank designated by the Texas Comptroller as a state depository institution in accordance with Texas Government Code, Chapter 404, Subchapter C, or is a designated custodian of collateral in accordance with Texas Government Code, Chapter 404, Subchapter D and is otherwise qualified and empowered to enter into this Agreement, and hereby acknowledges its acceptance of the terms and provisions hereof; and

WHEREAS, pursuant to the Grant Agreement, the TWDB shall deposit grant proceeds (the “Proceeds”) in escrow subject to being withdrawn only with the approval of the Executive Administrator of the TWDB or another designated representative; provided, however, the Proceeds can be transferred to different investments so long as all parties hereto consent to such transfer;

NOW, THEREFORE, in consideration of the mutual agreements herein contained and in consideration of the amount of fees to be paid by the City to the Escrow Agent, as set forth on **EXHIBIT A**, the receipt of which is hereby acknowledged, and in order to secure the delivery of the Obligations, the parties hereto mutually undertake, promise, and agree for themselves, their respective representatives and successors, as follows:

SECTION 1: ESCROW ACCOUNT. Upon the delivery of the Obligations described above, the Proceeds identified under TWDB Commitment Number G1001517 shall be deposited to the credit of an escrow account (the “Escrow Account”) maintained at the Escrow Agent on behalf of the City and the TWDB and shall not be commingled with any other accounts or with any other proceeds or funds. The Proceeds received by the Escrow Agent under this Agreement shall not be considered as a banking deposit by the City, and the Escrow Agent shall have no right to title with respect thereto except as Escrow Agent under the terms of this Agreement.

The Escrow Account shall be entitled “City of Kennedale, Texas Grant Agreement, Texas Water Development Board Commitment No. G1001517 Escrow Account” and shall not be subject to warrants, drafts or checks drawn by the City but shall be disbursed or withdrawn to pay the costs of the Project for which the Obligations were issued or other purposes in accordance with the Grant Agreement and solely upon written authorization from the Executive Administrator or his/her designated representative. The Escrow Agent shall provide to the City and to the TWDB the Escrow Account bank statements upon request.

SECTION 2: COLLATERAL. All cash deposited to the credit of such Escrow Account and any accrued interest in excess of the amounts insured by the FDIC and remaining uninvested under the terms of this Agreement shall be continuously secured by a valid pledge of direct obligations of the United States of America or other collateral meeting the requirements of the Public Funds Collateral Act, Texas Government Code, Chapter 2257.

SECTION 3: INVESTMENTS. While the Proceeds are held in escrow, the Escrow Agent shall only invest and re-invest escrowed Proceeds as it is directed in writing by the City in investments that are authorized by the Public Funds Investment Act, Texas Government Code, Chapter 2256 (PFIA). It is the City's responsibility to direct the Escrow Agent to invest all public funds in a manner that is consistent not only with the PFIA but also with its own written investment policy. In the absence of written investment direction from the City, the Proceeds or any or interest earned thereon shall be uninvested.

SECTION 4: DISBURSEMENTS. The Escrow Agent shall not honor any disbursement from the Escrow Account, or any portion thereof, unless and until it has been supplied with written approval and consent by the Executive Administrator or his/her designated representative. However, no written approval and consent by the Executive Administrator shall be required if the disbursement involves transferring Proceeds from one investment to another within the Escrow Account provided that all such investments are consistent with the PFIA requirements.

SECTION 5: UNEXPENDED FUNDS. Any Proceeds remaining unexpended in the Escrow Account after completion of the Project and after the final accounting has been submitted to and approved by the TWDB shall be disposed of pursuant to the provisions of the Grant Agreement. The City shall deliver a copy of such TWDB approval of the final accounting to the Escrow Agent together with instructions concerning the disbursement of unexpended Proceeds hereunder. The Escrow Agent shall have no obligation to ensure that such unexpended Proceeds are used as required by the provisions of the Grant Agreement, that being the sole obligation of the City.

SECTION 6: CERTIFICATIONS. The Escrow Agent shall be authorized to accept and rely upon the certifications and documents furnished to the Escrow Agent by the City and shall not be liable for the payment of any funds made in reliance in good faith upon such certifications or other documents or approvals, as herein recited.

SECTION 7: LIABILITY OF ESCROW AGENT. To the extent permitted by law, the Escrow Agent shall not be liable for any act done or step taken or omitted by it or any mistake of fact or law, except for its negligence or willful misconduct. The Escrow Agent shall not be responsible in any manner for any proceedings in connection with the Obligations or any recitation contained in the Obligations.

In the event of a question regarding any disbursement or a disagreement between the undersigned or TWDB or any other person resulting in adverse claims being made upon the amounts in the Escrow Account, the Escrow Agent shall be protected and shall not be liable to the City or any other person if it follows the written direction of the Executive Administrator or of a final order or judgment of a court of competent jurisdiction. In addition, to the extent permitted by law, the City agrees to indemnify and hold the Escrow Agent harmless from all losses, costs, liabilities, actual damages, fees and expenses (including, but not limited to, reasonable attorney's fees and expenses) suffered or incurred by Escrow Agent arising from the performance of its obligations under this Agreement ("Acts"), except such Acts as arise from or attributable to the negligence or willful misconduct of Escrow Agent. Escrow Agent may consult with legal counsel in the event of any dispute or question as to the construction of any of the provisions hereof or its duties hereunder, and, to the extent it acts in good faith without negligence or willful misconduct it shall be fully protected in acting in accordance with the opinion and instructions of such counsel. The Escrow Agent may resign at any time by providing such termination notices in accordance with Section 11.

No provisions of this Agreement shall require the Escrow Agent to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity satisfactory to it against such risks or liability is not assured to it.

SECTION 8: RECORDS. The Escrow Agent will keep complete and correct books of record and account relating to the receipts, disbursements, allocations and application of the money deposited to the Escrow Account, and investments of the Escrow Account and all proceeds thereof. The records shall be available for inspection and copying at reasonable hours and under reasonable conditions by the City and the TWDB.

SECTION 9: MERGER/CONSOLIDATION. In the event that the Escrow Agent merges or consolidates with another bank or sells or transfers substantially all of its assets or corporate trust business, then the successor bank shall be the successor Escrow Agent without the necessity of further action as long as the successor bank is a state or national bank designated by the Texas Comptroller as a state depository institution in accordance with Texas Government Code, Chapter 404, Subchapter C, or is a designated custodian of collateral in accordance with Texas Government Code Chapter 404, Subchapter D. The Escrow Agent must provide the TWDB with written notification within 30 days of acceptance of the merger, consolidation, or transfer. If the merger, consolidation or other transfer has occurred between state banks, the newly-created entity shall forward the certificate of merger or exchange issued by the Texas Department of Banking as well as the statement filed with the pertinent chartering authority, if applicable, to the TWDB within five business days following such merger, consolidation or exchange.

SECTION 10: AMENDMENTS. This Agreement may be amended from time to time as necessary with the written consent of the City and the TWDB, but no such amendments shall increase the liabilities or responsibilities or diminish the rights of the Escrow Agent without its consent.

SECTION 11: TERMINATION. In the event that this Agreement is terminated by either the City or by the Escrow Agent, the Escrow Agent must report said termination in writing to the TWDB within five business days of such termination. The City is responsible for ensuring that the following criteria are satisfied in selecting the successor escrow agent and notifying the TWDB of the change in escrow agents: (a) the successor escrow agent must be an FDIC-insured state or national bank designated by the Texas Comptroller as a state depository; (b) the successor escrow agent must be retained prior to or at the time of the termination; (c) an escrow agreement must be executed by and between the City and the successor escrow agent and must contain the same or substantially similar terms and conditions as are present in this Agreement; and (d) the City must forward a copy of the executed escrow agreement with the successor escrow agent within five business days of said termination. No funds shall be released by the TWDB until it has received, reviewed and approved the escrow agreement with the successor escrow agent. If the City has not appointed a successor escrow agent within thirty (30) days of the notice of termination, the Escrow Agent may petition any court of competent jurisdiction in Texas for the appointment of a successor escrow agent or for other appropriate relief, and any such resulting appointment shall be binding upon the City. Whether appointed by the City or a court, the successor escrow agent and escrow agreement must be approved by the TWDB for the appointment to be effective. The Escrow Agent is responsible for performance under this Agreement until a successor has been approved by the TWDB and has signed an acceptable escrow agreement.

SECTION 12: EXPIRATION. This Agreement shall expire upon final transfer of the funds in the Escrow Account to the City.

SECTION 13: POINT OF CONTACT. The points of contact for the Escrow Agent and the TWDB are as follows:

BOKF, NA
Attention: Corporate Trust Services
5956 Sherry Lane, Suite 900
Dallas, Texas 75225
972.892.9973 (office)
214.256.7517 (fax)

Executive Administrator
Texas Water Development Board
1700 North Congress Avenue
Austin, Texas 78701

SECTION 14: CHOICE OF LAW. This Agreement shall be governed exclusively by the applicable laws of the State of Texas. Venue for disputes shall be in the District Court of Travis County, Texas.

SECTION 15: ASSIGNABILITY. This Agreement shall not be assignable by the parties hereto, in whole or in part, and any attempted assignment shall be void and of no force and effect.

SECTION 16: ENTIRE AGREEMENT. This Agreement evidences the entire Escrow Agreement between the Escrow Agent and the City and supersedes any other agreements, whether oral or written, between the parties regarding the Proceeds or the Escrow Account. No modification or amendment of this Agreement shall be valid unless the same is in writing and is signed by the City and consented to by the Escrow Agent and the TWDB.

SECTION 17: VALIDITY OF PROVISIONS. If any term, covenant, condition or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

SECTION 18: **COMPENSATION FOR ESCROW SERVICES.** The Escrow Agent shall be entitled to compensation for its services as stated in Exhibit A, which compensation shall be paid by the City but may not be paid directly from the Escrow Account.

SECTION 19: ANTI-BOYCOTT VERIFICATION. The Escrow Agent represents that, to the extent this Agreement constitutes a contract for goods or services within the meaning of Section 2271.002 of the Texas Government Code, as amended, solely for purposes of compliance with Chapter 2271 of the Texas Government Code, and subject to applicable Federal law, neither the Escrow Agent nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the Escrow Agent (i) boycotts Israel, or (ii) will boycott Israel through the term of this Agreement. The term "boycotts Israel" and "boycott Israel" as used in this paragraph have the meaning assigned to the term "boycott Israel" in Section 808.001 of the Texas Government Code, as amended.

SECTION 20: IRAN, SUDAN AND FOREIGN TERRORIST ORGANIZATIONS. The Escrow Agent represents that, to the extent this Agreement constitutes a governmental contract within the meaning of Section 2252.151 of the Texas Government Code, as amended, solely for purposes of compliance with Chapter 2252 of the Texas Government Code, and except to the extent otherwise required by applicable federal law, neither the Escrow Agent nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the Escrow Agent (i) engages in business with Iran, Sudan, or any foreign terrorist organization as described in Chapters 806 or 807 of the Texas Government Code, or Subchapter F of Chapter 2252 of the Texas Government Code, or (ii) is a company listed by the Texas Comptroller of Public Accounts under Sections 806.051, 807.051, or 2252.153 of the Texas Government Code. The term "foreign terrorist organization" in this paragraph has the meaning assigned to such term in Section 2252.151 of the Texas Government Code.

SECTION 20: EXECUTION BY COUNTERPARTS. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument. The parties hereto agree that the transactions described herein may be conducted and related documents may be sent, received, and stored by electronic means.

SECTION 21: **TAX MATTERS/PATRIOT ACT.** The City agrees that, for tax reporting purposes, all interest or other income, if any, attributable to the amounts held in escrow by the Escrow Agent pursuant to this Agreement shall be allocable to the City. Tax reporting will be completed by the City. The City agrees to provide the Escrow Agent completed Forms W-9 (or Forms W-8, in the case of non-U.S. Persons) and other forms and documents that the Escrow Agent may reasonably request at the time of execution of this Agreement, and any information reasonably requested by the Escrow Agent to comply with the USA Patriot Act of 2001, as amended from time to time. The City understands that if such documentation is not so certified to the Escrow Agent, the Escrow Agent may be required by the Internal Revenue Code, as it may be amended from time to time, to withhold a portion of any interest or other income earned on the investment of monies or other property held by the Escrow Agent pursuant to this Agreement.

[Remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective upon signature of both parties.

City of Kennedale, Texas

By: ______________________________
Authorized Representative

Date: ______________________________

Address: 405 Municipal Drive
Kennedale, Texas 76060

BOKF, NA,
as Escrow Agent

By: ______________________________

Title: ______________________________

Date: ______________________________

Address: Attn: Corporate Trust Services
5956 Sherry Lane, Suite 900
Dallas, Texas 75225

EXHIBIT A

Fee Schedule

City of Kennedale, Texas
Grant Agreement Texas Water Development Board
Commitment No. G1001517

Texas Water Development Board

ESCROW AGENT

Schedule of Fees

<u>Acceptance Fee</u>: WAIVED

For review and coordination of documents and setup of accounts in preparation for closing.

<u>One Time Escrow Account Setup/Administration Fee</u>: WAIVED

For ordinary administrative services by Escrow Agent – includes daily routine account management; cash transaction processing (including wire and check processing); disbursement of funds in accordance with the agreement; and online access to trust account statements. This fee is due at the time of Escrow Agreement funding/execution.

Fee is based on the following assumptions:

- Number of escrow accounts: Up to two (2) per series, or as needed
- Number of Withdrawals from the Escrow accounts: As needed

Charges for performing extraordinary or other services not contemplated at the time of the execution of the transaction or not specifically covered elsewhere in this schedule will be determined by appraisal in the amounts commensurate with the service provided.

Services not included in this Fee Schedule, but deemed necessary or desirable by you, may be subject to additional charges based on a mutually agreed upon fee schedule.

Our proposal is subject in all aspects to review and acceptance of the final financing documents which sets forth our duties and responsibilities.

If funds are invested outside the money market funds offered by BOK Financial, an additional fee may be assessed on an annual basis to act as custodian.

Jose Gaytan, Senior Vice President
Texas Corporate Trust Business Development Officer
Phone: 512.813.2002
JGaytan@bankoftexas.com

Erin Fitzpatrick, Senior Vice President
National Corporate Trust Business Development
Phone: 972.892.9972
EFitzpatrick@bankoftexas.com

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bokfinancial.com

To learn more about BOK Financial: