KENNEDALE CITY COUNCIL MINUTES

REGULAR MEETING | JUNE 6, 2023 AT 5:30 PM
CITY HALL COUNCIL CHAMBERS | 405 MUNICIPAL DRIVE, KENNEDALE, TX 76060

I. CALL TO ORDER

Mayor Jan Joplin called the meeting to order at 5:30 p.m.

A. ROLL CALL

PRESENT: Jan Joplin, Austin Degenhart, Kenneth Michels, Rockie Gilley, Brad Horton, Jeff Nevarez;
ABSENT: ; ***STAFF:*** *City Manager Darrell Hull, Admin Assistant Ross Sanchez, Director of Planning and Economic Development Nathan Gonzales, Director of Finance Jonathan Horton, Library Director Elizabeth Partridge, Director of Human Resources Caroline Green, Public Works Director Kristian Sugrim, Fire Chief James Brown, Police Chief Michael Holguin, City Attorney Carvan Adkins;*

II. WORK SESSION

A. WORK SESSION REPORTS

1. Receive the independent auditor's Annual Comprehensive Financial Report (ACFR) for the fiscal year 2022 ending September 30, 2022.
Forvis LLP

Kevin Kemp with Forvis presented the Financial Report to the City.

2. Freese & Nichols present the Public Works needs for Tarrant County Transportation Bond.

Sidney Green with Freese and Nichols gave an update on the Tarrant County Bond projects. Little School Road has gone from $14m to $17m.Contingency amount increased from $2m to $3m. Total will be closer to $18m.

3. Long term financial planning discussion.
Debbie Reed

Debbie Reed presented a slideshow on long term financial planning. In General Fund, she applied a 5% growth in property tax values. She stated that we can't budget just one year at a time. Most cities are budgeting in a 5 year plan. Water & Sewer - She discussed Arlington fee increases and a possible increase in water rates and a possibility of new debts. Approved budget was just a balanced budget. The increases were dropped in for Arlington rates.Working capital days should be higher (150-200 days) but our days are going down quite a bit. She indicated that a water rate study would really help. Councilmember Gilley discussed that in 2019 they entered into the contract with Arlington under the implication the costs would go down as we moved along and that has not happened.

4. Discussion of a bond for infrastructure in the City of Kennedale.
Andrew Friedman

Andrew Friedman with Samco discussed the bond for infrastructure within the City. He talked about the 2 types of bond. General Obligation (election) and Certificate of Obligation (council approved). Certificate allows multiple projects in 1 bond, where the

General Obligation has different propositions; some may pass, some may fail. He also discussed the need for a water rate study. Tax rate impact analysis stated70.62 cents FY23, tax rate decrease to 49 cents. Unless, we keep the tax rate and take out up to $25million to do our infrastructure projects. He then open it up for questions from the council. They asked about our rating and the Mayor thinks we are at AA rate. Days of working capital are important when bond lenders are look at issuing bonds. Councilmember Nevarez asked what would help our bond rating and Mr. Friedman suggested increasing water and sewer rates, formalizing policies and procedures and long range planning. Councilmember Gilley suggested our bond rating at AA-. He discussed the complexity around Senate Bill 2. In our case, if we increase taxes more than $500k, it would automatically go to the voters and we need to keep that in mind. Mr. Friedman then checked and confirmed our rating was AA-. Mr. Friedman said we have to publish the Notice of Obligation quickly we have to sell the debt by the date on or on the before you adopt your tax rate on August 15th. We would need the NOI by the June 20th meeting. Councilmember Gilley brought up that some people outside the city pay water through he city and that should be considered when they are looking at the rates.

Jan Joplin recessed the meeting for 5 minutes.

5. Discussion of the design for sanitary sewer improvements for Basin B Interceptor project.

Mazan Kawasmi and Amanda Johnson with Freese and Nichols presented the Basin B Interceptor Project discussion. Basin B flows goes through the hear toff the city. We have capacity sewer issues in the last 2 Master Plan studies in 2014 and 2018. Freese & Nichols agree to the rate study and we are obligated by the impact fees that have to be evaluated every 5 years. This is significant project for the city to accommodate the design and minimize inflation of 1% per month. Segment 1 has 6 8, & 12 inch lines that need to be moved to 15 inch lines. Segment 2 has 15 inch lines that need to be moved to 18 inch line and Segment 3 is an 18 inch that needs upsizing to a 24 inchline.

Amanda Johnson discussed how to execute the plans. Best way is to design and construct all in one package; it is a larger up front investment but it is continuing to get expensive (cost estimates have tripled since last projection). Councmember Nevarez asked if Segment 1 going to 15 inch is the right size and they stated that it should carry you for 20 years.

6. Update on Texas Raceway Project.

Community Development Director Nathan Gonzales present an overview and stated that H&M Real Estate Management is interested in the former Texas Raceway Property. Freese and Nichols stated worked was stopped in 2016 by City Manager Hart. They now have an amendment to the current project for the sewer easement. Once applicant signals intent to develop the property, then we will enter into a contract for the design and completion of that easement. Next step would be a zoning change before we start on the sewer. Plat application will be the signal of the intent. Timeframe is year 9 of 10 at this point. Council will have a say as to what this planned development will be. Further discussions will happen with the developer and then it will come back to the council. Risk

standpoint is sanitary sewer spills into the environment. Freese & Nichols can project how many homes can be built until there is a spill.

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

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."

Moved to 3rd on the agenda.

Councilman Horton led the invocation and Councilman Michels led the pledges.

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.

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.

Moved to 2nd on the agenda.

Dustin Verona, 309 Autumnwood Ct, asked when the City Council would be sending a formal response to Kennedale ISD. Kennedale ISD will not move forward. Also stated the drainage study was done in 2020 utilizing City funds and nothing was done.

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 05/25/2023 Special Meeting (Budget Workshop). Need to strike #1 from the record completely. Motion to veto was not needed and not discussed at the 5/25/2023 meeting.

Motion Approve. **Action** Approve Approval of the minutes from the 05/25/2023 Special Meeting (Budget Workshop)., **Moved By** Kenneth Michels, **Seconded By** Jeff Nevarez. **Motion passed with a vote of 4-0-1,** with None voting against approval and Austin Degenhart abstaining.

2. Update authorized account users with Frost Bank.

Motion Approve. **Action** Approve Update authorized account users with Frost Bank., **Moved By** Austin Degenhart, **Seconded By** Brad Horton. **Motion passed unanimously.**

E. ITEMS FOR INDIVIDUAL CONSIDERATION

1. Discussion and Approval of moving payroll to ADP for bi-weekly payroll process. Finance Director Jon Horton discussed the process that Finance goes through to process payroll each pay period. 18-24 hours per pay period. $16k-$22k productivity costs per year. Recommend move to ADP as our complete payroll provider. Annual cost is $7000 for ADP. Significant shifting of resources from Finance to ADP would allow Finance to be

more efficient. Savings to Finance is 12-20 hours of employee time which can be pushed to other areas of the department.

Motion Approve. **Action** Approve Discussion and Approval of moving payroll to ADP for bi-weekly payroll process., **Moved By** Brad Horton, **Seconded By** Austin Degenhart. **Motion passed/failed unanimously / with a vote of 5-0-0,** with None voting against approval and None abstaining.

F. PUBLIC HEARINGS

There was no discussion at this time.

Mayor Jan Joplin recessed to Executive Session at 8:24 p.m.

IV. EXECUTIVE SESSION

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

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

C. ***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.*

D. ***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.*

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

Mayor Jan Joplin reconvened the meeting at 8:43 p.m.

VI. ADJOURNMENT

Motion Approve. **Action** Approve ADJOURNMENT, **Moved By** Austin Degenhart, **Seconded By** Jeff Nevarez. **Motion passed unanimously.**

APPROVED:

MAYOR JAN JOPLIN

ATTEST:

CITY SECRETARY RAEANNE BYINGTON