



KENNEDALE CITY COUNCIL AGENDA
SPECIAL MEETING | JULY 15, 2024 AT 5:30 PM
CITY COUNCIL CHAMBERS | 405 MUNICIPAL DR, KENNEDALE, TX 76060

I. CALL TO ORDER

A. ROLL CALL

B. 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."

II. PRESENTATIONS

- A. Proclamation and Resolution honoring Mr. Evan Krum for receiving the Presidential Volunteer Gold Award for Community Service.
- B. Proclamation and Resolution honoring Mr. Joshua Dees for receiving the Presidential Volunteer Bronze Award for Community Service.
- C. Joe Don Bobbitt, Chief Appraiser and Executive Director of Tarrant Appraisal District, introduction to City Council.

III. PUBLIC COMMENT

The Kennedale City Council welcomes comments from the public. Those wishing to speak must sign in prior to the start of the meeting. Speakers may speak on any topic, whether on the agenda or not. The Kennedale City Council cannot act upon, discuss issues raised or make any decisions at this time. Speakers under citizens' comments shall observe a three-minute time limit. Inquiries regarding matters not listed on this agenda may be referred to staff for research and/or possible future action by the board.

IV. REGULAR SESSION

A. 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 the City of Kennedale Mayor and City Council
- 2. Updates from the City of Kennedale City Manager
- 3. Financial Reports for the City and/or the EDC
 - a. Quarterly Investment Report

B. CONSENT AGENDA

- 1. June 18, 2024, City Council Meeting Minutes

2. June 25, 2024, City Council Special Meeting Minutes
3. Appointment of Dustin Verona to Place 5 of the Economic Development Corporation.
4. Appointment of Linda Rhodes to Place 4 of the Board of Adjustment.
5. Appointment of Pat Vadar to Chair of the Board of Adjustment.

C. ITEMS FOR INDIVIDUAL CONSIDERATION, DISCUSSION AND/OR ACTION

1. Discuss and consider action to approve proposed new water and wastewater rates as presented in the 2024 Water and Wastewater Rate Study and Financial Forecast.
2. Discussion and update regarding Business Occupation Licenses.
3. Discussion and update on an Analysis of Kennedale Streets.
4. Update and Discussion on the 2023 Bond Issuance progress of Basin B sewer line, ground storage tank, generators, and street infrastructure.
5. Update and Discussion on the 2024 Bond Issuance for the remodeling of public safety buildings, parks and recreation facilities, and water/sewer, streets, or other utility infrastructure projects.
6. Discuss and consider action on the Tarrant County 2021 Transportation Bond Program Countywide Initiative to include Kennedale Sublett Rd. Improvements.
7. Discuss and consider a lease agreement with the YMCA for 205 W. Kennedale Parkway.

V. EXECUTIVE SESSION

IN ACCORDANCE WITH CHAPTER 551 OF THE TEXAS GOVERNMENT CODE. If, during the course of the meeting and discussion of any items covered by this notice, the Kennedale City Council determines that a Closed or Executive session of the Board is required, then such closed meeting will be held as authorized by Texas Government Code, Chapter 551, Section 551.071 consultation with counsel on legal matters; Section 551.072 - deliberation regarding purchase, exchange, lease or value of real property; Section 551.073 - deliberation regarding a prospective gift; Section 551.074 – Personnel Matters; Section 551.087 - deliberation regarding economic development negotiation; Section 551.089 - deliberation regarding security devices or security audits, and/or other matters as authorized under the Texas Government Code. If a Closed or Executive Session is held in accordance with the Texas Government Code as set out above, the Kennedale City Council will reconvene in Open Session in order to take action, if necessary, on the items addressed during Executive Session.

VI. RECONVENE INTO OPEN SESSION, AND TAKE ANY ACTION NECESSARY PURSUANT TO EXECUTIVE SESSION

VII. ADJOURNMENT



BOBBIE JO TAYLOR,
CITY SECRETARY

CERTIFICATION: I DO HEREBY CERTIFY THAT THE JULY 15, 2024 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.

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.

A QUORUM OF THE KENNEDALE EDC, THE KENNEDALE PLANNING AND ZONING COMMISSION, BOARD OF ADJUSTMENT, KEEP KENNEDALE BEAUTIFUL COMMISSION, PARKS AND RECREATION BOARD, BUILDING BOARD OF APPEALS, TOWNCENTER DEVELOPMENT DISTRICT, OR TAX INCREMENT REINVESTMENT DISTRICT MAY BE PRESENT. NO ACTION WILL BE TAKEN BY THE ABOVE-LISTED BOARDS.

MEETING DATE: JULY 15, 2024

AGENDA ITEM NUMBER: II

SUBJECT
PRESENTATIONS.

- A. Proclamation and Resolution honoring Mr. Evan Krum for receiving the Presidential Volunteer Gold Award for Community Service.
- B. Proclamation and Resolution honoring Mr. Joshua Dees for receiving the Presidential Volunteer Bronze Award for Community Service.
- C. Joe Don Bobbitt, Chief Appraiser and Executive Director of Tarrant Appraisal District, introduction to City Council.



Proclamation

WHEREAS, Evan Krum has been awarded the Presidential Volunteer Gold Award for Community Service; and

WHEREAS, Evan Krum is attending Oak Ridge School as a Sophomore, where he is a three sport athlete, participating in football, soccer, and baseball; and

WHEREAS, Evan Krum has earned the Presidential Gold Award by volunteering more than 100 hours over the previous school year; and

WHEREAS, Evan Krum earned his volunteer hours by serving at youth camps, at his church, and volunteering through the Key Club; and

WHEREAS, it is with great pride that I congratulate Evan Krum on his great commitment to his community. It takes a great deal of effort, and determination to accomplish such a challenging number of community service hours. This achievement signifies a resolute will and unwavering diligence, of which you can be extremely proud.; and

WHEREAS, The City of Kennedale joins me in offering our congratulations.

NOW, THEREFORE, I, Brad Horton, Mayor of the City of Kennedale, on behalf of the Kennedale City Council, City Staff, and Citizens, do hereby recognize,

Evan Krum
Presidential Volunteer Gold Award

In witness thereof, I have hereunto set my hand and caused the seal of the City of Kennedale to be affixed this, the 15th day of July 2024.

Brad Horton, Mayor



Proclamation

WHEREAS, Joshua Dees has been awarded the Presidential Volunteer Bronze Award for Community Service; and

WHEREAS, Joshua Dees is attending Oak Ridge School as a Sophomore and served as the Freshman Class President; and

WHEREAS, Joshua Dees is a member of the Black Student Association and an “A” Honor Roll student.; and

WHEREAS, Joshua Dees has received numerous honors and awards including a Gold medal recipient of the National Spanish Exam, Four Sport Varsity Letterman, and a Silver medal for the President’s Volunteer Service Award for his community service; and

WHEREAS, it is with great pride that I congratulate Joshua Dees on his great commitment to his community. It takes a great deal of effort, and determination to accomplish such a challenging number of community service hours. This achievement signifies a resolute will and unwavering diligence, of which you can be extremely proud.; and

WHEREAS, The City of Kennedale joins me in offering our congratulations.

NOW, THEREFORE, I, Brad Horton, Mayor of the City of Kennedale, on behalf of the Kennedale City Council, City Staff, and Citizens, do hereby recognize,

Joshua Dees
Presidential Volunteer Bronze Award

In witness thereof, I have hereunto set my hand and caused the seal of the City of Kennedale to be affixed this, the 15th day of July 2024.

Brad Horton, Mayor

STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: JULY 15, 2024

AGENDA ITEM NUMBER: REPORTS AND ANNOUNCEMENTS ITEM IV.A.

SUBJECT
REPORTS AND ANNOUNCEMENTS

ORIGINATED BY

SUMMARY

RECOMMENDATION

ATTACHMENTS

STAFF REPORT TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: JULY 15, 2024

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

SUBJECT

Updates from the City of Kennedale Mayor and City Council

ORIGINATED BY

SUMMARY

RECOMMENDATION

ATTACHMENTS

STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: JULY 15, 2024

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

SUBJECT

Updates from the City of Kennedale City Manager

ORIGINATED BY

SUMMARY

RECOMMENDATION

ATTACHMENTS



STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: JULY 15, 2024

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

SUBJECT
Financial Reports for the City and/or the EDC

ORIGINATED BY

SUMMARY

RECOMMENDATION

ATTACHMENTS

1.	09 June 2024 Overview and Detail	09 June 2024 Overview and Detail.pdf
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CITY OF KENNEDALE
MONTHLY FINANCIAL REPORT
Month Ended June 30, 2024
EXECUTIVE OVERVIEW

TO Mayor and Members of City Council
Darrell Hull, City Manager

FROM Jon Horton, Finance Director

DATE July 15, 2024

SUBJECT Monthly Financial Report for June 2024

Below is an overview of the monthly financial results for the current fiscal year through June. Detail schedules for each fund are attached for your review.

Results through June represent 75% of the fiscal year.

GENERAL FUND (01)

- ◇ Property tax revenues received year-to-date \$6,027,575; 100.8% of total budget; prior year receipts through June were 98.5% of total
- ◇ Sales tax revenues received year-to-date \$1,293,544; 64.9% of total budget; receipts from the State are two months delayed; i.e. October sales taxes are received in December; November in January, etc.
- ◇ Prior year Sales Tax receipts through June were \$1,239,073; 55.7% of receipts
- ◇ General Fund expenditures year-to-date \$7,275,502 ; 70.2% of total budget
- ◇ Fund Balance year-to-date is \$5,095,169; 176 days of total budgeted expenditures and transfers out; revenues are ahead of spending for the fiscal year therefore fund balance is more than the projected fund balance for year-end of \$3,047,859 or 105 days of total budgeted expenditures and transfers out

WATER/SEWER FUND (10)

- ◇ Water service sales year-to-date \$1,833,035; 63.76% of budget
- ◇ Sewer service sales year-to-date \$1,290,023; 75.3% of budget
- ◇ Utility Billing and Operations expenditures year-to-date \$3,030,083; 83.6% of total budget
- ◇ Working Capital year-to-date is \$ 17,462,623; 491 days of total budgeted expenditures and transfers out; budgeted Days of Working Capital at year-end is 266 days

STORMWATER FUND (07)

- ◇ Drainage fees year-to-date \$208,234; 77.1% of budget
- ◇ Stormwater Fund expenditures year-to-date \$165,674; 76.8% of total budget
- ◇ Working Capital year-to-date is \$835,984; 1,415 days of total budgeted expenditures and transfers out; budgeted Days of Working Capital at year-end is 1,399 days

EDC FUND (15)

- ◇ Sales tax revenues received year-to-date \$430,911; 70.2% of total budget; receipts from the State are two months delayed; i.e. October sales taxes are received in December; November in January, etc.
- ◇ Prior year Sales Tax receipts through June were 386,855; 63.1% of total receipts
- ◇ Rental fees for the Shopping Center year-to-date \$247,830; 79.7% of total budget
- ◇ EDC Operations expenditures year-to-date \$562,492; 78.7% of total budget; includes \$19,969 for annual Christmas event
- ◇ EDC Town Shopping Center expenditures year-to-date \$140,051; 41.4% of total budget
- ◇ Fund Balance year-to-date is \$2,207,123; 566 days of total budgeted expenditures and transfers out; budgeted Fund Balance at year-end is 478 days

CITY OF KENNEDALE MONTHLY FINANCIAL REPORT
Month Ended June 30, 2024

GENERAL FUND (01)									
Fund / Description	PRIOR YEAR FY2023				CURRENT YEAR FY2024				
	Actual for Year	Current Month	Year To Date	% Received/ Expended YTD	Approved Budget	Current Month	Year To Date	% Received/ Expended YTD	Remaining Budget
GENERAL FUND REVENUES									
Property Taxes	\$ 5,777,979	\$ 119,125	\$ 5,691,215	98.5%	\$ 5,980,866	\$ 98,072	\$ 6,027,575	100.8%	\$ (46,709)
Sales Taxes	2,218,382	169,214	1,236,073	55.7%	1,991,717	177,073	1,293,544	64.9%	698,173
Grants and Contributions	135,199	(60,108)	71,698	53.0%	-	-	-	0.0%	-
Licenses and Permits	281,185	4,475	208,205	74.0%	449,884	38,338	283,472	63.0%	166,412
Fines and Fees	232,568	24,237	160,748	69.1%	215,000	32,527	254,930	118.6%	(39,930)
Charges for Services	251,275	40,564	163,808	65.2%	225,000	7,147	203,424	90.4%	21,576
Intergovernmental	220,794	46,532	100,670	45.6%	165,000	51,671	92,140	55.8%	72,860
All Other Revenues	256,078	19,317	142,908	55.8%	154,999	25,523	258,311	166.7%	(103,312)
Total General Fund Revenues	9,373,461	363,354	7,775,325	83.0%	9,182,466	430,351	8,413,396	91.6%	769,070
GENERAL FUND EXPENDITURES									
City Manager - Dept 01	330,992	117,720	238,239	72.0%	366,952	25,787	247,857	67.5%	119,095
Mayor/Council - Dept 02	151,730	18,162	80,084	52.8%	187,100	21,558	149,985	80.2%	37,115
City Secretary - Dept 03	162,093	63,360	98,325	60.7%	194,147	9,335	100,422	51.7%	93,725
Municipal Court - Dept 04	181,028	20,292	122,316	67.6%	242,974	25,114	159,329	65.6%	83,645
Human Resources - Dept 05	163,243	17,543	117,452	71.9%	224,532	14,472	131,757	58.7%	92,775
Finance - Dept 07	466,574	107,226	340,932	73.1%	606,846	40,289	394,320	65.0%	212,526
Police - Dept 09	3,472,227	216,049	2,416,712	69.6%	3,606,007	387,669	2,631,527	73.0%	974,480
Fire - Dept 10	2,673,744	345,735	1,941,451	72.6%	2,961,998	240,590	2,014,901	68.0%	947,097
Community Development - Dept 12	617,476	68,243	414,109	67.1%	687,928	81,501	427,348	62.1%	260,580
Senior Citizen Center - Dept 16	48,584	4,345	30,899	63.6%	53,172	3,571	29,279	55.1%	23,893
Library - Dept 17	393,462	38,149	273,510	69.5%	501,153	38,152	313,475	62.6%	187,678
Communications - Dept 18	-	-	-	0.0%	26,100	(571)	2,275	8.7%	23,825
Non Departmental - Dept 90	544,203	3,107	454,347	83.5%	701,667	223,277	673,028	95.9%	28,639
Total General Fund Expenditures	9,205,355	1,019,930	6,528,375	70.9%	10,360,576	1,110,743	7,275,502	70.2%	3,085,074
Revenues Over (Under) Expenditures	168,105	(656,576)	1,246,949		(1,178,110)	(680,392)	1,137,894		
Transfers In	1,193,374	99,448	895,030	75.0%	1,263,732	105,311	947,799	75.0%	315,933
Transfers (Out)	(391,090)	(167,883)	(247,883)	63.4%	(188,958)	(15,747)	(141,719)	75.0%	(47,240)
Net Change in Fund Balance	970,389	(725,011)	1,894,097		(103,336)	(590,827)	1,943,974		
Beginning Fund Balance - October 1	2,180,806		2,180,806		3,151,195		3,151,195		
Ending Fund Balance - year-to-date	\$ 3,151,195		\$ 4,074,903		\$ 3,047,859		\$ 5,095,169		
Average Daily Annual Expenditures	\$ 26,292				\$ 28,903				
Days of Fund Balance	120		155		105		176		

CITY OF KENNEDALE MONTHLY FINANCIAL REPORT
Month Ended June 30, 2024

UTILITY FUNDS									
Fund / Description	PRIOR YEAR FY2023				CURRENT YEAR FY2024				
	Actual for Year	Current Month	Year To Date	% Received/ Expended YTD	Approved Budget	Current Month	Year To Date	% Received/ Expended YTD	Remaining Budget
Stormwater Utility Fund (07)									
Stormwater Utility Fund Revenues	\$ 315,324	\$ 25,370	\$ 226,813	71.9%	\$ 272,850	\$ 26,427	\$ 232,254	85.1%	\$ 40,596
Stormwater Utility Fund Expenditures	222,314	15,727	152,834	68.7%	215,655	16,463	165,674	76.8%	49,981
Revenues Over (Under) Expenditures	93,010	9,644	73,979		57,195	9,964	66,579		
Beginning Fund Balance - October 1	676,394		676,394		769,404		769,404		
Ending Fund Balance - year-to-date	<u>\$ 769,404</u>		<u>\$ 750,373</u>		<u>\$ 826,599</u>		<u>\$ 835,984</u>		
Average Daily Annual Expenditures	\$ 609				\$ 591				
Days of Fund Balance	1263		1232		1399		1415		
Water/Sewer Fund (10)									
W/S Fund Revenues and Bond Funds	\$ 20,409,510	\$ 464,853	\$ 3,551,714	17.4%	\$ 5,022,628	\$ 491,868	\$ 4,041,086	80.5%	\$ 981,542
Water/Sewer Fund Expenditures									
Utility Billing - Dept 01	2,073,319	50,291	938,171	45.2%	1,450,700	158,909	1,375,746	94.8%	74,954
Operations - Dept 02	1,756,471	778,585	1,537,800	87.6%	2,172,320	146,123	1,654,337	76.2%	517,983
Debt Service - Dept 03	466,301	-	276,243	59.2%	295,312	-	283,012	95.8%	12,300
Capital Projects - Dept 04	-	112,249	140,849	100.0%	8,315,000	-	124,072	1.5%	8,190,928
Non Departmental - Dept 90	1,363,044	57,952	588,731	43.2%	757,450	58,257	544,124	71.8%	213,326
Total Water/Sewer Fund Expenditures	5,659,136	999,076	3,481,795	61.5%	12,990,782	363,288	3,981,291	30.6%	9,009,491
Revenues Over (Under) Expenditures	14,750,375	(534,223)	69,919		(7,968,154)	128,580	59,796		
Transfers In	187,525	15,627	140,644	75.0%	187,525	15,627	140,644	75.0%	46,881
Net Change in Fund Balance	14,937,900	(518,596)	210,563		(7,780,629)	144,207	200,439		
Beginning Fund Balance - October 1	2,324,284		2,324,284		17,262,184		17,262,184		
Ending Fund Balance - year-to-date	<u>\$ 17,262,184</u>		<u>\$ 2,534,847</u>		<u>\$ 9,481,555</u>		<u>\$ 17,462,623</u>		
Average Daily Annual Expenditures	\$ 15,504				\$ 35,591				
Days of Fund Balance	1113		163		266		491		
Water Impact Fee Fund (61)									
Water Impact Fund Revenues	\$ 18,848	\$ 3,243	\$ 15,275	81.0%	\$ 58,752	\$ 371	\$ 15,798	26.9%	\$ 42,954
Water Impact Fund Expenditures	0	-	-	0.0%	-	-	-	0.0%	-
Revenues Over (Under) Expenditures	18,848	3,243	15,275		58,752	371	15,798		
Transfers (Out)	(30,000)	(2,500)	(22,500)	75.0%	(30,000)	(2,500)	(22,500)	75.0%	(7,500)
Net Change in Fund Balance	(11,152)	743	(7,225)		28,752	(2,129)	(6,702)		
Beginning Fund Balance - October 1	109,672		109,672		98,520		98,520		
Ending Fund Balance - year-to-date	<u>\$ 98,520</u>		<u>\$ 102,447</u>		<u>\$ 127,272</u>		<u>\$ 91,818</u>		
Sewer Impact Fee Fund (62)									
Fund 62 Sewer Impact Fund Revenues	\$ 19,289	\$ 3,522	\$ 14,309	74.2%	\$ 111,348	\$ 481	\$ 19,002	17.1%	\$ 92,346
Fund 62 Sewer Impact Fund Expenditures	-	-	-	0.0%	-	-	-	0.0%	-
Revenues Over (Under) Expenditures	19,289	3,522	14,309		111,348	481	19,002		
Transfers (Out)	(60,000)	(5,000)	(45,000)	75.0%	(60,000)	(5,000)	(45,000)	75.0%	(15,000)
Net Change in Fund Balance	(40,712)	(1,478)	(30,691)		51,348	(4,519)	(25,998)		
Beginning Fund Balance - October 1	184,924		184,924		144,213		144,213		
Ending Fund Balance - year-to-date	<u>\$ 144,213</u>		<u>\$ 154,233</u>		<u>\$ 195,561</u>		<u>\$ 118,215</u>		

CITY OF KENNEDALE MONTHLY FINANCIAL REPORT
Month Ended June 30, 2024

DEBT SERVICE FUND (02)									
Fund / Description	PRIOR YEAR FY2023				CURRENT YEAR FY2024				
	Actual for Year	Current Month	Year To Date	% Received/ Expended YTD	Approved Budget	Current Month	Year To Date	% Received/ Expended YTD	Remaining Budget
Debt Service Fund Revenues	\$ 1,723,284	\$ 32,144	\$ 1,392,674	80.8%	\$ 2,683,268	\$ 42,725	\$ 2,460,869	91.7%	\$ 222,399
Debt Service Fund Expenditures	1,863,100	2,250	1,562,047	83.8%	2,564,324	-	2,099,252	81.9%	465,072
Revenues Over (Under) Expenditures	(139,815)	29,894	(169,373)		118,944	42,725	361,617		
Beginning Fund Balance - October 1	838,142		838,142		698,327		698,327		
Ending Fund Balance - year-to-date	698,327		668,769		817,271		1,059,944		

CITY OF KENNEDALE MONTHLY FINANCIAL REPORT
Month Ended June 30, 2024

CAPITAL PROJECT FUNDS									
Fund / Description	PRIOR YEAR FY2023				CURRENT YEAR FY2024				
	Actual for Year	Current Month	Year To Date	% Received/ Expended YTD	Approved Budget	Current Month	Year To Date	% Received/ Expended YTD	Remaining Budget
Capital Projects Fund (04)									
Capital Projects Fund Revenues	\$ 120,531	\$ 921	\$ 61,642	51.1%	\$ 95,700	\$ 697	\$ 88,892	92.9%	\$ 6,808
Capital Projects Fund Expenditures	-	-	-	0.0%	-	-	-	0.0%	-
Revenues Over (Under) Expenditures	120,531	921	61,642		95,700	697	88,892		
Transfers (Out)	(104,800)	-	-	0.0%	(108,055)	-	(104,475)	96.7%	(3,580)
Net Change in Fund Balance	15,731	921	61,642		(12,355)	697	(15,583)		
Beginning Fund Balance - October 1	174,591		174,591		190,322		190,322		
Ending Fund Balance - year-to-date	\$ 190,322		\$ 236,233		\$ 177,967		\$ 174,739		
Capital Bond Fund (13)									
Capital Bond Fund Revenues	\$ 2,806,125	\$ 25,083	\$ 152,022	5.4%	\$ 173,250	\$ 31,323	\$ 270,219	156.0%	\$ (96,969)
Capital Bond Fund Expenditures	2,059,022	57,511	1,789,047	86.9%	6,768,295	618,914	1,506,506	22.3%	5,261,789
Revenues Over (Under) Expenditures	747,104	(32,428)	(1,637,025)		(6,595,045)	(587,591)	(1,236,287)		
Beginning Fund Balance - October 1	8,057,939		8,057,939		8,805,043		8,805,043		
Ending Fund Balance - year-to-date	\$ 8,805,043		\$ 6,420,914		\$ 2,209,998		\$ 7,568,756		
Park Dedication Fund (14)									
Park Dedication Fund Revenues	\$ 36,806	\$ 4,020	\$ 24,366	66.2%	\$ 27,000	\$ 1,135	\$ 27,044	100.2%	\$ (44)
Park Dedication Fund Expenditures	177,820	-	-	0.0%	45,000	-	301,083	669.1%	(256,083)
Revenues Over (Under) Expenditures	(141,014)	4,020	24,366		(18,000)	1,135	(274,040)		
Beginning Fund Balance - October 1	699,736		699,736		558,722		558,722		
Ending Fund Balance - year-to-date	\$ 558,722		\$ 724,102		\$ 540,722		\$ 284,683		
Library Building Fund (32)									
Library Building Fund Revenues	\$ 215	\$ 45	\$ 188	87.5%	\$ 202	\$ 118	\$ 333	164.6%	\$ (131)
Library Building Fund Expenditures	0	-	-	0.0%	0	-	-	0.0%	0
Revenues Over (Under) Expenditures	215	45	188		202	118	333		
Beginning Fund Balance - October 1	(1,868)		(1,868)		(1,653)		(1,653)		
Ending Fund Balance - year-to-date	\$ (1,653)		\$ (1,680)		\$ (1,451)		\$ (1,320)		
Roadway Impact Fee Fund (45)									
Roadway Impact Fee Fund Revenues	\$ 53,675	\$ 1,721	\$ 41,912	78.1%	\$ 141,695	\$ 9,254	\$ 35,885	25.3%	\$ 105,810
Roadway Impact Fee Fund Exp	-	-	-	0.0%	-	81,646	192,723	0.0%	(192,723)
Revenues Over (Under) Expenditures	53,675	1,721	41,912		141,695	(72,391)	(156,838)		
Transfers (Out)	(107,525)	(8,960)	(80,644)	75.0%	(107,525)	(8,960)	(80,644)	75.0%	(26,881)
Net Change in Fund Balance	(53,850)	(7,240)	(38,731)		34,170	(81,352)	(237,482)		
Beginning Fund Balance - October 1	623,604		623,604		569,754		569,754		
Ending Fund Balance - year-to-date	\$ 569,754		\$ 584,873		\$ 603,924		\$ 332,272		

CITY OF KENNEDALE MONTHLY FINANCIAL REPORT
Month Ended June 30, 2024

SPECIAL REVENUE FUNDS									
Fund / Description	PRIOR YEAR FY2023				CURRENT YEAR FY2024				
	Actual for Year	Current Month	Year To Date	% Received/ Expended YTD	Approved Budget	Current Month	Year To Date	% Received/ Expended YTD	Remaining Budget
TIF #1 New Hope Fund (21)									
TIF #1 New Hope Fund Revenues	\$ 79,265	\$ 530	\$ 2,246	2.8%	\$ 72,406	\$ 1,084	\$ 7,646	10.6%	\$ 64,760
TIF #1 New Hope Fund Expenditures	48,848	11,892	11,892	0.0%	378,229	3	91,369	0.0%	286,860
Revenues Over (Under) Expenditures	\$ 30,417	(11,362)	\$ (9,646)		\$ (305,823)	1,081	\$ (83,723)		
Transfers In	167,883	158,716	165,383	98.5%	170,000	193,548	200,215	117.8%	(30,215)
Net Change in Fund Balance	198,300	147,354	155,737		(135,823)	194,629	116,492		
Beginning Fund Balance - October 1	(21,022)		(21,022)		177,278		177,278		
Ending Fund Balance - year-to-date	\$ 177,278		\$ 134,715		\$ 41,455		\$ 293,770		
Hotel/Motel Tax Fund (30)									
Hotel/Motel Tax Fund Revenues	\$ 38,749	\$ 205	\$ 19,947	51.5%	\$ 25,000	\$ 64	\$ 14,843	59.4%	\$ 10,157
Hotel/Motel Tax Fund Expenditures	13,258	3,258	10,860	81.9%	12,000	4,881	6,106	50.9%	5,894
Revenues Over (Under) Expenditures	\$ 25,491	(3,053)	\$ 9,087		\$ 13,000	(4,817)	\$ 8,737		
Beginning Fund Balance - October 1	41,927		41,927		67,418		67,418		
Ending Fund Balance - year-to-date	\$ 67,418		\$ 51,014		\$ 80,418		\$ 76,154		
Police Seizure Fund (31)									
Police Seizure Fund Revenues	\$ 125	\$ 15	\$ 76	60.8%	\$ 80	\$ 16	\$ 121	151.2%	\$ (41)
Police Seizure Fund Expenditures	-	-	-	0.0%	3,810	-	-	0.0%	3,810
Revenues Over (Under) Expenditures	\$ 125	15	\$ 76		\$ (3,730)	16	\$ 121		
Beginning Fund Balance - October 1	3,650		3,650		3,775		3,775		
Ending Fund Balance - year-to-date	\$ 3,775		\$ 3,726		\$ 45		\$ 3,896		
LEOSE Fund (34)									
LEOSE Fund Revenues	\$ 1,438	\$ 3	\$ 1,427	99.2%	\$ 1,421	\$ 17	\$ 3,768	265.2%	\$ (2,347)
LEOSE Fund Expenditures	1,590	-	1,590	100.0%	1,500	-	410	27.3%	1,090
Revenues Over (Under) Expenditures	\$ (152)	3	\$ (163)		\$ (79)	17	\$ 3,358		
Beginning Fund Balance - October 1	1,002		1,002		850		850		
Ending Fund Balance - year-to-date	\$ 850		\$ 839		\$ 771		\$ 4,208		
Disaster Recovery Fund (35)									
Disaster Recovery Fund Revenues	\$ 254,371	\$ 7,298	\$ 39,275	15.4%	\$ 1,991,000	\$ 7,571	\$ 59,901	3.0%	\$ 1,931,099
Disaster Recovery Fund Expenditures	191,642	-	185,287	96.7%	2,039,300	-	47,761	2.3%	1,991,539
Revenues Over (Under) Expenditures	\$ 62,729	7,298	\$ (146,012)		\$ (48,300)	7,571	\$ 12,140		
Beginning Fund Balance - October 1	7,300		7,300		70,029		70,029		
Ending Fund Balance - year-to-date	\$ 70,029		\$ (138,712)		\$ 21,729		\$ 82,169		

CITY OF KENNEDALE MONTHLY FINANCIAL REPORT
Month Ended June 30, 2024

OTHER FUNDS									
Fund / Description	PRIOR YEAR FY2023				CURRENT YEAR FY2024				
	Actual for Year	Current Month	Year To Date	% Received/ Expended YTD	Approved Budget	Current Month	Year To Date	% Received/ Expended YTD	Remaining Budget
Capital Replacement Fund (05)									
Capital Replacement Fund Revenues	\$ 361,296	\$ 12,071	\$ 185,413	51.3%	\$ 166,850	\$ 11,793	\$ 147,540	88.4%	\$ 19,310
Capital Replacement Fund Expenditures	261,511	-	88,091	33.7%	97,103	6,992	74,721	76.9%	22,382
Revenues Over (Under) Expenditures	99,784	12,071	97,322		69,747	4,801	72,820		
Beginning Fund Balance - October 1	(399,257)		(399,257)		(299,473)		(299,473)		
Ending Fund Balance - year-to-date	<u>\$ (299,473)</u>		<u>\$ (301,935)</u>		<u>\$ (229,726)</u>		<u>\$ (226,653)</u>		
Court Security Fund (12)									
Court Security Fund Revenues	\$ 5,398	\$ 699	\$ 3,082	57.1%	\$ 3,850	\$ 912	\$ 7,100	184.4%	\$ (3,250)
Court Security Fund Expenditures	5,092	-	4,494	0.0%	10,000	-	245	2.5%	9,755
Revenues Over (Under) Expenditures	305	699	(1,412)		(6,150)	912	6,855		
Beginning Fund Balance - October 1	29,358		29,358		29,663		29,663		
Ending Fund Balance - year-to-date	<u>\$ 29,663</u>		<u>\$ 27,946</u>		<u>\$ 23,513</u>		<u>\$ 36,519</u>		
Court Technology Fund (16)									
Court Technology Fund Revenues	\$ 5,185	\$ 571	\$ 3,523	67.9%	\$ 4,050	\$ 698	\$ 5,468	135.0%	\$ (1,418)
Court Technology Fund Expenditures	8,828	107	107	1.2%	10,000	640	2,431	24.3%	7,569
Revenues Over (Under) Expenditures	(3,643)	464	3,416		(5,950)	58	3,036		
Beginning Fund Balance - October 1	17,769		17,769		14,126		14,126		
Ending Fund Balance - year-to-date	<u>\$ 14,126</u>		<u>\$ 21,185</u>		<u>\$ 8,176</u>		<u>\$ 17,163</u>		
Street Improvement Fund (17)									
Street Improvement Fund Revenues	\$ 815,474	\$ 139,163	\$ 637,440	78.2%	\$ 857,010	\$ 131,691	\$ 545,712	63.7%	\$ 311,298
Street Improvement Fund Expenditures	847,876	100,302	580,081	68.4%	1,186,498	104,101.04	759,815	64.0%	426,683
Revenues Over (Under) Expenditures	(32,402)	38,861	57,359		(329,488)	27,590	(214,102)		
Transfers In	112,248	9,354	84,186	75.0%	191,998	16,000	143,999	75.0%	47,999
Transfers (Out)	(151,797)	(12,650)	(113,848)	75.0%	(155,235)	(12,936)	(116,426)	75.0%	(38,809)
Net Change in Fund Balance	(71,951)	35,565	27,697		(292,725)	30,654	(186,530)		
Beginning Fund Balance - October 1	384,656		384,656		312,705		312,705		
Ending Fund Balance - year-to-date	<u>\$ 312,705</u>		<u>\$ 412,353</u>		<u>\$ 19,980</u>		<u>\$ 126,175</u>		
Juvenile Case Manager Fund (18)									
Juvenile Case Manager Fund Revenues	\$ 560	\$ 60	\$ 419	74.8%	\$ 490	\$ 49	\$ 358	73.1%	\$ 132
Juvenile Case Manager Fund Exp	-	-	-	0.0%	7,000	-	-	0.0%	7,000
Revenues Over (Under) Expenditures	560	60	419		(6,510)	49	358		
Beginning Fund Balance - October 1	8,623		8,623		9,183		9,183		
Ending Fund Balance - year-to-date	<u>\$ 9,183</u>		<u>\$ 9,042</u>		<u>\$ 2,673</u>		<u>\$ 9,541</u>		
Park Recovery/Donation Fund (41)									
Park Rec/Donation Fund Revenues	\$ 5,336	\$ 123	\$ 613	11.5%	\$ 5,625	\$ 182	\$ 36,044	640.8%	\$ (30,419)
Park Rec/Donation Fund Expenditures	7,604	1,707	358	4.7%	7,853	-	7,752	98.7%	101
Revenues Over (Under) Expenditures	(2,268)	(1,584)	255		(2,228)	182	28,292		
Beginning Fund Balance - October 1	(67)		(67)		(2,335)		(2,335)		
Ending Fund Balance - year-to-date	<u>\$ (2,335)</u>		<u>\$ 188</u>		<u>\$ (4,563)</u>		<u>\$ 25,957</u>		

CITY OF KENNEDALE MONTHLY FINANCIAL REPORT
Month Ended June 30, 2024

OTHER FUNDS - <i>continued</i>									
Fund / Description	PRIOR YEAR FY2023				CURRENT YEAR FY2024				
	Actual for Year	Current Month	Year To Date	% Received/ Expended YTD	Approved Budget	Current Month	Year To Date	% Received/ Expended YTD	Remaining Budget
Grant Fund Fund (40)									
Grant Fund Revenues				N/A	\$ 675,000	\$ 10,231	\$ 54,958	8.1%	\$ 620,042
Grant Fund Expenditures				N/A	675,000	3	545,110	80.8%	129,890
Revenues Over (Under) Expenditures	-	-	-		-	10,228	(490,152)		
Beginning Fund Balance - October 1	-		-		-		-		
Ending Fund Balance - <i>year-to-date</i>	<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ (490,152)</u>		
Tree Restoration Fund (83)									
Tree Restoration Fund Revenues	\$ 7,429	\$ 2,279	\$ 6,498	87.5%	\$ 6,550	\$ 324	\$ 2,288	34.9%	\$ 4,262
Tree Restoration Fund Expenditures	-	-	-	0.0%	-	-	-	0.0%	-
Revenues Over (Under) Expenditures	7,429	2,279	6,498		6,550	324	2,288		
Beginning Fund Balance - October 1	71,535		71,535		78,964		78,964		
Ending Fund Balance - <i>year-to-date</i>	<u>\$ 78,964</u>		<u>\$ 78,033</u>		<u>\$ 85,514</u>		<u>\$ 81,252</u>		
Unclaimed Property Fund (85)									
Unclaimed Property Fund Revenues	\$ 18	\$ -	\$ 18	100.0%	\$ 20	\$ -	\$ -	0.0%	\$ 20
Unclaimed Property Fund Expenditures	-	-	-	0.0%	-	-	-	0.0%	-
Revenues Over (Under) Expenditures	18	-	18		20	-	-		
Transfers (Out)	0	-	-	0.0%	0	-	-	0.0%	0
Net Change in Fund Balance	18	-	18		20	-	-		
Beginning Fund Balance - October 1	316		316		334		334		
Ending Fund Balance - <i>year-to-date</i>	<u>\$ 334</u>		<u>\$ 334</u>		<u>\$ 354</u>		<u>\$ 334</u>		

CITY OF KENNEDALE MONTHLY FINANCIAL REPORT
Month Ended June 30, 2024

EDC FUNDS									
Fund / Description	PRIOR YEAR FY2023				CURRENT YEAR FY2024				
	Actual for Year	Current Month	Year To Date	% Received/ Expended YTD	Approved Budget	Current Month	Year To Date	% Received/ Expended YTD	Remaining Budget
EDC Fund (15)									
EDC Fund Revenues	\$ 1,178,119	\$ 90,748	\$ 685,559	58.2%	\$ 1,093,807	\$ 95,032	\$ 1,059,990	96.9%	\$ 33,817
EDC Fund Expenditures									
Operations Expenditures	560,637	38,251	388,686	69.3%	714,406	39,051	562,492	78.7%	151,914
Debt Service Expenditures	301,233	5,139	287,431	95.4%	309,200	5,160	296,738	96.0%	12,462
Town Shopping Center Expenditures	73,091	7,136	57,358	78.5%	338,461	5,601	140,051	41.4%	198,410
Total EDC Fund Expenditures	934,961	50,526	733,475	78.4%	1,362,067	49,811	999,281	73.4%	362,786
Revenues Over (Under) Expenditures	243,158	40,223	(47,916)		(268,260)	45,220	60,709		
Transfers (Out)	(56,124)	(4,677)	(42,093)	75.0%	(61,520)	(5,127)	(46,140)	75.0%	(15,380)
Net Change in Fund Balance	187,034	35,546	(90,009)		(329,780)	40,094	14,569		
Beginning Fund Balance - October 1	2,005,520		2,005,520		2,192,554		2,192,554		
Ending Fund Balance - year-to-date	\$ 2,192,554		\$ 1,915,511		\$ 1,862,774		\$ 2,207,123		
Average Daily Annual Expenditures	\$ 2,715				\$ 3,900				
Days of Fund Balance	807		705		478		566		
EDC Bond Reserve Fund (95)									
EDC Bond Reserve Fund Revenues	\$ 4,350	\$ 504	\$ 2,652	61.0%	\$ 2,800	\$ 539	\$ 4,195	149.8%	\$ (1,395)
EDC Bond Reserve Fund Expenditures	0	-	-	0.0%	0	-	-	0.0%	0
Revenues Over (Under) Expenditures	4,350	504	2,652		2,800	539	4,195		
Beginning Fund Balance - October 1	126,575		126,575		130,925		130,925		
Ending Fund Balance - year-to-date	\$ 130,925		\$ 129,227		\$ 133,725		\$ 135,120		

STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: JULY 15, 2024

AGENDA ITEM NUMBER: REPORTS AND ANNOUNCEMENTS ITEM IV.A.3.a.

SUBJECT
Quarterly Investment Report

ORIGINATED BY

SUMMARY

RECOMMENDATION

ATTACHMENTS

1.	Quarter 3 - June 30, 2024 - Quarterly Investment Report	Quarter 3 - June 30, 2024 - Quarterly Investment Report.docx
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INVESTMENT REPORT

For The Quarter Ended

June 30, 2024

INVESTMENT REPORT

For The Quarter Ended June 30, 2024

The information within comprises the quarterly investment report for the City of Kennedale, Texas. The under-signed acknowledge that the City's investment portfolio has been and is in compliance with the policies and strategies contained in the City's Investment Policy as approved by City Council in December 2023 for the City of Kennedale and is also in compliance with the requirements of the Public Funds Investment Act of the State of Texas.

Jonathan Horton, Director of Finance

Darrell Hull, City Manager

City of Kennedale Investment Report For Quarter Ended June 30, 2024

This report presents an overview of the City's investment portfolio. It shows how the portfolio is structured and how it performed during the quarter.

Investment Objectives

The objectives of the City's investment policy are safety, liquidity, yield and public trust.

Authorized Investments

The City's Investment Policy allows various types of investments with varying maturity dates to diversify the funds invested. Following are the investment types allowed and the parameters for each.

INVESTMENT TYPES AND PARAMETERS – BOOK VALUE

Investment Types	Portfolio % Parameters	Portfolio % as of March 31, 2024
Bank Depository Accounts	--	1.11%
Certificates of Deposit	50%	0.00%
State of Texas Obligations/Agencies	100%	0.00%
State and Local Agency Coupons	25%	0.00%
Local Govt Investment Pools	100%	46.63%
Money Market Funds	100%	0.00%
Repurchase Agreements	50%	0.00%
US Treasury and Agency Callables	25%	0.00%
US Govt Agencies & Instruments	100%	27.22%
US Treasury Notes/Bills	100%	25.04%

Investment Portfolio Balance

The total book value of the City's portfolio at the end of the quarter was \$38,645,919.19.

The City currently has investment products with four institutions: Frost Brokerage, RW Baird and Company (Baird), TexPool, and TexStar. The operating account, which is not interest bearing, is with Wells Fargo. The bulk of our tax deposits go directly into our account at TexPool. Funds are transferred to our operating account as-needed. TexStar serves as an alternative pool account. Frost Brokerage holds a money market account fully invested in Fidelity's Government Money Market Fund, CUSIP FZBXX, and has a series of Treasury Bills (T-Bills). T-Bills are purchased in three different tranches, with staggered maturity dates, designed to shield the City against rate fluctuations. Baird holds investments in twelve different bonds,

three of which are Treasury Notes. Eight bonds are United States Government Agencies. Three of the bonds have with maturity dates at least two years from the date of this report. The remaining bond funds are in a federally backed reserve account.

Details of the portfolio are presented in the following tables:

		For the Quarter Ended 6/30/2024					
Institution	Account Type	Beginning Balance	Additions and Withdrawals - Net	Realized Income	Ending Balance (Book)	Unrealized Income	Ending Balance (Market)
TexPool	Pooled Funds	\$ 20,318,648.60	\$ (2,933,402.95)	\$ 255,393.16	\$ 17,640,638.81	\$ -	\$ 17,640,638.81
TexStar	Pooled Funds	374,661.42		4,980.16	379,641.58	-	379,641.58
Frost Brokerage	Money Market	10,320.55	3,404,914.99	2,306.91	3,417,542.45	-	3,417,542.45
Frost Brokerage	Bonds	9,999,378.24	(3,365,357.91)	72,037.98	6,706,058.31	89,447.52	6,795,505.83
RW Baird & Co	Money Market	14.91	(1,103.34)	2,315.35	1,226.92	-	1,226.92
RW Baird & Co	Bonds	9,999,985.09	1,103.34	70,667.01	10,071,755.44	(20,767.29)	10,050,988.15
WF Operating	DDA	836,113.10	(410,208.33)	-	425,904.77	-	425,904.77
WF EHB Trust	DDA	2,240.27	900.00	10.64	3,150.91	-	3,150.91
Total Investment Activity		\$ 41,541,362.18	\$ (3,303,154.20)	\$ 407,711.21	\$ 38,645,919.19	\$ 68,680.23	\$ 38,714,599.42

		Fiscal Year To Date 6/30/2024					
Institution	Account Type	Beginning Balance	Additions and Withdrawals - Net	Realized Income	Ending Balance (Book)	Unrealized Income	Ending Balance (Market)
TexPool	Pooled Funds	\$ 34,502,586.37	\$ (17,889,678.35)	\$ 1,027,730.79	\$ 17,640,638.81	\$ -	\$ 17,640,638.81
TexStar	Pooled Funds	364,824.03	-	14,817.55	379,641.58	-	379,641.58
Frost Brokerage	Money Market	3,120,314.28	248,003.37	49,224.80	3,417,542.45	-	3,417,542.45
Frost Brokerage	Bonds	-	6,634,020.33	72,037.98	6,706,058.31	89,447.52	6,795,505.83
RW Baird & Co	Money Market	-	(1,088.43)	2,315.35	1,226.92	-	1,226.92
RW Baird & Co	Bonds	-	10,001,088.43	70,667.01	10,071,755.44	(20,767.29)	10,050,988.15
WF Operating	DDA	339,115.01	86,789.76	-	425,904.77	-	425,904.77
WF EHB Trust	DDA	433.07	2,699.56	18.28	3,150.91	-	3,150.91
Total Investment Activity		\$ 38,327,272.76	\$ (918,165.33)	\$ 1,236,811.76	\$ 38,645,919.19	\$ 68,680.23	\$ 38,714,599.42

The Wells Fargo Consolidated Operating Cash account is non-interest bearing.

Collateral

The City's depository bank shall comply with Chapter 2257 of the Government Code, Collateral for Public Funds, as required by the City's bank depository contract. The market value of the 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). The City receives a detailed collateral report each month.

The TexPool and TexStar funds are collateralized at the entire fund level by the entities that manage the funds.

Upcoming Action

Frost Brokerage:

Continue to review maturing bonds as those funds relate to future cash needs. With a staggered maturity of 90 days, three bonds will mature every quarter. At this time we are planning to move forward with another round of bond purchases.

MEETING DATE: JULY 15, 2024

AGENDA ITEM NUMBER: CONSENT AGENDA ITEM IV. B.

SUBJECT

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. June 18, 2024, City Council Meeting Minutes
2. June 25, 2024, City Council Special Meeting Minutes
3. Appointment of Dustin Verona to Place 5 of the Economic Development Corporation.
4. Appointment of Linda Rhodes to Place 4 of the Board of Adjustment.
5. Appointment of Pat Vadar to Chair of the Board of Adjustment.

ORIGINATED BY

City Staff

SUMMARY

The consent agenda requires little or no deliberation. The Council may choose to remove an item from the consent agenda listing to a discussion item.

Per Direction from the City Council we were able to contact Mr. Pat Vadar who has agreed to serve as the Chair of the Board of Adjustment. Mr. Dustin Verona and Ms. Linda Rhodes also appear as appointments at the direction of the city council.

RECOMMENDATION

Approval of the consent agenda.

ATTACHMENTS

6.18.24 Minutes

6.25.24 Minutes

Dustin Verona Application

Linda Rhodes Application



KENNEDALE CITY COUNCIL MINUTES

REGULAR MEETING | JUNE 18, 2024 AT 5:30 PM

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

I. CALL TO ORDER

A. ROLL CALL

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

Mayor Horton, Mayor Pro Tem Michels, Place 1 Glover, Place 4 Gary, and Place 5 Nevarez were in attendance thus constituting a quorum.

The City Manager, City Secretary, department directors, and various other staff were also present.

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

Pastor Eric Armstrong led the invocation. Mayor Pro Tem Michels led the Pledges to the American and Texas Flags.

II. PRESENTATIONS

A. Proclamation presented to Alex Sterba, Eagle Scout.

State Representative David Cook and the Kennedale City Council presented a Proclamation to Alex Sterba, Eagle Scout

B. Proclamation presented to Coach James "Jet" Teague.

State Representative David Cook and the City of Kennedale Council presented a Proclamation to Coach James "Jet" Teague.

C. Proclamation presented to the Keep Kennedale Beautiful Committee by State Representative David Cook.

State Representative David Cook presented the City with a proclamation in honor of Keep Kennedale Beautiful.

D. Proclamations presented to Mayor Brad Horton, Place 4 Chris Gary, and Place 5 Jeff

Nevarez, by State Representative David Cook.

State Representative David Cook presented proclamations of congratulations to Mayor Brad Horton, Place 4 Chis Gary, and Place 5 Jeff Nevarez.

E. Proclamation presented to Former Mayor Jan Joplin by State Representative David Cook.

State Representative David Cook presented the City with a proclamation honoring Former Mayor Jan Joplin.

III. PUBLIC COMMENT

Sara Johnson, 221 Village St., addressed the City Council regarding upcoming events, including a Holly Tucker Concert, and a Back to School Bash.

Derek Mills, 317 S. Dick Price Rd., addressed the City Council regarding traffic concerns and safety along Dick Price Rd.

IV. REGULAR SESSION

A. REPORTS AND ANNOUNCEMENTS

1. Updates from the City of Kennedale Mayor and City Council

The City Council and Mayor gave updates on items of public interest, including the TML Regional 8 Meeting, the Juneteenth Parade, Memorial Day Services, and a Bike Safety Event.

2. Updates from the City of Kennedale City Manager

No comments were made.

3. Financial Reports for the City and/or the EDC

Finance Director Jonathan Horton reviewed City financials with the Council.

B. CONSENT AGENDA

1. May 21, 2024, Regular City Council Minutes

2. April 15, 2024, Special City Council Minutes

3. Ordinance 763 Establishing a Records Management Program, Adopting a plan to prescribe policies and procedures consistent with the Local Government Records Act, and Declaring the Office of the City Secretary as the Records Management Officer.

4. Resolution 631 Authorizing Membership in the Atmos Cities Steering Committee

Mayor Pro Tem Michels motioned to approve all consent agenda items.

Place 5 Nevarez seconded the motion.

No oppositions, No abstentions

Vote: The motion carried unanimously: 4-0

C. ITEMS FOR INDIVIDUAL CONSIDERATION, DISCUSSION AND/OR ACTION

1. Resolution 632, a resolution of the City of Kennedale, authorizing publication and posting of notice of intention to issue certificates of obligation to finance the acquisition, construction, renovation, and equipping of various public improvement projects (including street improvements and public safety facilities.)

Andrew Friedman addressed the City by reading the steps in the process of issuing the voter-approved certificates of obligation. Mr. Friedman advised that approval of Resolution 632 is necessary to move forward with the legal process of selling bonds. Mr. Friedman advised that the bond issuance would appear on the August Regular City Council Agenda for final approval.

Place 3 Michels motioned to approve Resolution 632, a resolution of the City of Kennedale, authorizing publication and posting of notice of intention to issue certificates of obligation to finance the acquisition, construction, renovation, and equipping of various public improvement projects (including street improvements and public safety facilities.)

Place 5 Nevarez seconded the motion.

No oppositions, No abstentions

Vote: The motion carried unanimously: 4-0

2. Kennedale's Supervisory Control and Data Acquisition (SCADA) System Upgrade with the City of Arlington.

The City of Arlington provided staff to brief the Council on the status of the Supervisory Control and Data Acquisition System. It was noted that Kennedale's system is no longer supported by windows and if failure were to happen no repairs or parts would be available.

Place 5 Nevarez motioned to approve Kennedale's Supervisory Control and Data Acquisition (SCADA) System Upgrade with the City of Arlington.

Mayor Pro Tem Michels seconded the motion.

No oppositions, No abstentions

Vote: The motion carried unanimously: 4-0

3. Tarrant County 2021 Transportation Bond Program Countywide Initiative to include Kennedale Sublett Rd. Improvement Interlocal Agreement with Shield Engineering and Freese and Nichols.

The City Council and representatives from Freese and Nichols discussed the Tarrant County Commissioners Court-approved 2021 Transportation Bond Program. The Council shared concerns regarding the timeline of the project coming this late to the Council for approval as the bond will be lost if not approved with Council action by September 30, 2024. It was noted that the City obligation for this project would be approximately \$4,800,000.00 with the county providing for an estimated amount of \$5,100.00.00. The Council was also concerned regarding the proposed alignment options for the improvements. The Council suggested that the City Manager bring further information back to the Council prior to approval.

Place 3 Michels motioned to table an Interlocal Agreement with Tarrant County for a countywide Initiative to include Kennedale Sublett Rd. improvements.

Place 4 Gary seconded the motion.

Place 1 Glover and Place 5 Nevarez opposed, No abstentions

Vote: The motion carried with Mayor Horton casting a vote to table the agenda item.: 3-2

4. Project update on Little School Rd. with Freese and Nichols.

Freese and Nicols provided an update on the Little School Rd. project. The Council discussed funding opportunities, proposals, project costs, and grant possibilities. No action was taken at this time.

5. Economic Development Incentive Agreement between the City of Kennedale, Texas, Quick Roofing, LLC and QR Purchasing. LLC.

City Manager Darrell Hull introduced Doug Duffy who is the Certified Public Accountant for Quick Roofing, LLC, and QR Purchasing, LLC. Mr. Duffy advised the Council of the agreement in detail and prior to introducing CEO Eric Armstrong.

City Attorney Carvan E. Atkins suggested that the City Council adjourn into executive session to discuss the matter.

Place 3 Michels motioned to enter executive session 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).

Place 5 Nevarez seconded the motion.

No oppositions, No abstentions

Vote: The motion carried unanimously: 4-0

The City Council Adjourned into Executive Session at 7:55 p.m.

The City Council reconvened into Regular Session at 8:29 p.m.

Mayor Pro Tem Michels motioned to approve an Economic Development Incentive Agreement between the City of Kennedale, Texas, Quick Roofing, LLC, and QR Purchasing. LLC., pending approval by the Economic Development Corporation.

Place 5 Nevarez seconded the motion.

No oppositions, No abstentions

Vote: The motion carried unanimously: 4-0

6. TownCenter Agreement to authorize new construction.

City Manager Hull stated that he had received a proposed agreement however, Mr. Hull advised that the agreement was not received in time to be placed in the City Council packet. Mr. Hull suggested that the item be tabled.

City Attorney Carvan E. Atkins reminded the Council that the development agreement that is currently in place allows for the authorization of new construction.

Place 5 made a motion to table a TownCenter Agreement to authorize new construction.

Mayor Pro Tem Michels seconded the motion.

No oppositions, No abstentions

Vote: The motion carried unanimously: 4-0

7. Safety Improvements at Sonora Park.

Public Works Director Kristian Sugrim discussed updates with the Council for Sonora Park which include lighting and a gate for the entry to the park.

Place 5 made a motion to award both the bid for the gates and the bid for the lighting to Eric Elam in the amount of \$30,300.00.

Mayor Pro Tem Michels seconded the motion.

No oppositions, No abstentions

Vote: The motion carried unanimously: 4-0

8. Plugging and capping two groundwater wells located at P2 (Paluxy) 201 E. Mistletoe Drive and T4 (Trinity) 1121 Border Lane.

Public Work Director Sugrim discussed with the Council the need to plug the two wells advising that per TCEQ regulations, the wells must be taken out of service due to the time that the wells have been unusable. Mr. Sugrim advised that well water is not allowed to be used in any future development.

Place 1 Glover made a motion to approve plugging and capping two groundwater wells located at P2 (Paluxy) 201 E. Mistletoe Drive and T4 (Trinity) 1121 Border Lane.

Place 4 Chris Gary seconded the motion.

No oppositions, No abstentions

Vote: The motion carried unanimously: 4-0

9. Appointment of the Mayor Pro Tem.

Place 1 Glover made a motion to nominate Mayor Pro Tem Michels to serve another term as Mayor Pro Tem.

Place 5 Nevarez seconded the motion.

No oppositions, No abstentions

Vote: The motion carried unanimously: 4-0

V. EXECUTIVE SESSION

CONSULTATION WITH THE CITY ATTORNEY PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE.

PERSONNEL MATTERS PURSUANT TO SECTION 551.074, TEXAS

GOVERNMENT CODE.

City Board Appointments
City Manager Contract

**DELIBERATION REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS
PURSUANT TO SECTION 551.087, TEXAS GOVERNMENT CODE.**

Economic Development Incentive Agreement between the City of Kennedale, Texas,
Quick Roofing, LLC, and QR Purchasing. LLC.

The City Council adjourned into executive session at 9:01 p.m.

**VI. RECONVENE INTO OPEN SESSION, AND TAKE ANY ACTION NECESSARY
PURSUANT TO EXECUTIVE SESSION.**

The Council reconvened into regular session at 10:16 p.m.

Place 5 Nevarez made a motion to appoint the following to various City boards:

Jeff Nevarez Economic Development Corporation Place 4
Brad Horton TownCenter Committee Place 3
Chris Gary TownCenter Committee Place 5
Kenneth Michels Keep Kennedale Beautiful Place 3

Place 1 Glover seconded the motion.

No oppositions, No abstentions

Vote: The motion carried unanimously: 4-0

VII. ADJOURNMENT

Mayor Pro Tem Michels motioned to adjourn the meeting.

Place 4 Gary seconded the motion.

There being no further business the Mayor adjourned the meeting at 10:17 p.m.

APPROVED:

ATTEST:

MAYOR BRAD HORTON

CITY SECRETARY BOBBIE JO TAYLOR



KENNEDALE CITY COUNCIL MINUTES

**SPECIAL MEETING | JUNE 25, 2024 AT 5:30 PM
CITY HALL COUNCIL CHAMBERS | 405 MUNICIPAL DRIVE, KENNEDALE, TX 76060**

I. CALL TO ORDER

A. ROLL CALL

Mayor Horton called the meeting to order at 5:32 p.m.

Mayor Horton, Mayor Pro Tem Michels, Place 1 Glover, Place 4 Gary, and Place 5 Nevarez were in attendance, thus constituting a quorum.

The City Manager, City Secretary, department directors, and various other staff were also present.

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

Place 5 Nevarez led the invocation, followed by the reciting of the American and Texas flags led by Mayor Pro Tem Michels.

II. PUBLIC COMMENT

A. PUBLIC COMMENT

Tamico Sargent, addressed City Council Place 2 Elect Thelma Kobeck requesting that she represent the city fairly while welcoming Ms. Kobeck to the City Council.

III. ITEMS FOR INDIVIDUAL CONSIDERATION, DISCUSSION, AND/OR ACTION

A. Election Business

1. Consideration of and action on the Certification of Election Returns.

Mayor Horton read aloud the Certified Election Results and asked for a motion to approve the Election Returns.

Place 5 Nevarez made a motion to approve the Certified Election Returns.

Place 1 Michels seconded the motion.
No oppositions, No abstentions

Vote: The motion carried unanimously: 4-0

2. Consideration of and action on the approval of Ordinance 765, an Ordinance of the City of Kennedale Texas, certifying the election results of the June 15, 2024, Runoff Elections.

Place 1 Glover motioned to approve Ordinance 765, an Ordinance of the City of Kennedale Texas, certifying the election results of June 1, 2024, Run Off Election.

Mayor Pro Tem Michels seconded the motion.

No oppositions, No abstentions

Vote: The motion carried unanimously: 4-0

3. Swearing-in of newly elected City of Kennedale Place Two.

Place 2 Elect Thelma Kobeck was issued the Oath of Office and the Statement of Elected Official prior to being sworn into office by the City Secretary.

IV. EXECUTIVE SESSION

None

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

None

VI. ADJOURNMENT

Place 2 Kobeck motioned to adjourn the meeting.

Place 5 Nevarez seconded the motion.

There being no further business, Mayor Horton adjourned the meeting at 5:43 p.m.

APPROVED:

ATTEST:

MAYOR BRAD HORTON

CITY SECRETARY BOBBIE JO TAYLOR

Bobbie Jo Taylor

From: noreply@civicplus.com
Sent: Tuesday, May 28, 2024 2:44 PM
To: [REDACTED]
Subject: Online Form Submittal: Application to Serve on an Advisory Board, Commission, or Council Seat

Follow Up Flag: Follow up
Flag Status: Flagged

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Application to Serve on an Advisory Board, Commission, or Council Seat

Thank you for your interest in serving your community. Input from residents is key to the success of any city.

Appointments are at the sole discretion of the [City Council](#). Typically, applications are evaluated during late summer and appointments are made at Council's regular meeting in September. This schedule may be adapted as needed. Additionally, if there are vacancies, sometimes appointments are made out of cycle.

Please apply at any time, and the [City Secretary's Office](#) will keep your application on file until the next appointment opportunity. Not all fields are required. However, applicants are encouraged to provide complete information. Council reserves the right to remove from consideration any incomplete application.

Please review all eligibility requirements and ensure that your schedule allows for you to attend your board's regular meetings. Visit cityofkennedale.com/boards to find links to each board, which include information about their regular meeting schedule.

Eligibility Requirements (Charter §8.01)

Each member of the Boards and Commissions that are advisory to and appointed by the Council shall meet the following qualifications:

- (1) Be a registered voter of the City;
 - (2) shall have resided in the City for one year, and
 - (3) continue residency in the City during the term of office.
-

Additional requirements for City Council Seats can be found in the [Home Rule Charter](#). Please read prior to selecting this option.

ELIGIBILITY REQUIREMENTS

How long have you been a resident of the City of Kennedale? 9 years

Are you a registered voter in the City of Kennedale? Yes

(Section Break)

PERSONAL INFORMATION

First Name DUSTIN

Last Name VERONA

Preferred Name or Nickname, if any *Field not completed.*

Age (optional) *Field not completed.*

Home Address

City KENNEDALE

State TX

ZIP Code 76060

Mailing Address (if different) *Field not completed.*

City *Field not completed.*

State *Field not completed.*

ZIP Code *Field not completed.*

Primary Phone #

Alternate Phone # *Field not completed.*

Email

Alternate Contact *Field not completed.*

(Section Break)

Please choose the board(s) on which you'd like to serve.	Economic Development Corporation (EDC)
--	--

I am applying as a(n):	New Member (I do not currently serve on a board, or would like to be considered for a different board.)
------------------------	---

Applicants are encouraged to familiarize themselves with the following documents:

Comprehensive Land Use Plan	Download
-----------------------------	--------------------------

Strategic Plan	Download
----------------	--------------------------

Board Member Handbook	Download
-----------------------	--------------------------

(Section Break)

Please select your level of education	Associate Degree
---------------------------------------	------------------

College or University Attended	TEXAS STATE TECHNICAL COLLEGE (TSTC)
--------------------------------	--------------------------------------

Field of Study and Degree Received	DRAFTING & DESIGN
------------------------------------	-------------------

Graduation Year	2004
-----------------	------

Additional College or University, if any	<i>Field not completed.</i>
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Field of Study & Degree Received	<i>Field not completed.</i>
----------------------------------	-----------------------------

Graduation Year	<i>Field not completed.</i>
-----------------	-----------------------------

(Section Break)

Current Employer/Company Name	LAKE OF DALLAS INC.
-------------------------------	---------------------

Position/Title	PRESIDENT/OWNER
----------------	-----------------

Field/Type of Work	3D CAD MODELING/DRAFTING
--------------------	--------------------------

(Section Break)

Provide a Brief Biography	My Name is Dustin Verona. I have been married 11 years to my Beautiful wife Amanda. We have an 18 year old daughter, Cadence, and an 8 year old son, Lincoln. We have been Citizens of Kennedale since 2015. I have been a part of a 3D
---------------------------	---

CAD company (Lake of Dallas Inc.) and in the structural steel fabrication industry for 20 years. I began working for this company as a temp one month after graduating college in 2004. In 2015, I took the role of ownership and have been thriving as a self employed/small business owner ever since.

Add any additional comments that you feel may assist City Council in a selection.

I don't want to just sit back and give unheard opinions and criticism on what others should do or be doing anymore. I want to get involved and stop talking about it, but being about it. My hopes are to bring fresh and modern ideas and opinions to the table and be a city team member, if they will have me.

Please attach your resume.

[Resume of Dustin Verona.pdf](#)

DIGITAL SIGNATURE

Dustin Verona

Email not displaying correctly? [View it in your browser.](#)

Dustin Verona

Kennedale, Texas 76060

OBJECTIVE:

To grow in a dynamic professional environment, with driven individuals, and utilize my creativity and innovative thinking for benefit of the organization and myself.

EDUCATION

June 2001 - May 2004

Associate of Applied Science Degree in Drafting and Design Technology

Texas State Technical College - Waco, Texas (Mechanical Option)

Specialized classes in:

***Computer-Aided Drafting using Auto Cad**

***3-D Applications using Inventor and Mechanical Desktop**

***Process Piping**

***Printed Circuit Board Design**

***Board Drafting & Orthographic Projection**

***SDS2**

August 1997 - May 2001

La Vega High School, Waco, Texas-Graduate

EMPLOYMENT

October 2004 - Present

Lake of Dallas Engineering - Dallas, Texas

Position: President/Owner, Lead Structural Steel Draftsmen/Project Estimator

Job duties:

***Project Lead & Expeditor of all new jobs.**

***Interpreting engineered design drawings & project standards.**

***Creating 3D models - Projects consist of structural steel platforms, pipe racks, stairs, handrails & ladders. (Metric & Imperial)**

***Creating shop drawings, transmittals, material lists, erection sheets, P2P bolt lists & summaries.**

***Business Finances/Payroll**

SPECIAL SKILLS

Microsoft Word, Excel, Power Point, Outlook, PDF, Imaging, 10-key, Quick Books

HONORS

President's Honor Roll 2003 - 2004

REFERENCES

Randy Lewis – Larco Fabrication –

Brent Williams – Lake Country Avionics –

Bobbie Jo Taylor

From: noreply@civicplus.com
Sent: Tuesday, June 18, 2024 6:49 AM
To: [REDACTED]
Subject: Online Form Submittal: Application to Serve on an Advisory Board, Commission, or Council Seat

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Application to Serve on an Advisory Board, Commission, or Council Seat

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Please review all eligibility requirements and ensure that your schedule allows for you to attend your board's regular meetings. Visit cityofkennedale.com/boards to find links to each board, which include information about their regular meeting schedule.

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Each member of the Boards and Commissions that are advisory to and appointed by the Council shall meet the following qualifications:

- (1) Be a registered voter of the City;
- (2) shall have resided in the City for one year, and
- (3) continue residency in the City during the term of office.

Additional requirements for City Council Seats can be found in the [Home Rule Charter](#). Please read prior to selecting this option.

ELIGIBILITY REQUIREMENTS

How long have you been a resident of the City of Kennedale? 20+ years

Are you a registered voter in the City of Kennedale? Yes

(Section Break)

PERSONAL INFORMATION

First Name Linda

Last Name Rhodes

Preferred Name or Nickname, if any *Field not completed.*

Age (optional) *Field not completed.*

Home Address

City Kennedale

State TX

ZIP Code 76060

Mailing Address (if different) *Field not completed.*

City *Field not completed.*

State *Field not completed.*

ZIP Code *Field not completed.*

Primary Phone #

Alternate Phone # *Field not completed.*

Email

Alternate Contact *Field not completed.*

(Section Break)

Please choose the board(s) on which you'd like to serve. Board of Adjustment/Building Board of Appeals (BOA/BBA)

I am applying as a(n): New Member (I do not currently serve on a board, or would like to be considered for a different board.)

Applicants are encouraged to familiarize themselves with the following documents:

Comprehensive Land Use Plan [Download](#)

Strategic Plan [Download](#)

Board Member Handbook [Download](#)

(Section Break)

Please select your level of education *Field not completed.*

College or University Attended *Field not completed.*

Field of Study and Degree Received *Field not completed.*

Graduation Year *Field not completed.*

Additional College or University, if any *Field not completed.*

Field of Study & Degree Received *Field not completed.*

Graduation Year *Field not completed.*

(Section Break)

Current Employer/Company Name *Field not completed.*

Position/Title *Field not completed.*

Field/Type of Work *Field not completed.*

(Section Break)

Provide a Brief Biography *Field not completed.*

Add any additional comments that you feel may assist City Council in a selection. Interested only in the vacated regular voting member place 4 seat on the BOA.

Please attach your resume. *Field not completed.*

DIGITAL SIGNATURE

Linda Rhodes

Email not displaying correctly? [View it in your browser.](#)

STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: JULY 15, 2024

AGENDA ITEM NUMBER: REGULAR SESSION ITEM IV.C.

SUBJECT
ITEMS FOR INDIVIDUAL CONSIDERATION, DISCUSSION AND/OR ACTION

ORIGINATED BY

SUMMARY

RECOMMENDATION

ATTACHMENTS



STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: JULY 15, 2024

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

SUBJECT
Discuss and consider action to approve proposed new water and wastewater rates as presented in the 2024 Water and Wastewater Rate Study and Financial Forecast.

ORIGINATED BY

SUMMARY

RECOMMENDATION

ATTACHMENTS

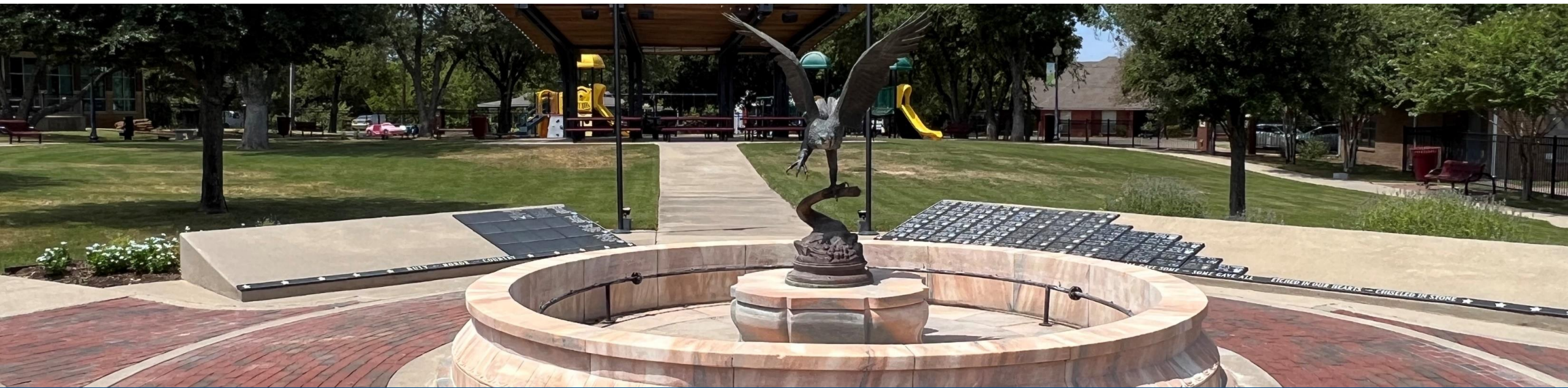
1.	2024 07 City Council Presentation	2024 07 City Council Presentation.pdf
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YOU'RE HERE  YOUR HOME

2024 Water & Wastewater Rate Study & Financial Forecast

July 15, 2024



Agenda



01 Background on Rates

02 Customers & Volumes

03 Cost of Service

04 Preliminary Proposed Rate Plan

05 Summary

The background image shows industrial machinery, possibly a pump or compressor system, with large pipes, valves, and a motor. The entire image is covered with a semi-transparent blue overlay. The text "BACKGROUND ON RATES" is centered in white, bold, uppercase letters.

BACKGROUND ON RATES

Water and Wastewater Rate Trends



- Average utility has been increasing rates 5-6% per year; trend expected to continue
- AWWA expects water and wastewater rates across USA to triple in the next 15 years
- Rate adjustments are primarily due to reasons beyond a utility's control – inflation, system replacement, etc.
- 30-40% of utilities currently charge rates that do not cover their costs



Water and Wastewater Rate History



- City has not adjusted water and wastewater rates since 2018
- Arlington provides water supply (partial), wastewater treatment, customer billing, water & wastewater operation
- Combination of several factors is resulting in the need for a new long-term rate plan
 - Operating expenses continue to increase
 - Fort Worth charges increasing
 - Need to fund capital improvements through debt (2023 Debt Issue) and rates



Current Water Rates



	SF Residential	Senior/Disabled Residential	Commercial/ Industrial	Multi Res/Comm*
Base Charge by Meter Size				
¾"	\$ 20.00	\$ 12.50	\$ 26.00	\$ 20.00
1"	43.34	35.84	43.34	43.34
1½"	86.58	79.08	86.58	86.58
2"	138.58	131.08	138.58	138.58
3"	260.00	252.50	260.00	260.00
4"	433.42	425.92	433.42	433.42
Volume Rate (per kGal)				
0 – 5kGal	\$ 2.75	\$ 2.75	\$ 2.75	\$ 2.75
5 – 20kGal	5.36	5.36	5.36	5.36
20 – 50kGal	6.70	6.70	6.70	6.70
>50kGal	6.70	6.70	8.38	6.70

*Multi Res/Commercial currently billed by meter size rather than per unit.

Current Wastewater Rates

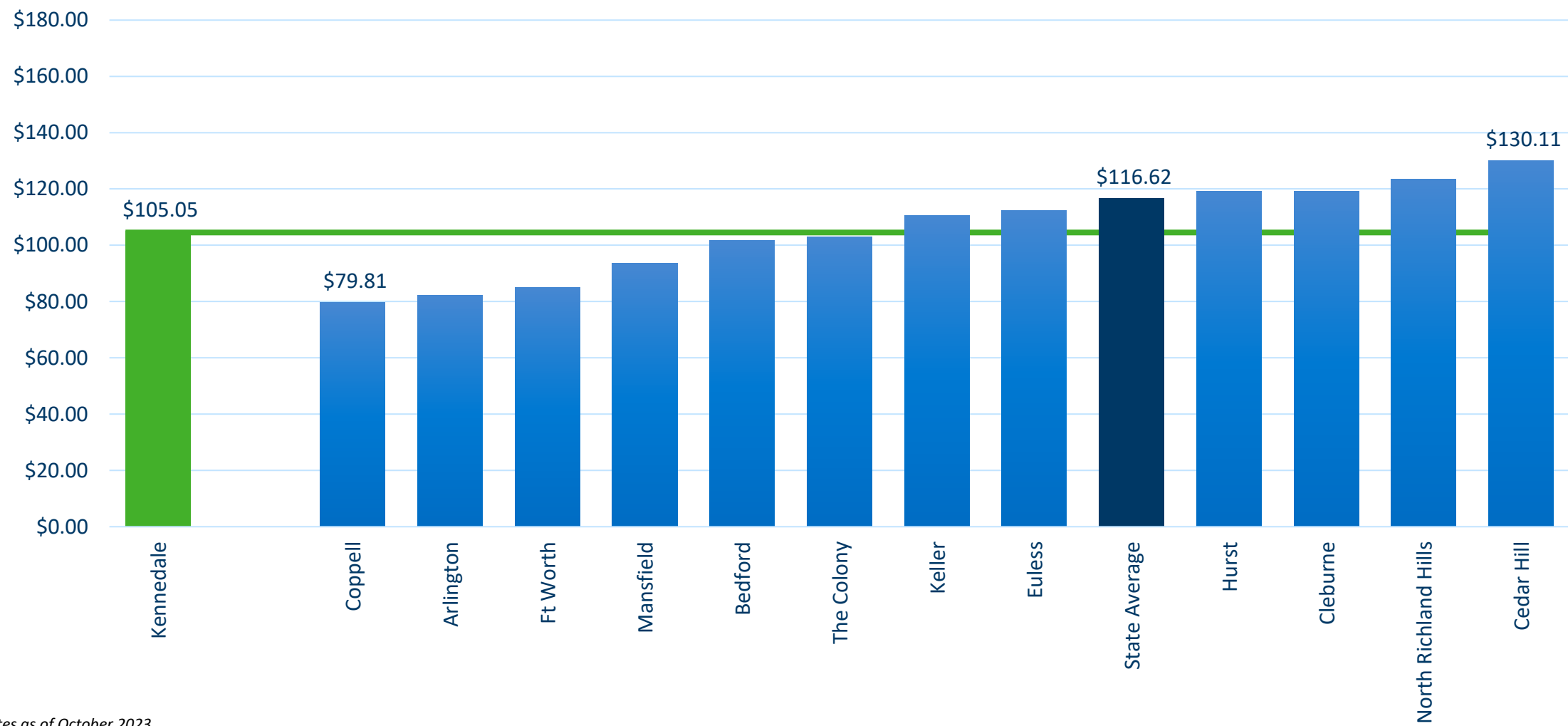


	Residential	Senior/Disabled Residential	Commercial	Industrial
Base Charge				
All Meter Sizes	\$ 30.00	\$ 22.50	\$ 55.00	\$ 55.00
Volume Rate (per kGal)				
All Volume	\$ 2.90*	\$ 2.90*	\$ 6.72	\$ 4.50

**Residential wastewater volume is calculated annually using a winter average method.*



Residential Charges Comparison | 10kGal W & 5kGal WW



*Rates as of October 2023

PRELIMINARY & SUBJECT TO CHANGE



The background image shows industrial equipment, including large pipes, valves, and a motor, all overlaid with a semi-transparent blue filter. The text 'CUSTOMERS & VOLUMES' is centered in white.

CUSTOMERS & VOLUMES

Test Year Accounts



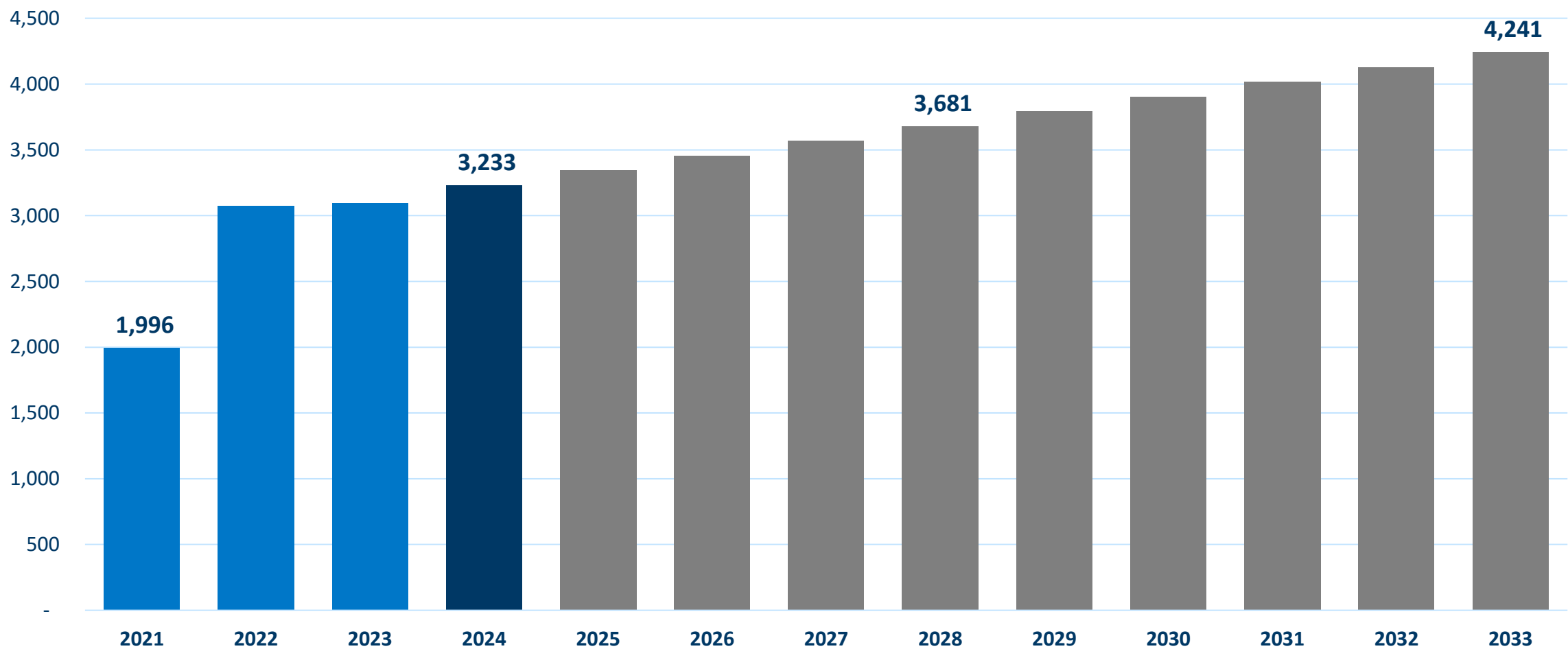
Water Customer Accounts		
TYPE	NUMBER	PERCENTAGE
Residential	2,737	85%
Senior/Disabled	61	2%
Commercial	280	9%
Industrial	32	1%
Multi-Residential	78	2%
Fire	4	0%
Institutional	29	1%
Construction	12	0%
TOTAL	3,233	100%

Wastewater Customer Accounts		
TYPE	NUMBER	PERCENTAGE
Residential	2,623	88%
Senior/Disabled	56	2%
Commercial	188	6%
Industrial	30	1%
Multi-Residential	73	2%
Institutional	22	1%
Builder	1	0%
TOTAL	2,993	100%

Actual & Forecast Total Water Accounts

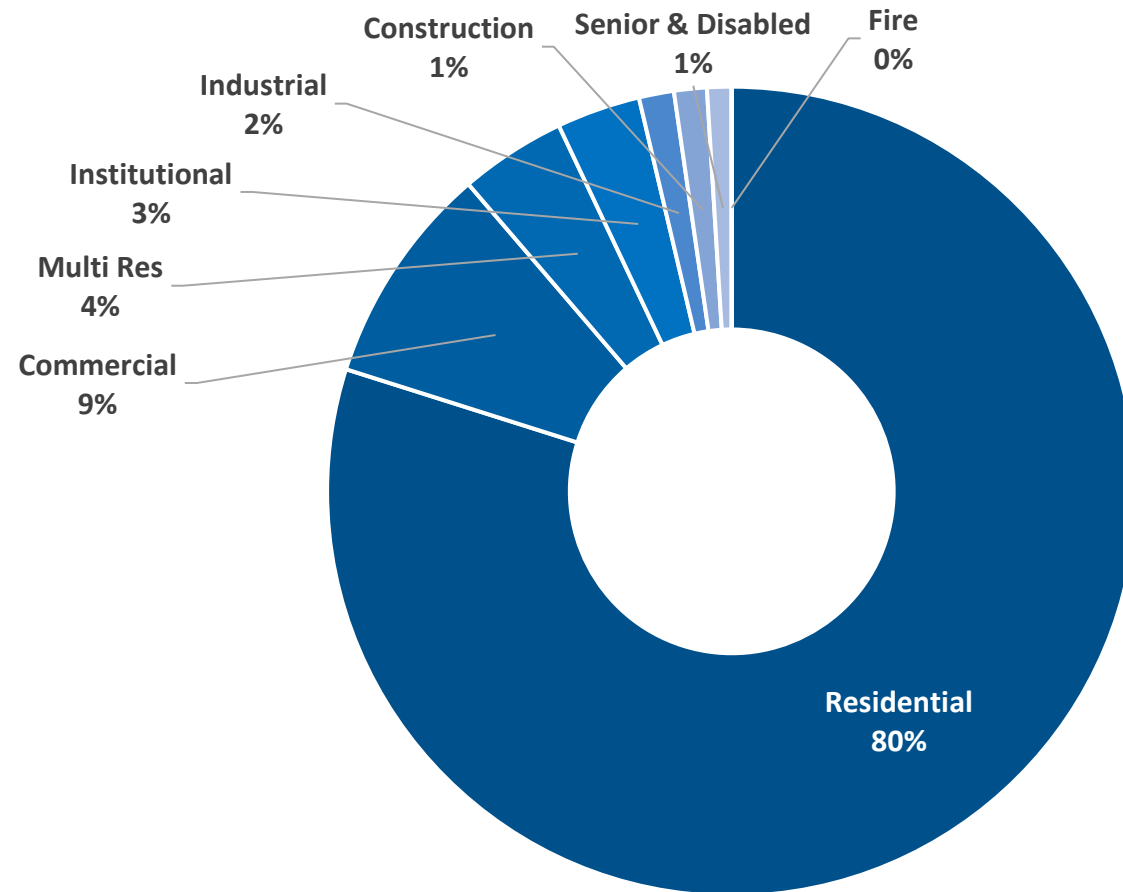


Average: 100 new accounts/year



PRELIMINARY & SUBJECT TO CHANGE

Test Year Water Consumption



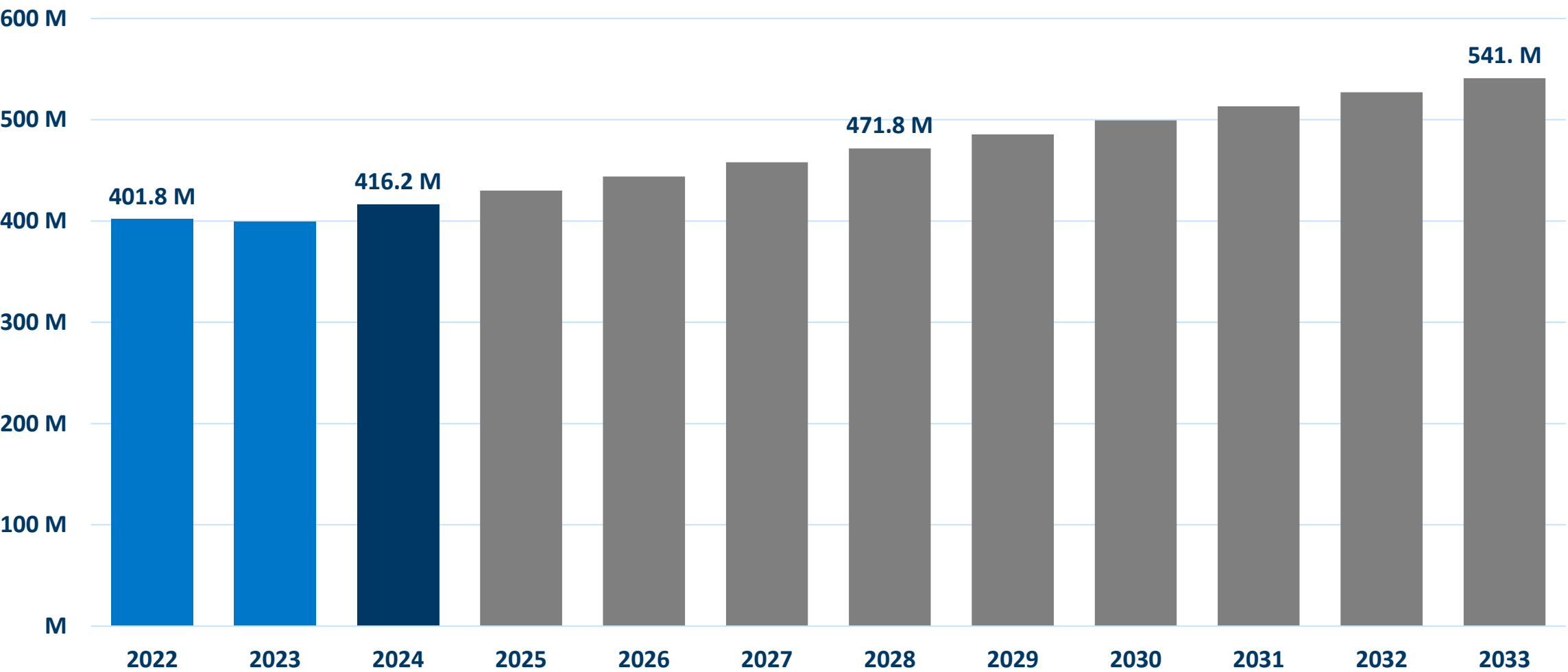
**Average Residential
Use/Month:
10,123 Gallons**

**Total Annual Use:
416.2M Gallons**

Actual & Forecast Billed Water Consumption



Average annual increase ranging from 2.8% - 3.6% based on account growth



PRELIMINARY & SUBJECT TO CHANGE

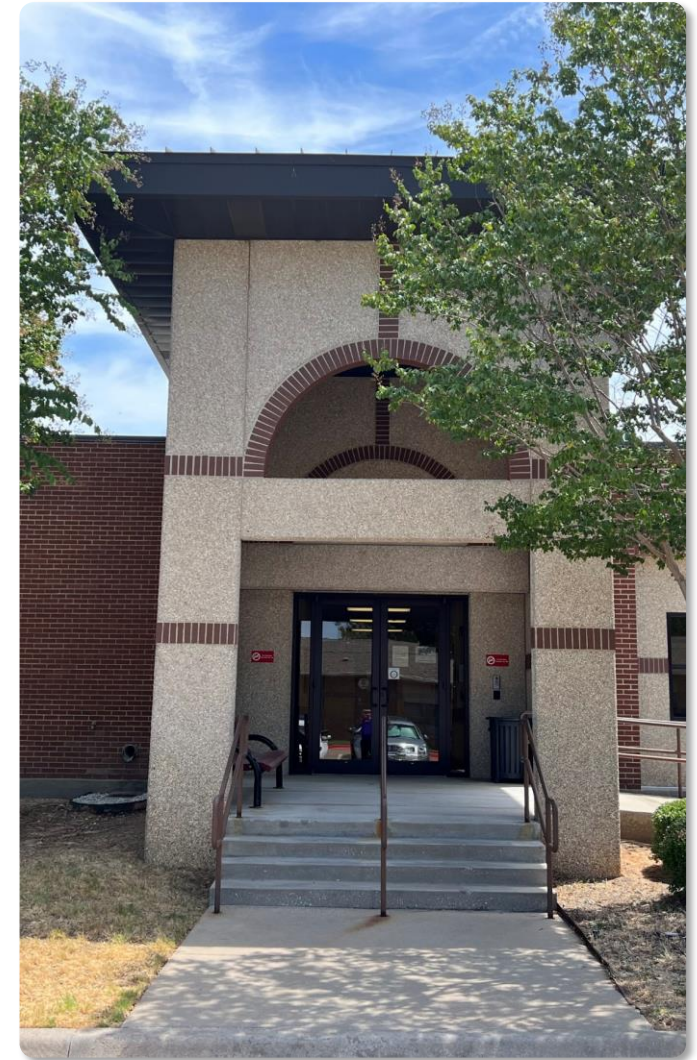


The background image shows industrial machinery, possibly a water treatment or manufacturing plant, with large pipes, valves, and a motor. The entire image is covered with a semi-transparent blue overlay. The text "COST OF SERVICE" is centered in white, bold, sans-serif font.

COST OF SERVICE

Key Assumptions

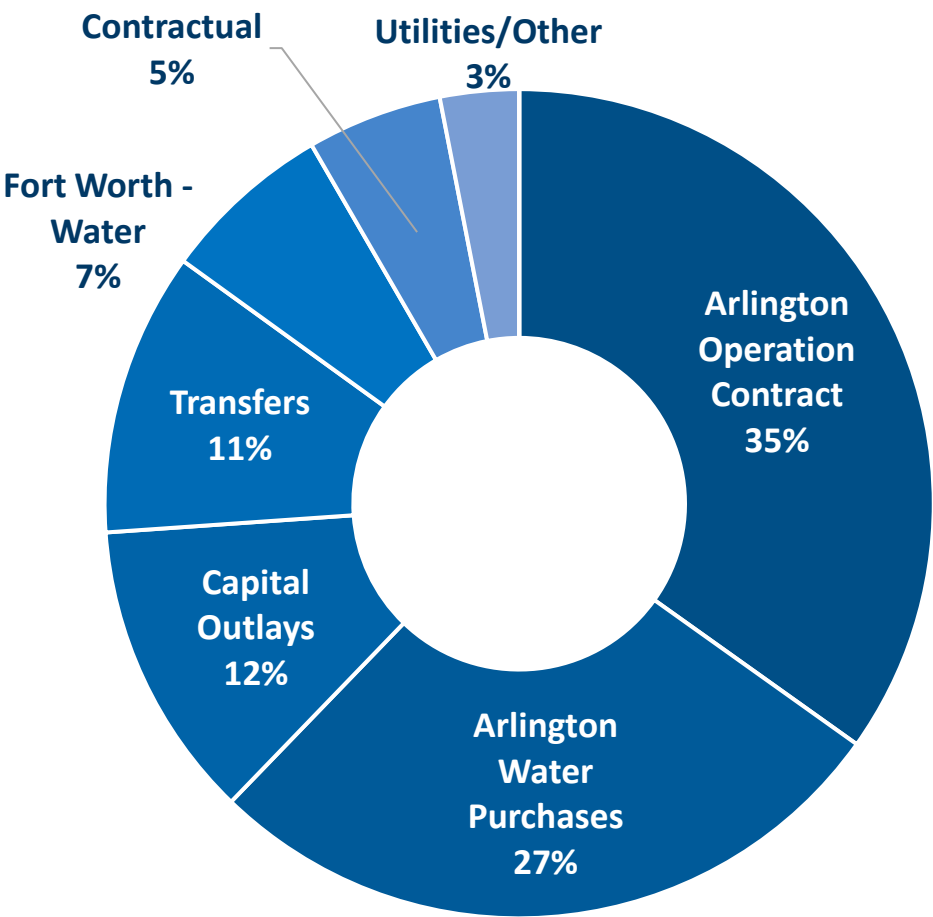
- Most personnel and operating expenses increase 3-4% per year
- Certain costs increase at higher rates; chemicals, health insurance, etc.
- Biggest impacts on rate plan:
 - Arlington water and wastewater charges
 - Arlington W & WW operation/billing agreement
 - Debt issued in 2023 funds 5-year CIP



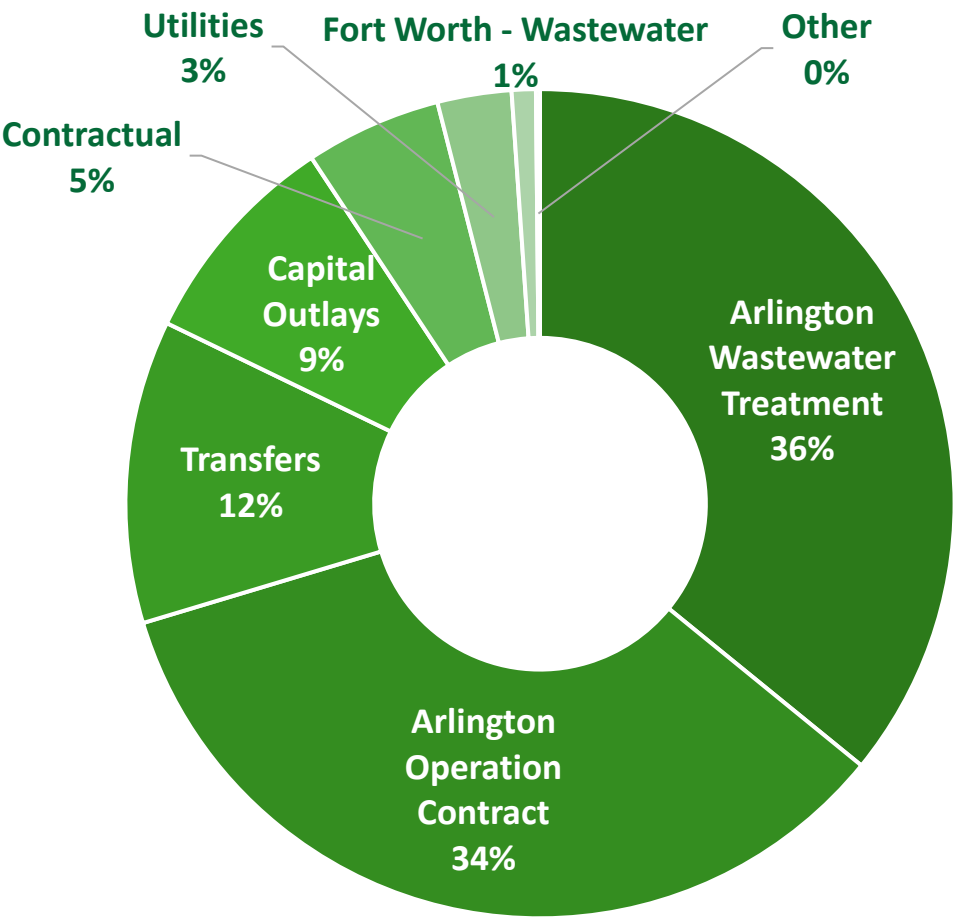
Test Year 2024 Cost of Service



WATER: \$3.1M



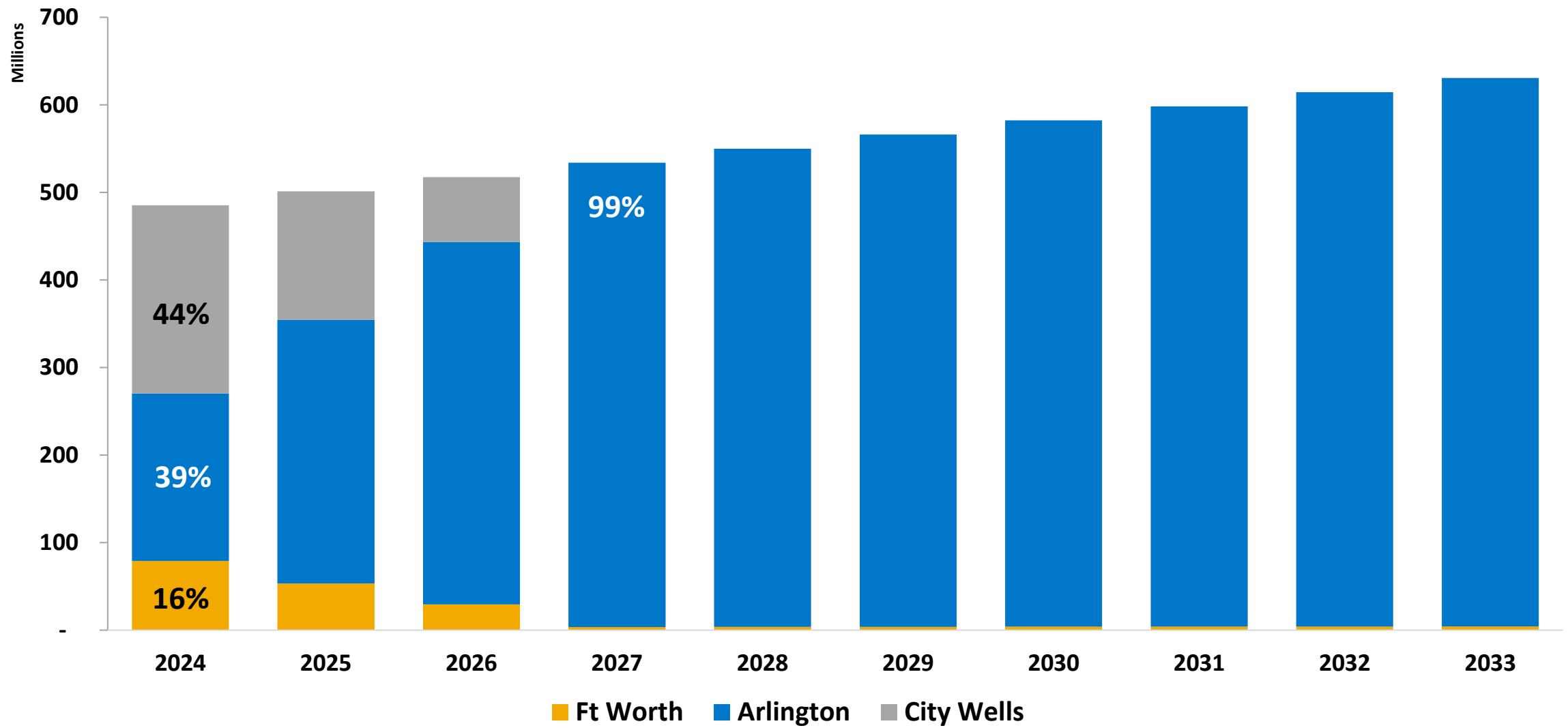
WASTEWATER: \$2.9M



PRELIMINARY & SUBJECT TO CHANGE



Forecast Annual Water Sources



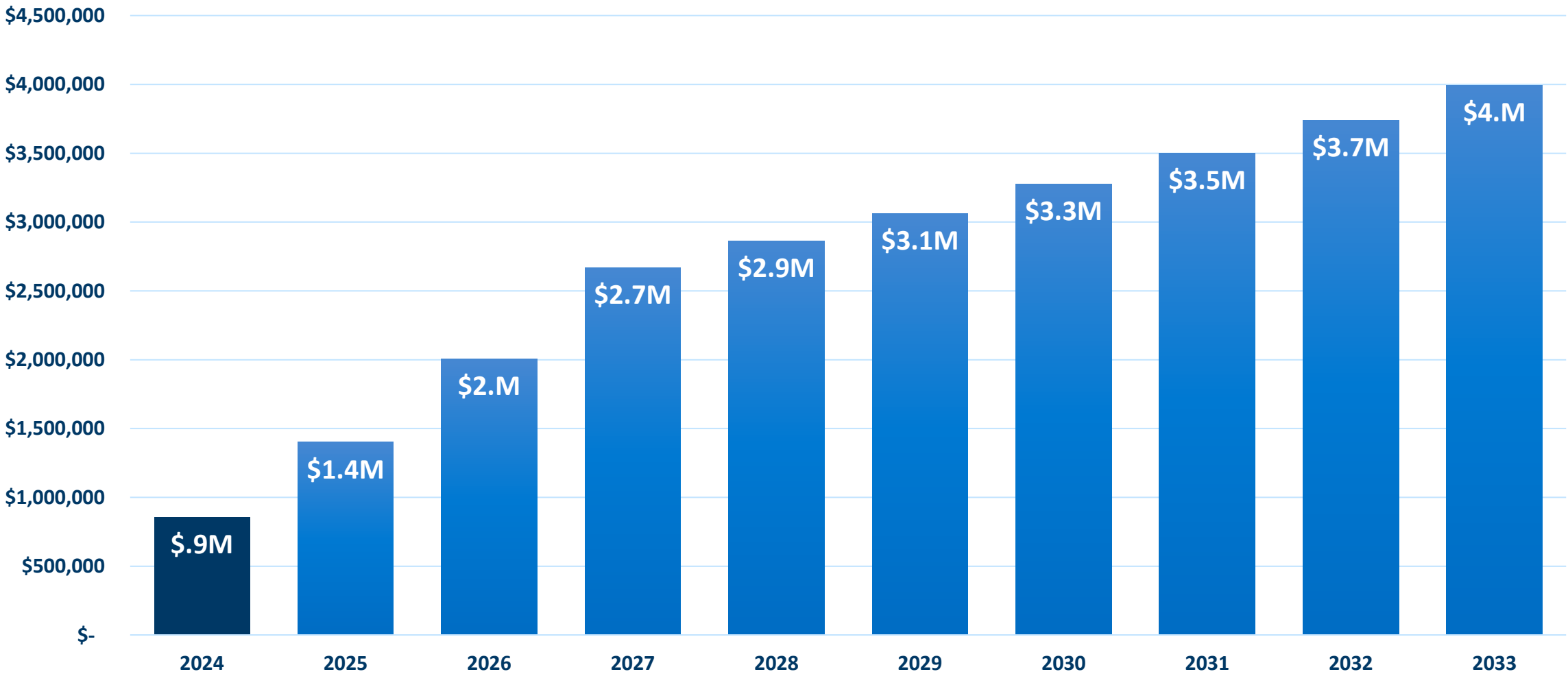
PRELIMINARY & SUBJECT TO CHANGE



Forecast Arlington Water Purchase Cost



Estimated Annual Volume Rate Increase: 4% | Additional increases due to contracts, shifting water production makeup, & growth

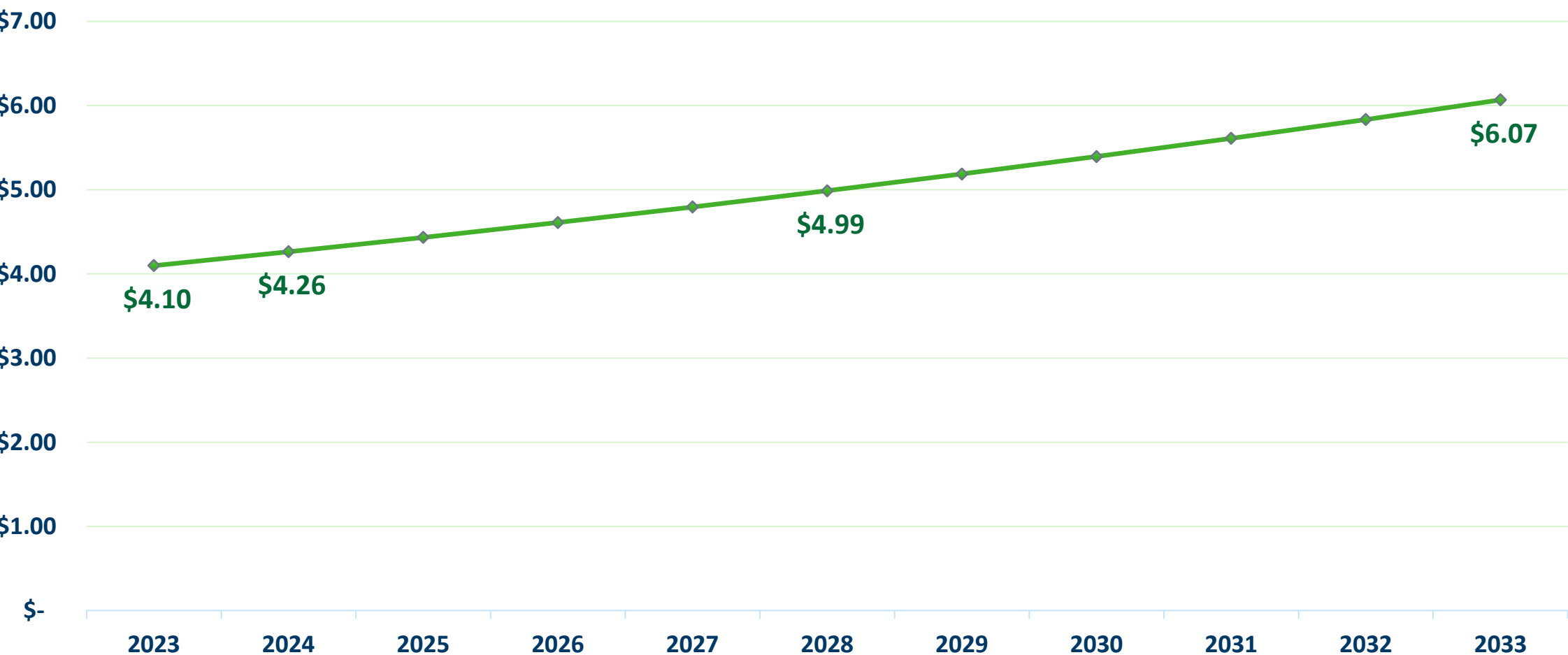


PRELIMINARY & SUBJECT TO CHANGE

Forecast Arlington Wastewater Treatment Rate

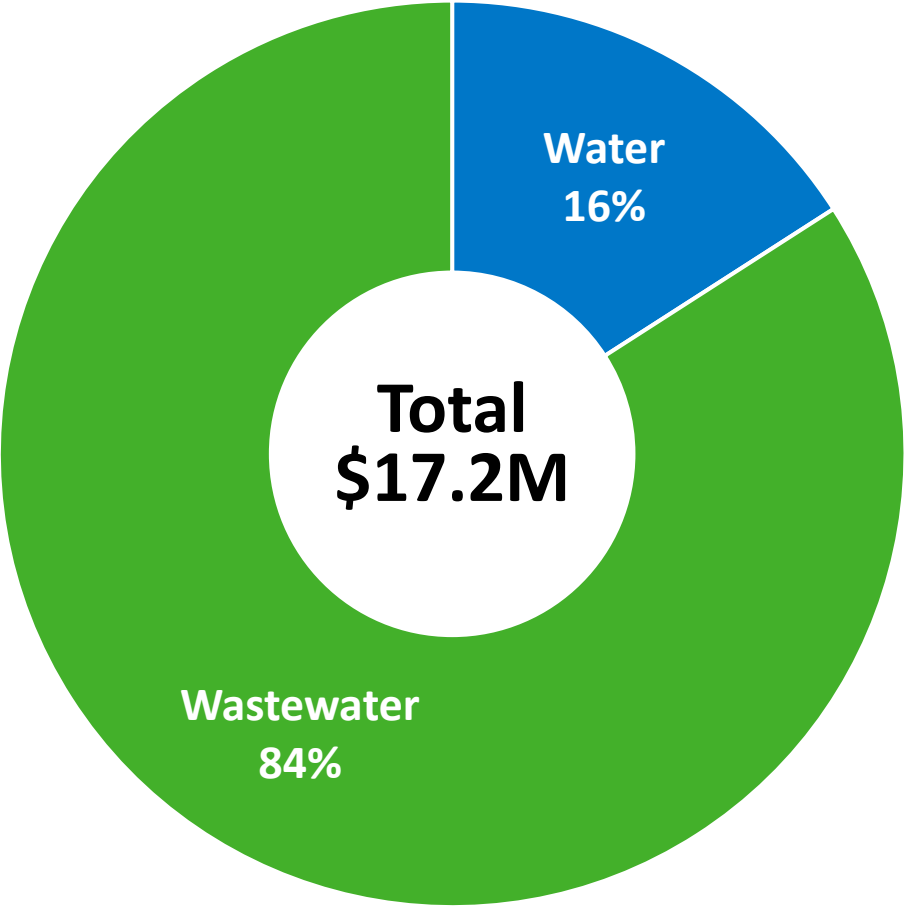


Estimated Annual Rate Increase: 4%



PRELIMINARY & SUBJECT TO CHANGE





Water Project	Cost
1. Water Tank 750kGal	\$ 1,4000,000
2. Elevated Water Tank Refurbishing	900,000
3. 3 rd Street Water Improvements (County) – ARPA	275,506
4. New Hope Rd Emergency Waterline – ARPA	120,924
5. Other Project Spending – ARPA	38,013
6. CDBG 3 rd Street Water Rehab – ARPA	10,163
7. SCADA 50/50 Water/WW	169,098
Total	\$ 2,913,704

Wastewater Project	Cost
1. Sewer Line Installation (3 Phases)	\$ 13,000,000
2. SB3 Requirement – 2 Generators	1,500,000
3. SCADA 50/50 Water/WW	169,098
Total	\$ 14,669,098



Water & Wastewater Debt Service Payments by FY



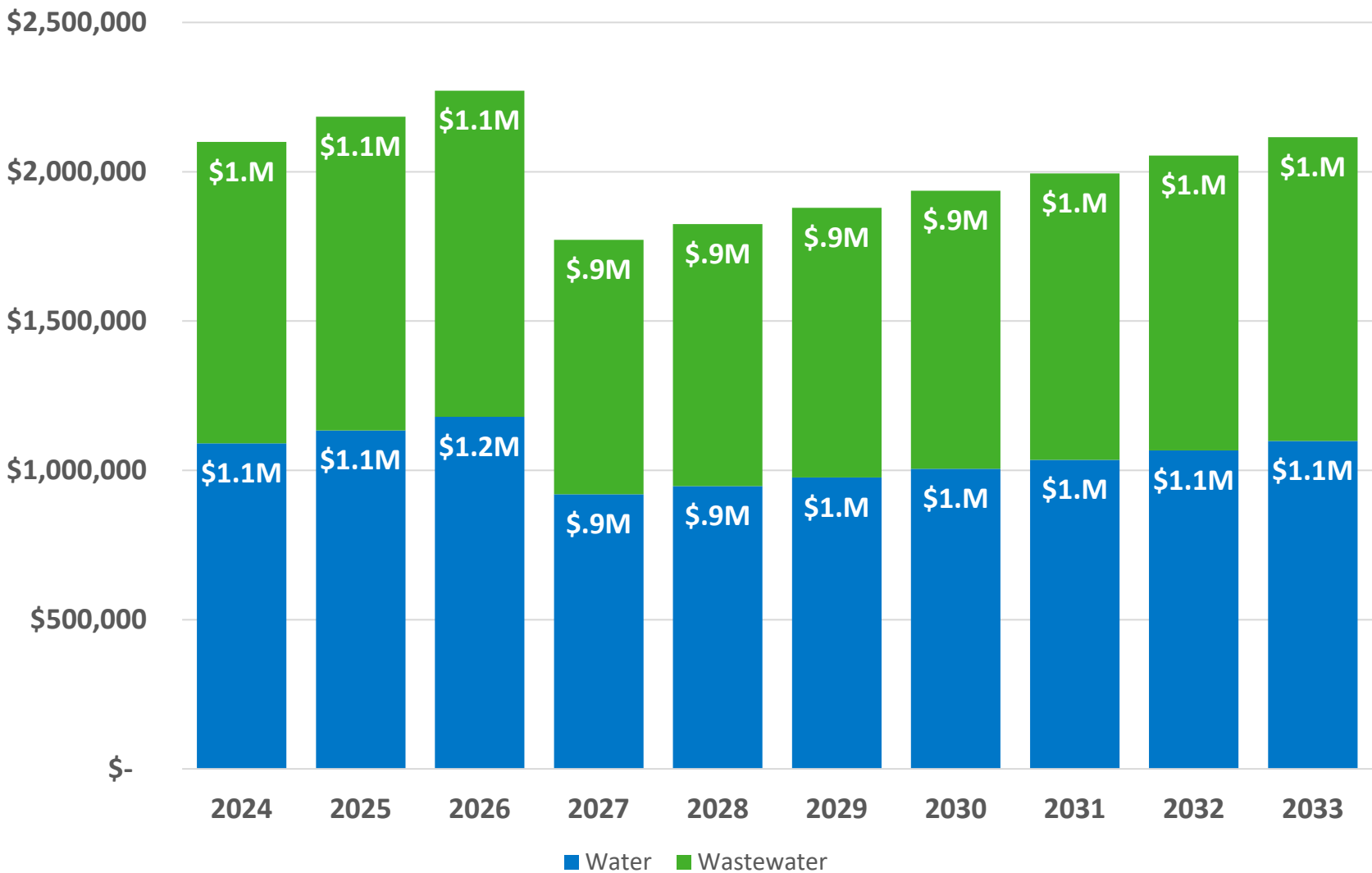
Fiscal Year	Water	Wastewater	Total
2024	\$ 221,484	\$ 73,828	\$ 295,312
2025	290,681	764,786	1,055,468
2026	314,365	884,357	1,198,723
2027	328,909	956,409	1,285,318
2028	202,943	1,089,445	1,292,388
2029	203,355	1,091,658	1,295,013
2030	202,766	1,088,497	1,291,263
2031	203,021	1,089,866	1,292,888
2032	203,002	1,089,761	1,292,763
2033	203,473	1,092,290	1,295,763

Includes repayment to GF of \$825k over 10 years at 3% (starting FY2025)

No new debt issues in financial planning period

Significant increase in wastewater debt service due to 2023 issuance

Forecast Arlington Operations Expenses

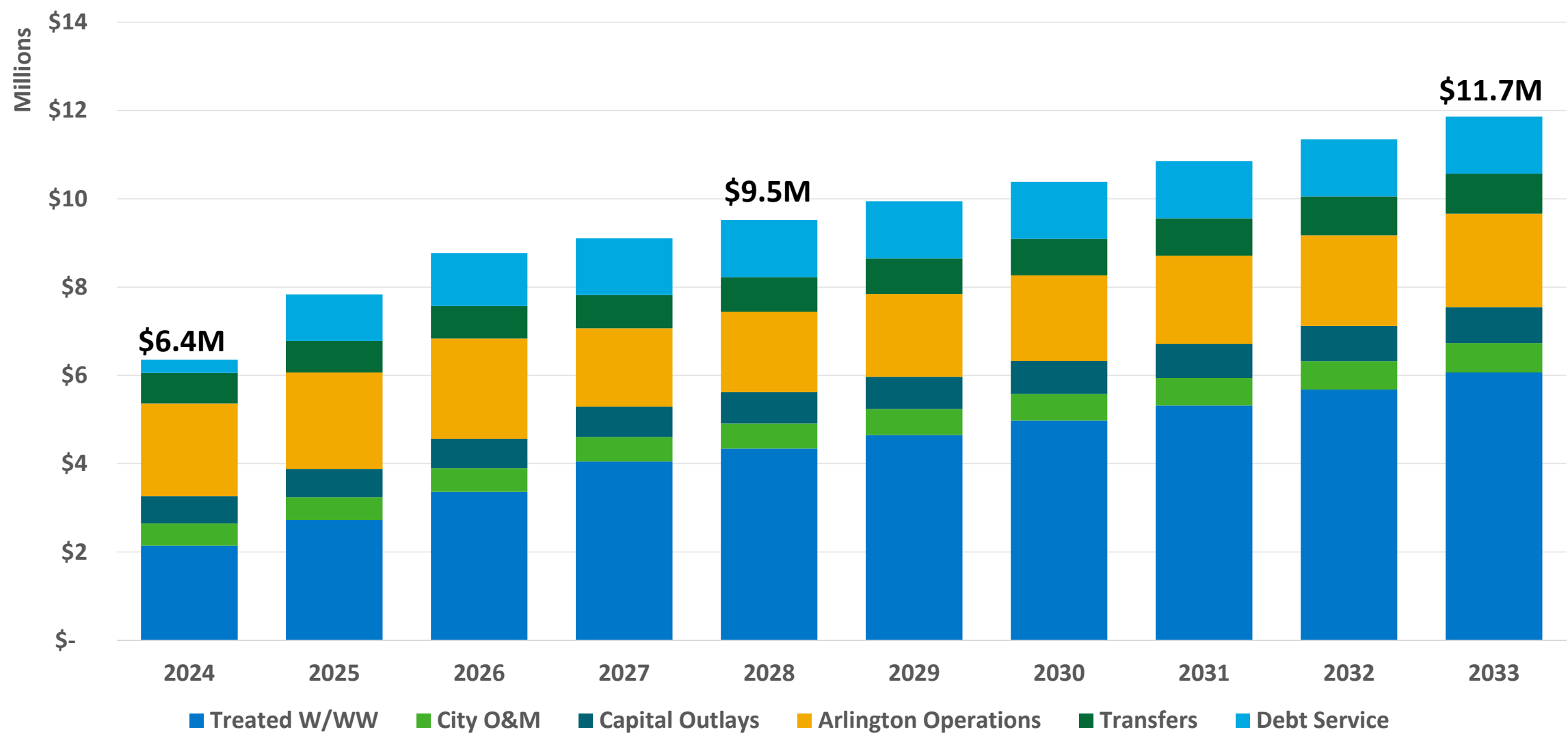


Includes 25% additional O&M expense until FY2027

PRELIMINARY & SUBJECT TO CHANGE



Forecast Water and Wastewater Cost of Service



PRELIMINARY & SUBJECT TO CHANGE



The background of the slide is a photograph of industrial machinery, likely a water treatment or pumping system, featuring large pipes, valves, and electric motors. A semi-transparent blue filter is applied over the entire image. The text 'RATE RECOMMENDATION' is centered in white, bold, uppercase letters.

RATE RECOMMENDATION

Notes on Preliminary Rate Proposal



- Recommend implementing a **five-year rate plan** with adjustments each October FY2025 through FY2029
- As no rate adjustment was approved in March 2024, the October 2024 adjustment effectively includes two adjustments
- Rate Plan Features:
 - Percentage annual adjustments for all customer classes
 - Restructure multi-family rate to implement **base charge by meter size** and inclining tiered rate per 1,000 gallons that mirrors the residential rates (pending Arlington billing system verification)
 - Continuation of Senior/Disabled credit of **\$7.50 off** the base charge
 - Plan will fund City financial requirements – debt service coverage, % operating expenses, etc.
 - Plan includes all rate classes (outside, fire, etc not covered in detail in this presentation)

Preliminary Water Rate Recommendation | RESIDENTIAL*



	Current	FY2024	FY2025	FY2026	FY2027	FY2028
Base Charge by Meter Size (Residential)						
¾"	\$ 20.00	\$ 20.00	\$ 25.60	\$ 27.90	\$ 30.42	\$ 32.24
1"	43.34	43.34	55.48	60.47	65.91	69.86
1½"	86.58	86.58	110.82	120.80	131.67	139.57
2"	138.58	138.58	177.38	193.35	210.75	223.39
Volume Rate (per kGal)						
0 – 5kGal	\$ 2.75	\$ 2.75	\$ 3.52	\$ 3.84	\$ 4.18	\$ 4.43
5 – 20kGal	5.36	5.36	6.86	7.48	8.15	8.64
>20 kGal	6.70	6.70	8.58	9.35	10.19	10.80

**Senior/Disabled Reduced Rate to continue at \$7.50 less than standard Residential Base Charge*

Preliminary Water Rate Recommendation | COM/IND



	Current	FY2024	FY2025	FY2026	FY2027	FY2028
Base Charge by Meter Size (Residential)						
¾"	\$ 26.00	\$ 26.00	\$ 33.28	\$ 36.28	\$ 39.54	\$ 41.81
1"	43.34	43.34	55.48	60.47	65.91	69.86
1½"	86.58	86.58	110.82	120.80	131.67	139.57
2"	138.58	138.58	177.38	193.35	210.75	223.39
3"	260.00	260.00	332.80	362.75	395.4	419.12
4"	433.42	433.42	554.78	604.71	659.13	698.68
Volume Rate (per kGal)						
0 – 5kGal	\$ 2.75	\$ 2.75	\$ 3.52	\$ 3.84	\$ 4.18	\$ 4.43
5 – 20kGal	5.36	5.36	6.86	7.48	8.15	8.64
20-50 kGal	6.70	6.70	8.58	9.35	10.19	10.80
>50 kGal	8.38	8.38	10.73	11.69	12.74	13.51

Preliminary Wastewater Rate Recommendation



	Current	FY2024	FY2025	FY2026	FY2027	FY2028
Base Charge by Meter Size (Residential)						
Residential	\$ 30.00	\$ 30.00	\$ 43.20	\$ 49.68	\$ 52.16	\$ 54.77
Sr/Disabled	22.50	22.50	35.70	42.18	44.66	47.27
Commercial	55.00	55.00	79.20	91.08	95.63	100.42
Industrial	55.00	55.00	79.20	91.08	95.63	100.42
Volume Rate (per kGal)						
Residential	\$ 2.90	\$ 2.90	\$ 4.18	\$ 4.80	\$ 5.04	\$ 5.29
Commercial	6.72	6.72	9.68	11.13	11.68	12.27
Industrial	4.50	4.50	6.48	7.45	7.82	8.22

Monthly Combined Charges Bill Impact



	Current	FY2024	FY2025	FY2026	FY2027	FY2028
Typical Residential 10kGal Water & 5kGal Wastewater						
Total	\$ 105.05	\$ 105.05	\$ 141.58	\$ 158.17	\$ 169.46	\$ 178.85
\$ Change		\$ 0	\$ 36.53	\$ 16.59	\$ 11.29	\$ 9.39
Typical Commercial 1½” Meter 20kGal Water & Wastewater						
Total	\$ 370.13	\$ 370.13	\$ 504.07	\$ 565.80	\$ 604.18	\$ 637.13
\$ Change		\$ 0	\$ 133.94	\$ 61.73	\$ 38.38	\$ 32.96

Summary & Next Steps

- The proposed rate plans enable the City to fund the known water and wastewater costs and CIP over next decade
- Will provide for the Utility Fund to operate self-sufficient with no continual need for subsidies from fund reserves or general fund balance
- Enables the City to continually provide safe drinking water and effectively treat wastewater



The background of the slide is a photograph of industrial machinery, possibly a pump or compressor system, with various pipes, valves, and a large motor. The entire image is covered with a semi-transparent blue overlay. The text "QUESTIONS & DISCUSSION" is centered in white, bold, sans-serif font.

QUESTIONS & DISCUSSION

MEETING DATE: JULY 15, 2024

AGENDA ITEM NUMBER: REGULAR SESSION ITEM IV.C.2.

SUBJECT

Discussion and update regarding Business Occupation Licenses.

ORIGINATED BY NATHAN GONZALES

SUMMARY

If you recall, the City Council recently discussed the current status of business licensing. A *business permit* is required in the city under the Code of Ordinances Article III, Section 11-41 through 11-45. The business permit is essentially the same as a business license in that the ordinance requires annual registration and the payment of a fee listed on the adopted fee schedule. The purpose of a business permit is to identify existing businesses within the city to ensure compliance with applicable codes, ordinances, and state laws. Identifying businesses that are registered in Kennedale can already be located on the Tarrant Appraisal District and Texas Secretary of State website. As the city's certificate of occupancy procedures and processes are structured in the same way, business permitting has become redundant.

Under the current ordinance, obtaining a business permit does not subject businesses to annual inspections, only registration and the payment of a fee. The fire department conducts annual inspections. Should there be an issue or concern with conditions observed during the fire department's annual inspection, the issues can be forwarded to code compliance for follow-up, if warranted. Staff has reviewed the existing ordinance and has found that a repeal would not negatively impact the department, city, or the ordinances. The fee schedule can be amended. Should the City Council consider leaving the ordinance in place, staff would then work to identify what active businesses have yet to update their registration. Be advised, this process would be time-consuming and may require a mass mailout to local businesses advising them of the requirement. This would likely be a function of code compliance. The ordinance makes it unlawful to operate without a business permit meaning unregistered businesses may be subject to citation if not resolved. In the past, individual businesses were mailed letters about expiring registration. The last comprehensive list staff could locate was compiled in 2015 and showed 272 active businesses in Kennedale.

RECOMMENDATION

Staff recommend City Council consider repealing Article III of the Code of Ordinances.

ATTACHMENTS



**STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL**

MEETING DATE: JULY 15, 2024

AGENDA ITEM NUMBER: REGULAR SESSION ITEM IV.C.3.

SUBJECT

Discussion and update on an Analysis of Kennedale Streets.

ORIGINATED BY

Kristian Sugrim, Director of Public Works

SUMMARY

Currently, the City of Kennedale street network is comprised of 25.4 centerline miles of Portland Cement Concrete (concrete pavement) and 23.5 centerline miles of Hot mix Asphalt Concrete (asphalt pavement). Based on our recent street network survey, roughly 13% of the network is in poor condition. So, in an effort to reduce this current overall backlog, we are recommending that we rehabilitate Swiney Hiatt Rd. within the limits of Mansfield Cardinal Rd. and Joplin Rd., Eden Rd. from Kennedale Parkway to Hudson Village Creek Rd., and New Hope Rd. from the RR tracks to Hudson Village Creek Rd.

At this time, for the approximate 38,620 SY of asphalt pavement, we estimate that there is sufficient Capital Bond Funding to upgrade these poor street conditions.

RECOMMENDATION

ATTACHMENTS

1.	Street Log	Street Log.xlsx
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On Street	From Street	To Street	Pavement Type	Structural Rating	Condition Rating	Roughness Rating	Segment IRI Condition	Pavement Condition Description
VALLEY LN	GRAPEVINE TRL	DS@107S GRAPEVINE TRL	Asphalt	Weak	Very Poor	Rough	COND05	Very Poor
VALLEY LN	DS@107S GRAPEVINE TRL	DS@223S GRAPEVINE TRL	Asphalt	Weak	Very Poor	Rough	COND05	Very Poor
S KENNY ST	EOP	MANSFIELD AVE	Asphalt	Strong	Very Poor	Rough	Rough	Very Poor
S NEW HOPE RD	DS@3835N HUDSON VILLAGE CREEK RD	DS@4110N HUDSON VILLAGE CREEK RD	Asphalt	Moderate	Very Poor	Rough	Rough	Very Poor
INDUSTRIAL DR	KENNEDALE PKWY	EOP	Asphalt	Moderate	Very Poor	Rough	Rough	Very Poor
COLLETT SUBLETT RD	GLAZE LN	COLLETT SUBLETT ROAD	Asphalt	Moderate	Very Poor	Rough	Rough	Very Poor
EDEN RD E	FALCON WOOD DR	DS@68E FALCON WOOD DR	Asphalt	Weak	Very Poor	Rough	Rough	Very Poor
GAIL DR	LINDA RD	DS@866N LINDA RD	Asphalt	Moderate	Very Poor	Rough	Rough	Very Poor
KENNEDALE NEW HOPE RD	DS@3407N HUDSON VILLAGE CREEK RD	DS@3835N HUDSON VILLAGE CREEK RD	Asphalt	Moderate	Very Poor	Rough	Rough	Very Poor
GAIL DR	DS@866N LINDA RD	DS@1027N LINDA RD	Asphalt	Moderate	Very Poor	Rough	Rough	Very Poor
MANSFIELD AVE	S KENNY ST	S NEW HOPE RD	Asphalt	Moderate	Very Poor	Rough	Rough	Very Poor
HUDSON VILLAGE CREEK RD	KENNEDALE NEW HOPE RD	DS@447E KENNEDALE NEW HOPE RD	Asphalt	Weak	Very Poor	Rough	Rough	Very Poor
KATIE CIR	DS@1027N LINDA RD	DS@1516E LINDA RD	Asphalt	Moderate	Very Poor	Rough	Rough	Very Poor
SWINEY HIETT RD	FALCON CREST DR	EAGLE NEST DR	Asphalt	Weak	Very Poor	Rough	Rough	Very Poor
AVERETT RD	S DICK PRICE RD	BRIARWOOD RD	Asphalt	Moderate	Very Poor	Rough	Rough	Very Poor
S NEW HOPE RD	DS@4110N HUDSON VILLAGE CREEK RD	DS@4819N HUDSON VILLAGE CREEK RD	Asphalt	Weak	Very Poor	Marginal	Marginal	Very Poor

On Street	From Street	To Street	PaveType	Condition Rating	Roughness Rating	Segment IRI Condition	Pavement Condition
W MISTLETOE DR	DS@176E TIMBERLINE DR	CRESTVIEW DR	Concrete	Poor	Rough	Rough	Poor
PEACHTREE CT	EOP	OAKWOOD LN	Concrete	Poor	Rough	Rough	Poor
WOODLAND CT	OAKWOOD LN	N LITTLE SCHOOL RD	Concrete	Poor	Rough	Rough	Poor
PINE MEADOW DR	S NEW HOPE RD	DS@598E S NEW HOPE RD	Concrete	Poor	Rough	Rough	Poor
REEVES LN	HILLTOP DR	CLOVERLANE DR	Concrete	Poor	Rough	Rough	Poor
ARTHUR DR	PAULA LN	DS@852E PAULA LN	Concrete	Poor	Rough	Rough	Poor
E MISTLETOE DR	ARTHUR DR	RUTH DR	Concrete	Poor	Rough	Rough	Poor
ARTHUR DR	DS@852E PAULA LN	DS@987E PAULA LN	Concrete	Poor	Rough	Rough	Poor
OAKWOOD LN	PEACHTREE CT	WOODLAND CT	Concrete	Poor	Rough	Rough	Poor
OAKWOOD LN	E KENNEDALE SUBLETT RD	PEACHTREE CT	Concrete	Poor	Rough	Rough	Poor
WOODLAND CT	EOP	OAKWOOD LN	Concrete	Poor	Rough	Rough	Poor
PINE MEADOW DR	DS@598E S NEW HOPE RD	PINE MEADOW DR	Concrete	Poor	Rough	Rough	Poor
E MISTLETOE DR	REEVES LN	ARTHUR DR	Concrete	Poor	Rough	Rough	Poor
CRESTVIEW DR	CLOVERLANE DR	W MISTLETOE DR	Concrete	Poor	Rough	Rough	Poor

STAFF REPORT TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: JULY 15, 2024

AGENDA ITEM NUMBER: REGULAR SESSION ITEM IV.C.4.

SUBJECT

Update and Discussion on the 2023 Bond Issuance progress of Basin B sewer line, ground storage tank, generators, and street infrastructure.

ORIGINATED BY

Kristian Sugrim, Director of Public Works

SUMMARY

- On June 6, 2023, the Kennedale City Council approved an engineering services agreement with Freese and Nichols, Inc. (FNI) for the design of the northwest sector (Basin B) sanitary sewer interceptor project. This 10,000 LF of sewer pipe upgrade will help alleviate some of our collection system capacity issues. To date, the project is at 30% design, and we anticipate construction completion by 2028. Also, because of the existing line condition from West 3rd St., we will extend the project to culminate at the Texas Raceway. This \$14M project will be funded from our 2023 Bond Fund, and it will satisfy our system upgrade obligation with the City of Arlington.
- On June 25, 2023, the City Council of Kennedale approved the replacement of our existing 0.5MG, T4, ground storage water tank, located at 751 Caruthers Ln. to a 0.75MG tank. Since then, a request for proposals has been advertised, received, reviewed, and a selection was made. In June 2024, an official letter of intent was provided to Texas Aquastore, the selected vendor. Based on discussions with the vendor, we anticipate having this tank operational by early summer 2025. This project will be funded by the American Rescue Plan Act of 2021 (ARPA).

RECOMMENDATION

ATTACHMENTS

STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: JULY 15, 2024

AGENDA ITEM NUMBER: REGULAR SESSION ITEM IV.C.5.

SUBJECT

Update and Discussion on the 2024 Bond Issuance for the remodeling of public safety buildings, parks and recreation facilities, and water/sewer, streets, or other utility infrastructure projects.

ORIGINATED BY

Darrell Hull, City Manager

SUMMARY

Provided to the Council in the most recent agenda packet was a summary of the Certificates of Obligation which have been previously approved by the voters. Finance Director Jonathan Horton provided the following summary of funding which has also been included as an attachment in this packet:

- Fire Station remodel \$6,636,662
- Fire Department Temporary Facility \$300,000 (approximate)
- Police Station remodel \$1,442,435
- Total anticipated cost \$8,379,097

The remaining \$2,620,903 will be allocated for infrastructure projects. - Management is seeking direction on projects that could be included with these funds which are currently not allocated to a specific project.

Resolution 632 was passed by the city council at the previous city council meeting. This resolution authorized the publication and posting of the notices of intention to issue certificates of obligation. The city council will vote on the authorization to sell the certificates at the August 20th Council Meeting.

RECOMMENDATION

ATTACHMENTS

1.	June Finance Director Summary of Resolution 632	June Finance Director Summary of Resolution 632.pdf
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MEETING DATE: JUNE 18, 2024

AGENDA ITEM NUMBER: INDIVIDUAL CONSIDERATION AGENDA ITEM

SUBJECT

Consideration of and action on Resolution 632, a resolution of the City of Kennedale, authorizing publication and posting of notice of intention to issue certificates of obligation to finance the acquisition, construction, renovation and equipping of various public improvement projects (including street improvements and public safety facilities).

ORIGINATED BY

Jon Horton, CPA
Director of Finance

SUMMARY

Currently action is only required on the Certificates of Obligation. The \$3MM General Obligation Bonds for park improvements does not require action at this time.

Upon approval, the resolution will authorize the City to “ give notice of intention to issue certificates of obligation in amount not to exceed an aggregate of \$11,000,000...” A breakdown of that cost follows:

- | | |
|--------------------------------------|-------------------------|
| • Fire Station remodel | \$6,636,662 |
| • Fire Department Temporary Facility | \$300,000 (approximate) |
| • Police Station remodel | <u>\$1,442,435</u> |
| • Total anticipated cost | \$8,379,097 |

The remaining \$2,620,903 will be allocated for infrastructure projects. These can include street, sidewalk, and drainage improvements per the resolution’s language.

This step does not authorize the issuance of Certificates of Obligation. The vote on authorization to sell is currently scheduled to take place at the August 20th Council meeting.

RECOMMENDATION

Approve a resolution authorizing publication and posting a notice of intent to issue Certificates of Obligation.

ATTACHMENTS

Resolution authorizing publication and posting of notice of intention to issue Certificates of Obligation to finance the acquisition, construction, renovation and equipping of various public improvement projects.

STAFF REPORT TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: JULY 15, 2024

AGENDA ITEM NUMBER: REGULAR SESSION ITEM IV.C.6.

SUBJECT

Discuss and consider action on the Tarrant County 2021 Transportation Bond Program Countywide Initiative to include Kennedale Sublett Rd. Improvements.

ORIGINATED BY

Kristian Sugrim, Director of Public Works

SUMMARY

On September 5, 2023, the Tarrant County Commissioners Court approved the 2021 Transportation Bond Program (2021 TBP) Countywide Initiatives and Partnership. The Kennedale Sublett Road from New Hope Road to N. Little School Road was one of the approved projects for partial funding on a reimbursement basis. Back in 2021, Shield Engineering was involved with the City and conducted an alignment study for this project; the most favorable project alignment is attached.

Based on the attached draft ILA, Tarrant County will reimburse the City of Kennedale \$4,817,305, with the City being responsible for the remaining \$5,182,695 of the estimated construction cost of \$10,000,000. On page 6, under CERTIFICATION, is the amount of County reimbursement which may be requested by September 30, 2024. It is currently shown a \$0.00, but this amount can change depending on the status of the project. Similarly, Section III, page 2, TERM, requires a schedule (design through construction), and Section V, page 3, REIMBURSEMENT, requires the City to provide the anticipated costs for these items.

After discussion with the City Council at the last Regular Scheduled City Council meeting, the item was tabled and rescheduled to the next Regular Meeting.

RECOMMENDATION

Based on the aforementioned, staff recommends that the City Council formulate an action plan to meet the County's ILA deadline. Also, based on the City's financial constraints, staff suggest that the project be constructed in phases.

ATTACHMENTS

1.	2021009 KEDR Transpo Bonds-KennedaleSublett	2021009 KEDR Transpo Bonds-KennedaleSublett.pdf
2.	TBP-2021-Kennedale-Kennedale Sublett-Road-New Format ILA Draft V1	TBP-2021-Kennedale-Kennedale Sublett-Road-New Format ILA Draft V1.pdf

STATE OF TEXAS § **Interlocal Agreement for**
 § **Kennedale Sublett Road Improvements**
COUNTY OF TARRANT §

This interlocal agreement (ILA) is entered into between Tarrant County, Texas, hereinafter referred to as the “COUNTY”, and the City of Kennedale, hereinafter referred to as the “CITY”, and collectively referred to as the “parties”, for the purpose of providing funding through the Tarrant County 2021 Transportation Bond Program (2021 TBP) to a needed transportation project within the boundaries of both parties which the Commissioners Court of the COUNTY and the governing body of the CITY find serves a public purpose and promotes the public welfare of the citizens of Tarrant County.

The COUNTY and the CITY make the following findings of fact:

1. This ILA is made pursuant to Chapter 791 of the Texas Government Code and the Tarrant County 2021 Transportation Bond Program Policy, as amended;
2. To the extent necessary, the parties will use current revenues to pay obligations in this ILA;
3. The project benefits the public in that it is a needed transportation project;
4. The COUNTY and the CITY each has the legal authority to perform its obligations in this ILA;
5. The division of costs provided in this ILA constitute adequate consideration to each party; and
6. Both parties acknowledge they are each a “governmental entity” and not a “business entity” as those terms are defined in Texas Government Code Section 2252.908, and therefore, no disclosure of interested parties is required.

I.
PROJECT DESCRIPTION

This project, hereinafter referred to as the “Project”, will consist of the construction (or reconstruction) of Kennedale Sublett Road from New Hope Road to N. Little School Road. The 0.9 mile section of roadway will be realigned and widened to a 29 feet wide neighborhood connector including sidewalk, curb and gutter, underground drainage, modification to Mansfield Cardinal Road, and a roundabout to improve traffic efficiency and mobility.

II.
SCOPE OF SERVICES PROVIDED BY CITY

The services to be provided by the CITY shall include, but are not limited to, the following:

- A. All total project costs including construction, right of way acquisition, utility relocation, engineering, schematics, planning, surveying, and governmental approval costs (collectively

referred to as “Costs”);

- B. Following project completion, the CITY will provide the overall total project cost summary with final cost share between funding partners;
- C. Construction agreement administration, site review, permitting, and inspection;
- D. The CITY agrees to facilitate the efficient operations of the Project through ongoing transportation system maintenance efforts, including signal timing optimization as applicable;
- E. Interagency coordination, including CITY notification to the North Central Texas Council of Government (NCTCOG) and the COUNTY of any amendments or modifications to NCTCOG’s Transportation Improvement Program (TIP);
- F. A detailed project schedule documenting the percent complete for each major component of the Project shall be provided to the COUNTY with every reimbursement request;
- G. The CITY agrees to invite the COUNTY to any project groundbreaking or ribbon cutting events; and
- H. The CITY will include the following language on all public notices, web pages, and on-site signage related to the Project:

“This project is funded by the City of Kennedale and the Tarrant County Commissioners Court through the Tarrant County 2021 Transportation Bond Program.”

III. TERM

This ILA shall become effective upon the approval of both parties and shall terminate on September 30, 2022, unless terminated as described in Section XII in this ILA or extended in writing and approved by both parties.

IV. FISCAL FUNDING ACKNOWLEDGEMENT

Tarrant County bond funds will be encumbered on a fiscal year basis in accordance with the Certification of Available Funds shown herein. In the event no funds or insufficient funds are appropriated and budgeted or are otherwise unavailable by any means whatsoever in any fiscal period for payments due under this ILA, then the affected party will immediately notify the other party of such occurrence and this ILA may be terminated on the last day of the fiscal period for which appropriations were received without penalty or expense to the affected party of any kind whatsoever, except to the portions of annual payments herein agreed upon for which funds shall have been appropriated.

V.
REIMBURSEMENT PROCESS

The COUNTY agrees to reimburse the CITY for 50% of the actual eligible PROJECT costs in an amount not to exceed \$4,817,305.00. Any reimbursement request from the CITY should include: 1) a copy of the invoice or billing for design services, right-of-way acquisition purchase, and construction; and 2) a copy of the check, a certification letter, or other documentation to verify the CITY's proof of payment. The final reimbursement payment to the CITY will be contingent upon the City Manager or Mayor providing written notification to the COUNTY that the project is complete along with identification of final project costs. COUNTY bond funds for the Project are allocated as follows:

County Payment by Phase*

Design:	\$0.00
ROW Acquisition:	\$0.00
Construction:	\$0.00
TOTAL:	\$4,817,305.00

TBP Funding Category: 2021 Countywide Initiatives and Partnerships

** Reimbursement payments will be issued by the COUNTY for eligible expenses incurred during the Fiscal Year for which bond funds are certified by the Tarrant County Auditor.*

The CITY understands that the CITY will be responsible for cost overruns and any other expenses incurred by the CITY in performing the services described herein. The CITY agrees that the COUNTY retains control over when reimbursement payments will be disbursed to the CITY.

VI.
AGENCY-INDEPENDENT CONTRACTOR

Neither the COUNTY nor any employee thereof is an agent of the CITY, and neither the CITY nor any employee thereof is an agent of the COUNTY. This ILA does not and shall not be construed to entitle either party or any of their respective employees, if applicable, to any benefit, privilege or other amenities of employment by the other party.

The COUNTY will have no right to control the manner or means of construction of the CITY's contractor for this PROJECT.

VII.
ASSIGNMENT

Neither party may assign, in whole nor in part, any interest it may have in this ILA without the prior written consent of the other party.

VIII.
THIRD-PARTY BENEFICIARY EXCLUDED

No person other than a party to this ILA may bring a cause of action pursuant to this ILA as a third-party beneficiary. This ILA may not be interpreted to waive the sovereign or governmental immunity of any party to this ILA to the extent such party may have immunity under Texas law.

IX.
AUDIT OF RECORDS

The CITY's records regarding this PROJECT shall be subject to audit by the COUNTY during the term of this ILA and for five years after the completion of the PROJECT.

X.
ENTIRE AGREEMENT

This ILA represents the entire understanding of and between the parties and superseded all prior representations. This ILA may not be varied orally but must be amended by written document of subsequent date duly executed by these parties.

XI.
VENUE

This ILA shall be governed by the laws of the State of Texas and venue for any action under this ILA shall be in the district courts of Tarrant County, Texas.

XII.
TERMINATION

Until funded by the COUNTY as described in Section V, this ILA may be terminated by either party by providing written notice to the other party at least thirty (30) days prior to the intended date of termination. Such notice shall be deemed given when personally delivered or mailed by certified or registered mail (with return-receipt and postage prepaid) and addressed to:

COUNTY:

County Administrator
Tarrant County
100 E. Weatherford Street, Ste. 404
Fort Worth, Texas 76196

CITY:

Mayor or City Manager
City of Kennedale
405 Municipal Drive
Kennedale, TX 76060

XIII.
SOVEREIGN POWERS

The COUNTY and the CITY agree and understand neither Party waives nor surrenders any of its governmental powers by execution of this ILA.

XIV.
COMPLIANCE WITH LAWS

In providing services required by this Agreement, CITY and any contractors the CITY engages to perform these services must observe and comply with all applicable federal, state and local statutes, ordinances, rules and regulations, including, without limitation, workers' compensation laws, minimum and maximum salary and wage statutes and regulations, and non-discrimination laws and regulations. CITY shall be responsible for ensuring its compliance with any laws and regulations applicable to its business, including maintaining any necessary licenses and permits.

APPROVED on this day the ____ day of _____, 2024, by Tarrant County.

Commissioners Court Order No. _____.

TARRANT COUNTY, TEXAS

CITY OF FORT WORTH

Tim O'Hare, County Judge

Jan Joplin, Mayor

APPROVED AS TO FORM:

Criminal District Attorney's Office*

City Attorney

City Secretary (If applicable)

* By law, the Criminal District Attorney’s Office may only approve contracts for its clients. We reviewed this document as to form from our client’s legal perspective. Other parties may not rely on this approval. Instead, those parties should seek contract review from independent counsel.

CERTIFICATION OF AVAILABLE FUNDS IN THE AMOUNT OF:

\$ _____ *as follows:*

Fiscal year ending September 30, 2024:

\$0.00 2021 TBP Countywide Initiatives and
Partnerships – Pct 2

Auditor's Office

STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: JULY 15, 2024

AGENDA ITEM NUMBER: ITEM IV.C.7.

SUBJECT

Discuss and consider a lease agreement with the YMCA for 205 W. Kennedale Parkway.

ORIGINATED BY

Darrell Hull, City Manager

SUMMARY

City Management and Legal Staff have reviewed the proposed Lease agreement for the YMCA to be located at 205 W. Kennedale Parkway. The lease agreement is a standard agreement in which the YMCA will pay \$400.00 per month over a period of three (3) years. The YMCA will provide property insurance and will have all utilities in their name of business. As previously stated, the agreement is for a total of three (3) years, commencing on August 1, 2024, and expiring on July 31, 2027.

RECOMMENDATION

Approve

ATTACHMENTS

1.	lease	lease.pdf
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Lease

Basic Terms

Date: 7/12/2024

Landlord:

City of Kennedale, Texas
405 Municipal Drive,
Kennedale, TX 76060

Tenant:

YMCA

Tenant's Address:

The YMCA
Arlington – Mansfield Area YMCA
78 Regency Parkway
Mansfield, TX 76063

817-299-9629

Guarantors:

City of Kennedale

Guarantor Address:

405 Municipal Drive
Kennedale, TX 76060

817-985-2105

Premises:

205 W. Kennedale Parkway
Kennedale, TX 76060

Approximate square feet: 1,521 square feet/Building Area

Property description: KENNEDALE RETAIL CENTER ADDN Block A Lot 8R

Term (months): 36 Months

Commencement Date: August 1, 2024

Termination Date: July 31, 2027

Base Rent (monthly): \$400.00

Security Deposit: \$0.00

Permitted Use: Office

Tenant's Insurance: As required by Insurance Addendum

Landlord's Insurance: As required by Insurance Addendum

Tenant's Rebuilding Obligations: If the Premises are damaged by fire or other elements, Tenant will be responsible for repairing or rebuilding the following leasehold improvements:*[All partitions, walls, ceiling systems, wiring, light fixtures, floors, finishes, wall coverings, floor coverings, signs, doors, hardware, windows, window coverings, plumbing, heating, ventilating, and air-conditioning equipment, and other improvements in the Premises, whether installed by Landlord or Tenant]**[All partitions, walls, ceiling systems, wiring, light fixtures, floors, finishes, wall coverings, floor coverings, signs, doors, hardware, windows, window coverings, plumbing, heating, ventilating, and air-conditioning equipment, and other improvements originally installed in the Premises by Tenant]**[All improvements that are not building standard leasehold improvements. For purposes of this lease, building standard leasehold improvements are all partitions, walls, ceiling systems, wiring, light fixtures, floors, finishes, wall coverings, floor coverings, signs, doors, hardware, windows, window coverings, plumbing, heating, ventilating, and air-conditioning equipment, and other improvements preselected by Landlord for use throughout the Building*[and described in Exhibit _____ attached hereto]**[_____]*.

Definitions

"Agent" means agents, contractors, employees, licensees, and, to the extent under the control of the principal, invitees.

"Essential Services" means utility connections reasonably necessary for occupancy of the Premises for the Permitted Use.

"Injury" means (1) harm to or impairment or loss of property or its use, (2) harm to or death of a person, or (3) "personal and advertising injury" as defined in the form of liability insurance Tenant is required to maintain.

"Lienholder" means the holder of a deed of trust covering the Premises.

"Rent" means Base Rent plus any other amounts of money payable by Tenant to Landlord.

Clauses and Covenants

A. Tenant agrees to -

1. Lease the Premises for the entire Term beginning on the Commencement Date and ending on the Termination Date.
2. Accept the Premises in their present condition "AS IS," the Premises being currently suitable for the Permitted Use.
3. Obey (a) all laws relating to Tenant's use, maintenance of the condition, and occupancy of the Premises and Tenant's use of any common areas and (b) any requirements imposed by utility companies serving or insurance companies covering the Premises.
4. Obtain and pay for all utility services used by Tenant and not provided by Landlord.
5. Pay Tenant's Pro Rata Share of any utility services provided by Landlord.
6. Allow Landlord to enter the Premises to perform Landlord's obligations, inspect the Premises, and show the Premises to prospective purchasers or tenants.
7. Repair, replace, and maintain any part of the Premises that Landlord is not obligated to repair, replace, or maintain, normal wear excepted.
8. Submit in writing to Landlord any request for repairs, replacement, and maintenance that are the obligations of Landlord.
9. Allow Landlord to file a financing statement perfecting the security interest created by this lease.
10. Vacate the Premises on the last day of the Term.
11. INDEMNIFY, DEFEND, AND HOLD LANDLORD AND LIENHOLDER, AND THEIR RESPECTIVE AGENTS, HARMLESS FROM ANY INJURY (AND ANY RESULTING OR RELATED CLAIM, ACTION, LOSS, LIABILITY, OR REASONABLE EXPENSE, INCLUDING ATTORNEY'S FEES AND OTHER FEES AND COURT AND OTHER COSTS) OCCURRING IN ANY PORTION OF THE PREMISES. **THE INDEMNITY CONTAINED IN THIS PARAGRAPH (a) IS INDEPENDENT OF TENANT'S INSURANCE, (b) WILL NOT BE LIMITED BY COMPARATIVE NEGLIGENCE STATUTES OR DAMAGES PAID UNDER THE WORKERS' COMPENSATION ACT OR SIMILAR EMPLOYEE BENEFIT ACTS, (c) WILL SURVIVE THE END OF THE TERM, AND (d) WILL APPLY EVEN IF AN INJURY IS CAUSED IN WHOLE OR IN PART BY THE ORDINARY NEGLIGENCE OR STRICT LIABILITY OF LANDLORD BUT WILL NOT APPLY TO THE EXTENT AN INJURY IS CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF LANDLORD AND LIENHOLDER AND THEIR RESPECTIVE AGENTS.**

B. Tenant agrees not to -

1. Use the Premises for any purpose other than the Permitted Use.
2. Create a nuisance.
3. Permit any waste.
4. Use the Premises in any way that would increase insurance premiums or void insurance on the Premises.
5. Change Landlord's lock system.
6. Alter the Premises.
7. Allow a lien to be placed on the Premises.
8. Assign this lease or sublease any portion of the Premises without Landlord's written consent.

C. Landlord agrees to -

1. Lease to Tenant the Premises for the entire Term beginning on the Commencement Date and ending on the Termination Date.
2. Obey all laws relating to Landlord's operation of the Premises.
3. Provide the Essential Services.
4. Return the Security Deposit to Tenant, less itemized deductions, if any, on or before the 60th day after the date Tenant surrenders the Premises.

D. Landlord agrees not to -

1. Interfere with Tenant's possession of the Premises as long as Tenant is not in default.
2. Unreasonably withhold consent to a proposed assignment or sublease.

E. Landlord and Tenant agree to the following:

1. *Alterations.* Any physical additions or improvements to the Premises made by Tenant will become the property of Landlord. Landlord may require that Tenant, at the end of the Term and at Tenant's expense, remove any physical additions and improvements, repair any alterations, and restore the Premises to the condition existing at the Commencement Date,

normal wear excepted.

2. *Abatement.* Tenant's covenant to pay Rent and Landlord's covenants are independent. Except as otherwise provided, Tenant will not be entitled to abate Rent for any reason.

3. *Insurance.* Tenant and Landlord will maintain the respective insurance coverages described in the attached Insurance Addendum.

4. *Release of Claims/Subrogation.* LANDLORD AND TENANT RELEASE EACH OTHER AND LIENHOLDER, AND THEIR RESPECTIVE AGENTS, FROM ALL CLAIMS OR LIABILITIES FOR DAMAGE TO THE PREMISES, DAMAGE TO OR LOSS OF PERSONAL PROPERTY WITHIN THE PREMISES, AND LOSS OF BUSINESS OR REVENUES THAT ARE COVERED BY THE RELEASING PARTY'S PROPERTY INSURANCE OR THAT WOULD HAVE BEEN COVERED BY THE REQUIRED INSURANCE IF THE PARTY FAILS TO MAINTAIN THE PROPERTY COVERAGES REQUIRED BY THIS LEASE. THE PARTY INCURRING THE DAMAGE OR LOSS WILL BE RESPONSIBLE FOR ANY DEDUCTIBLE OR SELF-INSURED RETENTION UNDER ITS PROPERTY INSURANCE. LANDLORD AND TENANT WILL NOTIFY THE ISSUING PROPERTY INSURANCE COMPANIES OF THE RELEASE SET FORTH IN THIS PARAGRAPH AND WILL HAVE THE PROPERTY INSURANCE POLICIES ENDORSED, IF NECESSARY, TO PREVENT INVALIDATION OF COVERAGE. THIS RELEASE WILL NOT APPLY IF IT INVALIDATES THE PROPERTY INSURANCE COVERAGE OF THE RELEASING PARTY. **THE RELEASE IN THIS PARAGRAPH WILL APPLY EVEN IF THE DAMAGE OR LOSS IS CAUSED IN WHOLE OR IN PART BY THE ORDINARY NEGLIGENCE OR STRICT LIABILITY OF THE RELEASED PARTY OR ITS AGENTS BUT WILL NOT APPLY TO THE EXTENT THE DAMAGE OR LOSS IS CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE RELEASED PARTY OR ITS AGENTS.**

5. *Casualty/Total or Partial Destruction*

a. If the Premises are damaged by casualty and can be restored within ninety days, Landlord will, at its expense, restore the roof, foundation, and structural soundness of the exterior walls of the Premises and any leasehold improvements within the Premises that are not within Tenant's Rebuilding Obligations to substantially the same condition that existed before the casualty and Tenant will, at its expense, be responsible for replacing any of its damaged furniture, fixtures, and personal property and performing Tenant's Rebuilding Obligations. If Landlord fails to complete the portion of the restoration for which Landlord is responsible within ninety days from the date of written notification by Tenant to Landlord of the casualty, Tenant may terminate this lease by written notice to Landlord before Landlord completes Landlord's restoration obligations.

b. If Landlord cannot complete the portion of the restoration for which Landlord is responsible within ninety days, Landlord has an option to restore the

Premises. If Landlord chooses not to restore, this lease will terminate. If Landlord chooses to restore, Landlord will notify Tenant in writing of the estimated time to restore and give Tenant an option to terminate this lease by notifying Landlord in writing within ten days from receipt of Landlord's estimate. If Tenant does not notify Landlord timely of Tenant's election to terminate this lease, the lease will continue and Landlord will restore the Premises as provided in a. above.

c. To the extent the Premises are untenable after the casualty, the Rent will be adjusted as may be fair and reasonable.

6. *Condemnation/Substantial or Partial Taking*

a. If the Premises cannot be used for the purposes contemplated by this lease because of condemnation or purchase in lieu of condemnation, this lease will terminate.

b. If there is a condemnation or purchase in lieu of condemnation and this lease is not terminated, Landlord will, at Landlord's expense, restore the Premises, and the Rent payable during the unexpired portion of the Term will be adjusted as may be fair and reasonable.

c. Tenant will have no claim to the condemnation award or proceeds in lieu of condemnation.

7. *Uniform Commercial Code.* Tenant grants Landlord a security interest in Tenant's personal property now or subsequently located on the Premises. This lease is a security agreement under the Uniform Commercial Code.

8. *Default by Landlord/Events.* Defaults by Landlord are failing to comply with any provision of this lease within thirty days after written notice and failing to provide Essential Services to Tenant within ten days after written notice.

9. *Default by Landlord/Tenant's Remedies.* Tenant's remedies for Landlord's default are to sue for damages and, if Landlord does not provide an Essential Service for thirty days after default, terminate this lease.

10. *Default by Tenant/Events.* Defaults by Tenant are (a) failing to pay timely Rent, (b) abandoning or vacating a substantial portion of the Premises, and (c) failing to comply within ten days after written notice with any provision of this lease other than the defaults set forth in (a) and (b).

11. *Default by Tenant/Landlord's Remedies.* Landlord's remedies for Tenant's default are to (a) enter and take possession of the Premises, after which Landlord may relet the Premises on behalf of Tenant and receive the rent directly by reason of the reletting, and Tenant agrees to reimburse Landlord for any expenditures made in order to relet; (b) enter the Premises and

perform Tenant's obligations; and (c) terminate this lease by written notice and sue for damages. Landlord may enter and take possession of the Premises by self-help, by picking or changing locks if necessary, and may lock out Tenant or any other person who may be occupying the Premises, until the default is cured, without being liable for damages.

12. *Default/Waiver/Mitigation.* It is not a waiver of default if the nondefaulting party fails to declare immediately a default or delays in taking any action. Pursuit of any remedies set forth in this lease does not preclude pursuit of other remedies in this lease or provided by applicable law. Landlord and Tenant have a duty to mitigate damages.

13. *Security Deposit.* If Tenant defaults, Landlord may use the Security Deposit to pay arrears of Rent, to repair any damage or injury, or to pay any expense or liability incurred by Landlord as a result of the default.

14. *Holdover.* If Tenant does not vacate the Premises following termination of this lease, Tenant will become a tenant at will and must vacate the Premises on receipt of notice from Landlord. No holding over by Tenant, whether with or without the consent of Landlord, will extend the Term.

15. *Alternative Dispute Resolution.* Landlord and Tenant agree to mediate in good faith before filing a suit for damages.

16. *Attorney's Fees.* If either party retains an attorney to enforce this lease, the party prevailing in litigation is entitled to recover reasonable attorney's fees and other fees and court and other costs.

17. *Venue.* Exclusive venue is in the county in which the Premises are located.

18. *Entire Agreement.* This lease*[, its exhibits, addenda and riders,]* [is/are] the entire agreement of the parties concerning the lease of the Premises by Landlord to Tenant. There are no representations, warranties, agreements, or promises pertaining to the Premises or the lease of the Premises by Landlord to Tenant, and Tenant is not relying on any statements or representations of any agent of Landlord, that are not in this lease*[and any exhibits, addenda, and riders]*.

19. *Amendment of Lease.* This lease may be amended only by an instrument in writing signed by Landlord and Tenant.

20. *Limitation of Warranties.* THERE ARE NO IMPLIED WARRANTIES OF MERCHANTABILITY, OF FITNESS FOR A PARTICULAR PURPOSE, OR OF ANY OTHER KIND ARISING OUT OF THIS LEASE, AND THERE ARE NO WARRANTIES THAT EXTEND BEYOND THOSE EXPRESSLY STATED IN THIS LEASE.

21. *Notices.* Any notice required or permitted under this lease must be in writing. Any notice required by this lease will be deemed to be delivered (whether actually received or not) when deposited with the United States Postal Service, postage prepaid, certified mail, return

receipt requested, and addressed to the intended recipient at the address shown in this lease. Notice may also be given by regular mail, personal delivery, courier delivery, facsimile transmission, or other commercially reasonable means and will be effective when actually received. Any address for notice may be changed by written notice delivered as provided herein.

22. *Abandoned Property.* Landlord may retain, destroy, or dispose of any property left on the Premises at the end of the Term.

23. *Subordination.* Landlord subordinates its security interest and liens to purchase-money security interests in Tenant's personal property.

24. *Base Rent Adjustment.* Beginning one year from the Commencement Date, the Base Rent will be adjusted on each anniversary of the Commencement Date (the "Adjustment Date") to reflect increases in the Consumer Price Index for "All Urban Consumers, U.S. City Average, All Items," issued by the Bureau of Labor Statistics of the United States Department of Labor.

a. The adjustments in the Base Rent will be determined by multiplying the Base Rent specified in the lease ("Initial Base Rent") by a fraction, the numerator of which is the index number for the last month before the adjustment and the denominator of which is the index number for the first month of the first year of the Term. If the product is greater than the Initial Base Rent, Tenant will pay this greater amount as Base Rent until the next rental adjustment. Base Rent will never be less than the Initial Base Rent.

b. Landlord will notify Tenant of each adjustment to Base Rent no later than sixty days after the Adjustment Date.

25. *Advertisement of Premises.* During the last thirty days of the Term, Landlord may place a sign on the Premises advertising the Premises for rent or sale.

26. *Expansion Option.* Tenant has the option to lease the expansion space identified in the expansion space rider. Tenant may exercise the option by giving Landlord the prior written notice described in the expansion space rider. Tenant will lease the expansion space for the rent stated in the expansion space rider. The expansion space will be accepted in "AS IS" condition with any tenant improvements to be at the expense of Tenant. The expansion space will become part of the Premises and be subject to all the terms of this lease.

27. *Extension Option.* Tenant has the option to extend the Term as provided in the attached extension option rider.

28. *Waiver of Property Tax Protest Rights.* Tenant waives all rights to protest the appraised value of the Premises or to appeal the same and all rights to receive notices of reappraisal as set forth in sections 41.413 and 42.015 of the Texas Tax Code.

29. *Asbestos.* Buildings or structures located on the Premises may contain asbestos-

containing material or presumed asbestos-containing material as defined by OSHA regulations. Tenant has inspected the Premises and conducted such tests and inspections as Tenant deems necessary or desirable. Tenant will provide Landlord with copies of all such test results and inspections. Tenant will comply with all rules and regulations relating to asbestos in performing any maintenance, housekeeping, construction, renovation, or remodeling of the premises, and Tenant will bear all costs related to removal and disposal of asbestos from the Premises.

TENANT:

Arlington – Mansfield Area YMCA

By: _____

Title: _____

GUARANTOR:

City of Kennedale

By: _____

Title: _____

ATTEST:

By: _____

Title: _____

Exhibit _____

Standard Leasehold Improvements

The standard leasehold improvements are described as follows:

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