KENNEDALE CITY COUNCIL MINUTES

REGULAR MEETING | AUGUST 20, 2024 AT 5:30 PM
CITY HALL COUNCIL CHAMBERS | 405 MUNICIPAL DRIVE, KENNEDALE, TX 76060

I. CALL TO ORDER

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

A. ROLL CALL

Mayor Horton, Mayor Pro Tem Michels, Place 1 Glover, Place 2 Kobeck 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

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

Place 5 Nevarez led the invocation, followed by the Pledges to the American and Texas Flags led by Mayor Pro Tem Michels.

II. PRESENTATIONS

A. Brinson Benefits update on the 2024-2025 Employee Benefit Package

Dawn Brinson, CEO Brinson Benefits, updated the Council on the Fiscal Year 2024-2025 Employee Benefits.

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.

Barbara Boettger, 2001 Perry Dr., thanked the Council for the support of the Arrowhead District of Boys Scouts of America.
Joe Palmer, 4017 Sanguinet Court, Fort Worth, concerns regarding Business Licenses.
Andrew Shaffer, 1233 Falcon View, In favor of the Interlocal Agreement between the City of

Arlington and the City of Kennedale.
Dale Scaief, 948 Sunrise Dr., Proposed Tax Rate and Bonds, Alta Landings, and Business Licenses

IV. PUBLIC HEARINGS

A. To receive public comment on the proposed Comprehensive Plan for the City of Kennedale.

Mayor Brad Horton opened the Public Hearing at 5:53 p.m.

Carl Hall, 807 Shady Bend Dr., Opposed to the Comprehensive Land Use Plan.
David Bloxum, 1150 Kennedale Parkway, Opposed to the Comprehensive Land Use Plan.
Joe Palmer, 4017 Sanguinet Court, Fort Worth, Opposed to the Comprehensive Land Use Plan.
Ron Hamm, 1150 E. Kennedale Parkway, Opposed to the Comprehensive Land Use Plan.
Stephanie Love, 212 Village St., Opposed to the Comprehensive Land Use Plan
David McMillian, 3830 Kennedale New Hope Rd., Opposed to the Comprehensive Land Use Plan.
R. Matthew Molash, 9406 Biscayne Blvd., Opposed to the Comprehensive Land Use Plan.
John Corteusciello, 2104 English Oak Dr., Opposed to the Comprehensive Land Use Plan.

Mayor Brad Horton closed the Public Hearing at 6:16 p.m.

B. To receive public comment on the fiscal year 2024-2025, City of Kennedale Budget.

Mayor Brad Horton opened the Public Hearing at 6:16 p.m.

No were Comments made at this time.

Mayor Brad Horton closed the Public Hearing at 6:17 p.m.

C. To receive public comment on a tax rate of $0.706190 per $100 valuation proposed by the governing body of the City of Kennedale, with a maintenance and operation rate of $0.510974, and an Interest and Sinking Rate (debt rate) of $0.195216.

Mayor Brad Horton opened the Public Hearing at 6:17 p.m.

Joe Palmer, 4017 Sanguinet Court, Fort Worth, Opposed to proposed Tax Rate.

Mayor Brad Horton closed the Public Hearing at 6:21 p.m.

V. REGULAR SESSION

A. <u>REPORTS AND ANNOUNCEMENTS</u>
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.

The City Council and Mayor gave updates on items of public interest, including the Chamber of Commerce Luncheon, the upcoming 9/11 Memorial Event, and the upcoming Bring It event to be held on 9/7.

2. Updates from the City of Kennedale City Manager.

No updates at this time.

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

Finance Director Jonathan Horton reviewed the City financials with the Council.

B. 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. July 8, 2024, City Council Special Meeting and Budget Workshop Minutes.

2. July 15, 2024, City Council Special Meeting Minutes.

3. 2024/2025 Interlocal Agreement (ILA) renewal with the City of Ft. Worth for rabies control and use of the City of Ft. Worth Animal Shelter.

4. An ordinance of the City Council of the City of Kennedale, Texas, approving a negotiated settlement between the Atmos Cities Steering Committee and Atmos Energy Corp., Mid-Tex Division regarding the company's 2024 rate review mechanism filing.

5. Amended and Restated Interlocal Agreement for Water and Wastewater Operations and Maintenance between the City of Arlington and the City of Kennedale.

Mayor Pro Tem Michels motioned to approve items 1, 2, 4 and 5 of the consent agenda.

Place 5 Nevarez seconded the motion.
No oppositions, No abstentions
Vote: The motion carried unanimously: 5-0

Place 3 Kobeck requested that item #3 be pulled for discussion by the Council.

3. 2024/2025 Interlocal Agreement (ILA) renewal with the City of Ft. Worth for rabies control and use of the City of Ft. Worth Animal Shelter.

The Council held a discussion with the City Staff regarding the renewal of the City of Ft. Worth Interlocal Agreement (ILA). The consensus of the Council was to have a clearer item sheet presented at the next Council meeting.

Pl 1 Glover motioned to table Consent Agenda Item #3, A 2024/2025 Interlocal Agreement (ILA) renewal with the City of Ft. Worth for rabies control and use of the City of Ft. Worth Animal Shelter.

Pl 2 Kobeck seconded the motion.
No oppositions, No abstentions
Vote: The motion carried unanimously: 5-0

Mayor Horton recessed into a break at 6:33 p.m. the meeting reconvened at 6:42 p.m.

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

1. Discuss and take action on an ordinance authorizing the issuance, sale and delivery of up to $11,000,000 in principal amount of "combination tax and revenue certificates of obligation, series 2024"; securing the payment thereof by authorizing the levy of an annual ad valorem tax and a pledge of certain surplus revenues of the city's municipal waterworks and sewer system; and approving and authorizing all other instruments and procedures related thereto.

Andrew Friedman of Samco Capital presented the Council with an update of the issuance, sale and delivery of the Combination Tax and Revenue Certificates of Obligation. Mr. Friedman noted that the city was able to secure an interest rate of 3.85% which was lower than anticipated.

The Council discussed the funding of the certifications of obligation with Mr. Friedman and City Staff. It was noted that the funds would be used for the remodel of the Police Station, construction of the new Fire Station, and other infrastructure upgrades that had been discussed previously with the Council.

Pl 4 Nevarez made a motion to approve an ordinance authorizing the issuance, sale and delivery of up to $11,000,000 in principal amount of "combination tax and revenue certificates of obligation, series 2024"; securing the payment thereof by authorizing the levy of an annual ad valorem tax and a pledge of certain surplus revenues of the city's municipal waterworks and sewer system; and approving and authorizing all other instruments and procedures related thereto.

Mayor Pro Tem Michels seconded the motion.

Pl 2 Kobeck and Pl 4 Gary opposed the motion, Pl 1 Glover abstained, Mayor Horton voted to oppose the motion in order to break the tie.
Vote: The motion failed: 2-3-1

2. Discuss and take action on an ordinance authorizing the issuance of up to $3,000,000 in principal amount of "general obligation bonds, series 2024," levying a continuing direct annual ad valorem tax for the payment of the bonds; prescribing the form, terms, conditions, and resolving other matters incident and related to the issuance, sale, and delivery of the bonds; and enacting other provisions incident and related to the subject and purpose of the ordinance.

Andrew Friedman of Samco Capital presented the Council with an update of the General Obligation Bonds levying a continuing direct annual ad valorem tax. Mr. Friedman noted that the city was able to secure an interest rate of 3.86% which was lower than the anticipated rate.

The Council held a discussion with Mr. Friedman and staff related to the funding of the General Obligation Bonds which would be used towards park improvements. Mr. Friedman advised the Council that this bond was approved by voters at an election.

Pl 5 Nevarez made a motion to approve an ordinance authorizing the issuance of up to $3,000,000 in principal amount of "general obligation bonds, series 2024," levying a continuing direct annual ad valorem tax for the payment of the bonds; prescribing the form, terms, conditions, and resolving other matters incident and related to the issuance, sale, and delivery of the bonds; and enacting other provisions incident and related to the subject and purpose of the ordinance.

Pl 4 Gary seconded the motion.
No oppositions, Pl 1 Glover abstained
Vote: The motion passed: 4-0-1

3. Discussion on a proposed Comprehensive Plan for the City of Kennedale as recommended by the Planning and Zoning Commission.

The Council held discussions with Dunaway Consulting and the Community Development Director, Nathan Gonzales. Mr. Gonzales advised that the Comprehensive Plan is complete after months of steering committee meetings, open houses, community surveys, and joint-session workshops. Mr. Gonzales stated that a public hearing was held before the Planning and Zoning Commission on July 25, 2024, and received a unanimous recommendation for approval.

Mayor Horton requested the Council review the plan in full and take the comments made during the meeting into account before taking action on the draft. Mayor Horton suggested bringing the plan back before the Council to vote in September.

The consensus of the Council was to bring the plan back for a vote in September.

4. Discuss and take action on the Mayor's Veto received on July 22, 2024, Vetoing action taken by the City Council on July 15, 2024, authorizing the City Manager to move forward with the Little School Rd. Extension Project Design and to approve the Design Project of Kennedale Sublett Rd.

The Council and the Mayor discussed the Mayor's Veto received on July 22, 2024, vetoing action taken by the City Council on July 15, 2024, authorizing the City Manager to move forward with the Little School Rd. Extension Project Design and to approve the Design Project of Kennedale Sublett Rd.

Mayor Pro Tem Michels motioned to override the Mayor's Veto received on July 22, 2024, Vetoing action taken by the City Council on July 15, 2024, authorizing the City Manager to move forward with the Little School Rd. Extension Project Design and to approve the Design Project of Kennedale Sublett Rd.

Pl 1 Glover seconded the motion.
Pl 1 Kobeck and Pl 4 Gary opposed, No abstentions
Vote: Motion approved 3-2

City Manager Darrell Hull requested clarification on item #1 concerning the Combination Tax and Revenue Certificates of Obligation.

Mayor Horton recessed the meeting for a break at 7:40 p.m. the meeting reconvened at 7:50 p.m.

Mayor Pro Tem Michels motioned to adjourn into Executive Session at 7:50 p.m.
Pl 1 Glover seconded the motion.
No opposition, No abstentions
Vote: The motion passed unanimously

Mayor Horton reconvened the meeting into open session at 8:08 p.m.

Mayor Horton revisited Item #1

1. Discuss and take action on an ordinance authorizing the issuance, sale and delivery of up to $11,000,000 in principal amount of "combination tax and revenue certificates of obligation, series 2024"; securing the payment thereof by authorizing the levy of an annual ad valorem tax and a pledge of certain surplus revenues of the city's municipal waterworks and sewer system; and approving and authorizing all other instruments and procedures related thereto

Pl 1 Glover stated for the record that he has a conflict of interest due to his employment with J.P. Morgan Chase and has been advised by his employer not to participate in voting regarding bonds.

Pl 5 Nevarez motioned to reconsider Item #1.

Pl 2 Kobeck seconded the motion.
Pl 4 Gary opposed, Pl 1 Glover abstained.
Vote: Motion passed 3-1-1

Mayor Horton opened the floor for discussion of the bond.

Pl 4 Gary advised he would also abstain due to his employment.

Pl 5 Nevarez stated that his vote would not change due to the need for public safety facilities.

Pl 2 Kobeck asked for a breakdown of the funding. City Manager Hull advised that $8.4MM would be used for the public safety facilities with 2.6MM to be used for infrastructure projects.

Pl 5 Nevarez motioned to approve an ordinance authorizing the issuance, sale and delivery of up to $11,000,000 in principal amount of "combination tax and revenue certificates of obligation, series 2024"; securing the payment thereof by authorizing the levy of an annual ad valorem tax and a pledge of certain surplus revenues of the city's municipal waterworks and sewer system; and approving and authorizing all other instruments and procedures related thereto.

Mayor Pro Tem Michels seconded the motion.
No opposition, Pl 1 Glover and Pl 4 Gary abstained.
Vote: Motion passed 3-0-2

5. Discussion on the City of Kennedale Commercial Business Licenses process.

Community Development Director Nathan Gonzales requested that the Council not repeal the ordinance, as there is value in maintaining a list of business registrations. Mr. Gonzales requested the Council allow the department to implement the software upgrade. Mr. Gonzales advised that when the fee schedule is revised, it would be possible to update the schedule to reflect no charges for this type of registration. Mr. Gonzales stated that a home-based business is not defined in the ordinance and could potentially be amended in the future. Mr. Gonzales is in favor of having a registration for businesses, but with no assessment of a fee.

No action was taken by the City Council.

6. Discuss and take action on approval of the Oak Hill Addition Channel Cleaning.

The Council discussed field investigations that were performed at the Oak Hill Addition drainage channel after recent complaints of flooding and erosion concerns. Based on the investigation findings, it was determined that the drainage problems will worsen if the channel sedimentation is not removed.

Pl 1 Glover motion to approve a professional service agreement with Makou Construction in the amount of $18,750.00.

Mayor Pro Tem Michels seconded the motion.
No opposition, No abstentions
Vote: Motion carried unanimously 5-0

7. Discuss and take action on a Resolution of the City Council of the City of Kennedale, Texas, adopting rules governing public comments and public hearing comments at all City Council, Board, Commission, and Committee Meetings.

Christina Husfeld, 1411 Debry Dr., opposed the Resolution regarding Public Comment.
Tracy Hardy, 1406 Fern Ct., opposed the Resolution regarding Public Comment.
Garrison Lewis, 1312 Tucker Ln., opposed the Resolution regarding Public Comment.

The Council discussed the resolution with staff and the City Attorney. The City Attorney advised that the courts have ruled that all regulations regarding public comment must be deemed reasonable. The attorney stated that the rules that were presented are reasonable and are constitutional.

The Council showed concerns regarding reading emails into the record and limiting groups to a specified amount of time per topic.

No action was taken by the Council at this time.

Mayor Horton adjourned the meeting for a break at 9:20 p.m. the meeting was reconvened at 9:28 p.m.

8. Discuss and hold a Roll Call Vote to take action on an ordinance of the city of Kennedale, Texas, adopting the budget for the fiscal year beginning October 1, 2024, and ending September 30, 2025; appropriating resources for each department, project, operation, activity, purchase, account and other expenditures; providing for emergency expenditures and expenditures as allowed by applicable state law; providing for the filing and posting of the budget as required by state law; providing a severability clause; and providing an effective date.

Finance Director Jonathan Horton began budget discussions with the City Council regarding adopting the 2024-2025 Fiscal Year Budget. Mr. Horton advised that since the budget meeting on August 12th, the following changes had been made to the budget:

• Cover: Design update
• EDC (Fund 15): added $50,000 to "Special Services" for a contracted EDC staff

member. This to replace the Director position that was previously removed.
• Narrative language added in the introduction section and for each individual fund.

Mr. Horton stated the budget was part of three Council work sessions: April 15th, July 8th, and August 12th, with additional related work sessions held regarding bonds that included budgetary elements.

Pl 2 Kobeck shared her disappointment regarding the tax rate not being reduced, which was a shared concern of Pl 4 Gary. Pl 4 Gary also relayed that he would have liked to have seen his suggestions for the pay increase step plan for the Fire and Police Department be lengthened over a period of time.

Pl 5 Nevarez advised that once more rooftops are added to the tax roll, the property tax rate could be decreased without using reserve funding or cutting services to citizens.

Pl 2 Kobeck stated the city has to reign in on spending and then stated that the pay step plan for Police and Fire should have been less aggressive, especially in the first year. Ms. Kobeck explained that the steps could have been less per step but more funding over time.

Mr. Hull explained he has produced a budget that the City Manager's Office felt covered all services to the City of Kennedale residents that are needed and expected without inflating the budget.

Pl 5 Nevarez advised that the pay step plan could be updated or revised in the future.

Mayor Horton advised that the vote for this item would be required to be a roll call vote of the City Council.

Pl 1 Glover advised he was concerned about the message that will be sent to staff by decreasing the pay amounts of the step plans.

Pl 4 Gary stated that the budget should have been reduced in order to fund the Police and Fire Department's pay step plan increase.

Pl 1 Glover made a motion to approve an ordinance of the city of Kennedale, Texas, adopting the budget for the fiscal year beginning October 1, 2024, and ending September 30, 2025; appropriating resources for each department, project, operation, activity, purchase, account and other expenditures; providing for emergency expenditures and expenditures as allowed by applicable state law; providing for the filing and posting of the budget as required by state law; providing a severability clause; and providing an effective date.

Pl 5 Nevarez seconded the motion.

ROLL CALL VOTE:

Pl 1 Glover – Aye
Pl 2 Kobeck – Nay
Pl 3 Mayor Pro Tem Michels – Aye
Pl 4 Gary – Nay
Pl 5 Nevarez – Aye
No abstentions
Vote: Motion passed 3-2

9. Discuss and take action on the ratification of the property tax for Fiscal Year 2024.

Pl 5 Nevarez moved to ratify the property tax increase as reflected in adopted FY25 budget.

Pl 1 Glover seconded the motion.
Pl 2 Kobeck and Pl 4 Gary opposed, No abstentions
Vote: Motion carried 3-2

10. Discuss and hold a Roll Call Vote to take action on an ordinance of the city of Kennedale, Texas, levying municipal ad valorem taxes for use and support of the municipal government of the city of Kennedale, Texas, for the 2024-2025 fiscal year at the rate of $0.706190 per one hundred dollars ($100.00), and for each year thereafter until otherwise provided, on all taxable property within the corporate limits of the city of Kennedale; providing for apportioning each levy for specific purposes; and providing when taxes shall become due and when same shall become delinquent if not paid; approving the tax rolls; providing a severability clause; repealing conflicting ordinances; providing a savings clause; and providing an effective date.

Pl 5 Nevarez moved that the property tax rate be increased by the adoption of a tax rate of $0.706190, which is effectively a 2.91% increase in the tax rate.

Pl 1 Glover seconded the motion.

ROLL CALL VOTE:

Pl 1 Glover – Aye
Pl 2 Kobeck – Nay
Pl 3 Mayor Pro Tem Michels – Aye
Pl 4 Gary – Nay
Pl 5 Nevarez – Aye
No abstentions
Vote: Motion passed 3-2

VI. 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 551.074 personnel matters (1) to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or (2) to hear a complaint or charge against an officer or employee. (b) Subsection (a) does not apply if the officer or employee who is the subject of the deliberation or hearing requests a public hearing. Section 551.072 - deliberation regarding purchase, exchange, lease or value of real property; Section 551.073 - deliberation regarding a prospective gift; 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.

Pursuant to the Open Meetings Act, Chapter 551, Section 551.071 of the Texas Government Code, the Council may convene into executive session at any time during the meeting if a need rises for the City Council to seek advice from the City Attorney concerning any item on this agenda, to discuss pending and contemplated litigation, or a settlement offer, or to discuss a matter in which the duty of the attorney to the City Council under the Texas Disciplinary Rules of Professional Conduct of the State Board of Texas clearly conflicts with Chapter 551.

Mayor Brad Horton recessed into Executive Session at 10:08 p.m.

1. Review of Complaint
2. City Council, Boards and Commissions Social Media Policies
3. 400 N. Little School Rd. - Sewer Backup

Mayor Brad Horton reconvened the meeting at 10:37 p.m.

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

VIII. ADJOURNMENT

Pl 5 Nevarez motioned to adjourn the meeting.

Place 1 Glover seconded the motion.
There being no further business the Mayor adjourned the meeting at 10:37 p.m.

APPROVED:

Brad Horton

MAYOR, BRAD HORTON

ATTEST:

BJ Taylor

CITY SECRETERY BOBBIE JO TAYLOR

CITY OF KENNEDALE
SEAL
TARRANT COUNTY, TEXAS