



City of
KENNEDALE
Texas
EST. 1887

YOU'RE HERE  YOUR HOME

**Adopted Budget Fiscal Year 2025
October 1, 2024 through September 30, 2025**

Serving with P.U.R.P.O.S.E



FY24-25 ADOPTED BUDGET

OCTOBER 1, 2024 to SEPTEMBER 30, 2025

Presented to City Council

August 12, 2024

Adopted Budget

August 20, 2024

Approval of Tax Rate

August 20, 2024

Submitted By

DARRELL HULL, CITY MANAGER

JONATHAN HORTON, DIRECTOR OF FINANCE

405 Municipal Drive

Kennedale, TX 76060

817-985-2105

CITYOFKENNEDALE.COM/BUDGET

City of Kennedale
Fiscal Year 2024/2025

Adopted Budget THIS BUDGET WILL RAISE MORE TOTAL PROPERTY TAXES THAN LAST YEAR'S BUDGET BY \$242,440.39 OR 2.91% AND, OF THAT AMOUNT, \$59,220.61 IS TAX REVENUE TO BE RAISED FROM NEW PROPERTY ADDED TO THE TAX ROLL THIS YEAR.

CITY COUNCIL RECORD VOTE

The members of the governing body voted on the adoption of the budget as follows:

FOR: Mayor Pro Tem Kenneth Michels; Councilmembers David Glover and Jeff Nevarez

AGAINST: Councilmembers Thelma Kobeck and Chris Gary PRESENT but abstained from voting: None

ABSENT: None

MUNICIPAL PROPERTY TAX RATES

The municipal property tax rates for the preceding fiscal year, and each municipal property tax rates that has been adopted or calculated for the current fiscal year, include:

Tax Rate	FY24 Adopted	FY25 Adopted
Property Tax Rate	\$0.706190/100	\$0.706190/100
No-New-Revenue Tax Rate	\$0.610045/100	\$0.686241/100
No-New-Revenue Maintenance & Operations Rate	\$0.413128/100	\$0.491025/100
Voter Approval Tax Rate	\$0.706208/100	\$0.727523/100
Debt Rate	\$0.196917/100	\$0.195216/100
Maintenance & Operations Tax Rate	\$0.509273/100	\$0.510974/100

MUNICIPAL DEBT OBLIGATIONS

The total amounts of outstanding municipal debt obligations (including principal and interest) secured by property taxes is \$39,393,143.

This cover page and the information it contains are included with the adopted budget as required by Section 102.007 of the Texas Local Government Code.

In Kennedale, we serve with P.U.R.P.O.S.E.!

These guiding principles set our service expectations for all employees of our organization.

P ROFESSIONALISM

U NDERSTANDING

R ESPECT

P OSITIVE INFLUENCE

O UTSTANDING SERVICE

S UPPORTIVE

E XCELLENCE

The City of Kennedale invites you to nominate an employee you feel has shown these principles. Use the QR code, or visit www.cityofkennedale.com/HR, to fill out a form online.



Adopted Budget 2024 -2025

Table of Contents

INTRODUCTORY SECTION

Vision	6
Organizational Chart	7
City Manager’s Letter	9

GENERAL FUND

General Fund Summary (01)	44
General Fund Departments	
City Manager	46
Mayor/Council	49
City Secretary	51
Municipal Court	53
Human Resources	56
Finance	58
Police	60
Fire	67
Community Development	70
Senior Center	72
Library	74
Communications	77
Public Works (Formerly the Street Improvement Fund)	79
Non-Departmental	82

DEBT SERVICE FUND

Debt Service Fund (02)	84
------------------------	----

UTILITY FUNDS

Stormwater Utility Fund (07)	88
Water/Sewer Fund (10)	90
Water Impact Fee Fund (61)	93
Sewer Impact Fee Fund (62)	93

CAPITAL PROJECT FUNDS

Capital Projects Fund (04)	95
Capital Bond Fund (13)	96
Park Dedication Fund (14)	97
Library Building Fund (32)	98
Roadway Impact Fee Fund (45)	99

Adopted Budget 2024 -2025 Table of Contents

SPECIAL REVENUE FUNDS

TIF #1 New Hope Fund (21)	101
Hotel Occupancy Tax Fund (30)	102
Public Seizure Fund (31)	103
LEOSE Fund (34)	104
Disaster Recovery Fund (35)	105

OTHER FUNDS

Capital Replacement Fund (05)	107
Court Security Fund (12)	108
Court Technology Fund (16)	109
Local Youth Diversion Fund – Formerly the Juvenile Case Manager Fund (18)	110
Grants (40)	111
Park Recovery and Other Donations Fund (41)	112
Tree Restoration Fund (83)	113
Unclaimed Property Fund (85)	114

Economic Development Corporation (EDC) FUNDS

EDC Fund (15)	116
EDC Bond Reserve Fund (95)	118

APPENDIX

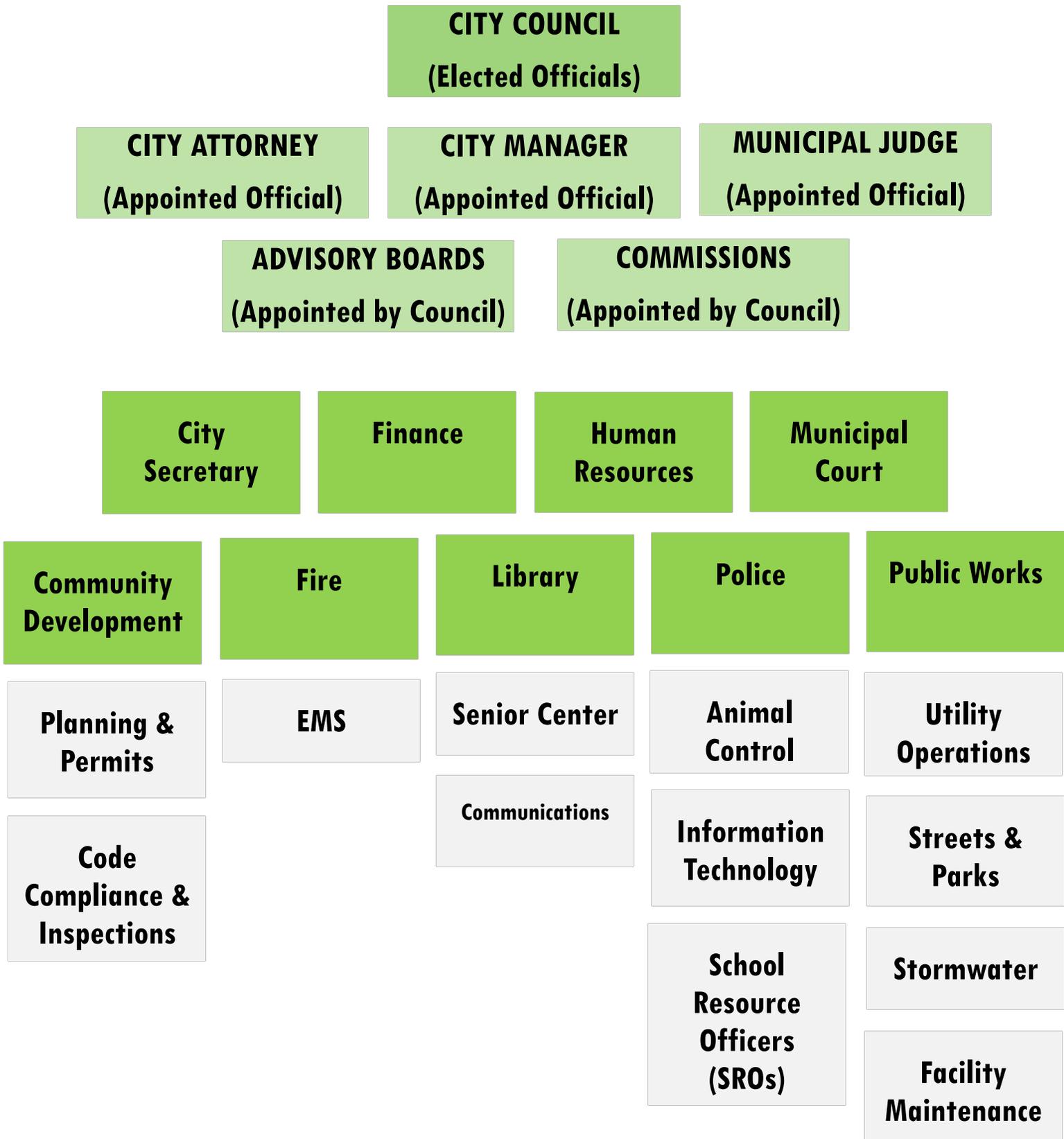
Budget Ordinance	120
Tax Rate Levy Ordinance	124
Truth-In-Taxation Calculation	128
Notice of Public Hearing on Tax Increase	138
Changes from Proposed Budgets	140
Object Codes	143
Ratings Letter	149
Debit Model	152
Financial Policies	169
Water Rate Study Report	275
Glossary	347



Kennedale is a family-oriented community providing a refuge from the hectic pace of the Dallas-Fort Worth Metroplex. Open spaces, green belts, and trails enhance our serenity, quality of life, and community. With easy access from major roadways, Kennedale is economically prosperous, business friendly, and conveniently located, providing opportunities to shop, work, and play.

ORGANIZATIONAL CHART

RESIDENTS OF THE CITY OF KENNEDALE





ELECTED OFFICIALS	APPOINTED OFFICIALS
--------------------------	----------------------------

Mayor Brad Horton
 Mayor Pro Tem Kenneth Michels, Place 3
 David Glover, Place 1
 Thelma Kobeck, Place 2
 Chris Gary, Place 4
 Jeff Nevarez, Place 5

Darrell Hull, City Manger
 Bobbie Jo Taylor, City Secretary
 Carvan Adkins of TOASE, City Attorney
 Honorable Bill Lane, Municipal Judge

BOARDS AND COMMISSIONS	MANAGEMENT TEAM
-------------------------------	------------------------

Board of Adjustment (BOA)
 Building Board of Appeals (BBA)
 Economic Development Corporation (EDC)
 Keep Kennedale Beautiful Commission (KKB)
 Library Advisory Board (LAB)
 Parks and Recreation Board (PRB)
 Planning and Zoning Commission (P&Z)
 Utility and Infrastructure Board (UIB)
 Youth Advisory Council (YAC)

Nathan Gonzales, Director of
 Community Development
 Caroline Green, Director of HR
 Michael Holguin, Chief of Police
 Jon Horton, Director of Finance
 Brian King, Fire Chief (Interim)
 Elizabeth Partridge, Director of Library and
 Communications
 Kristian Sugrim, Director of Public Works
 Bertha Vindel, Court Administrator

August 20, 2023

To: Honorable Mayor and City Council Members
From: Darrell Hull, City Manager
Subject: Adopted FY 2024-2025 Budget for the City of Kennedale

Honorable Mayor and Council Members,

I am pleased to submit the fiscal year 2024-2025 (FY 2024-2025) City of Kennedale recommended operating budget for your consideration. This adopted budget will be effective October 1, 2024, and close September 30, 2025.

The development of this year's budget has been a collaborative process with input from every member of the City of Kennedale leadership team. The recommended budget for FY 2024-2025 is balanced and represents a responsible spending plan while still meeting city development and growth needs. The FY 2024-2025 budget includes a modest increase in operating expenditures.

The budget development process considers city council's vision and priorities, the economic outlook on the national, state, and local level, and existing and forecasted financial commitments. The development of the budget also accounts for multi-year capital planning and investing in available resources by strategic priority. As in previous years, the FY 2024-2025 recommended budget continues to prioritize our residents, businesses, and our workforce while meeting the needs of a growing community.

The recommended FY 2024-2025 budget also anticipates continued positive growth in city revenues. The local and regional economy has remained resilient despite post-pandemic inflationary driven changes seen across many parts of the country. This budget also reflects increases in property and sales tax revenues driven by the most current appraisals in the city.

The recommended FY 2024-2025 budget proposes an increase of \$242,440.39. Although the general fund is the primary source for most city operations, this budget also encompasses all necessary funds including water and sewer, stormwater, franchise fees, investments, and the Economic Development Corporation (EDC) fund. Employee recruitment and retention, equitable market compensation, new debt service, and adjustments for inflation comprise the largest expenditure increases in this year's adopted budget.

Budget overview

The budget is the most important planning tool used by the City Council and city staff to provide services. The city provides a full range of municipal services utilizing operating funds, special revenue funds, capital project funds, and utility funds. The budget is balanced in accordance with state law, the City Charter, ordinances, and budget policies. The combined expenditures and transfers of the city’s operating funds total \$12,946,142, which is a 10% increase from the previous year operating budget.

GENERAL FUND	FY 2023/24	FY 2024/2025	% CHANGE
MAYOR AND COUNCIL	\$187,100	\$201,950	8%
CITY MAMAGER	\$366,953	\$378,229	3%
CITY SECRETARY	\$194,447	\$215,458	11%
MUNICIPAL COURT	\$242,974	\$320,764	32%
HUMAN RESOURCE	\$224,532	\$210,081	-6%
FINANCE	\$545,337	\$581,973	7%
POLICE	\$3,606,007	\$3,916,051	9%
FIRE	\$2,961,998	\$3,353,570	13%
LIBRARY	\$501,226	\$590,536	18%
SENIOR CENTER	\$53,172	\$101,900	92%
PUBLIC WORKS	\$1,200,756	\$1,492,428	24%
COMMUNITY DEVELOPMENT	\$687,853	\$693,806	1%
COMMUNICATIONS	\$26,100	\$23,500	-10%
NON-DEPARTMENT	\$565,194	\$566,695	0%

One of the measures of the city’s financial strength is the level of its fund balances. In keeping with the city’s policy to have a conservative 25% reserve fund, the general fund is projected to exceed the minimum obligation of 18%. The water and sewer funds are carrying a considerable reserve.

Fund type	FY2023/2024	FY2024/2025	NUMBER of DAYS	AMOUNT
GENERAL FUND	\$3,143,925	\$3,945,011	111	30%
WATER/SEWER	\$935,350	\$1,877,795	48	13%
STORMWATER	\$1,206,042	\$1,299,401	10355	2837%

The reserve fund earns interest, bolsters cash flow, and is available for unanticipated expenditures or city-wide emergencies. As a non-recurring revenue source, portions of the beginning fund balance may be used to fund capital or other one-time expenses.

City Personnel

In 2024, a committee consisting of employees and department heads were asked to create an acronym that would identify our commitment to serving our community. The committee chose the word PURPOSE and the acronym which represents the following service and customer-based ideals:

Professionalism- Visibly displaying and promoting the values of the organization through conduct or professional and personal advancement.

Understanding- Demonstrating responsiveness, empathy, and compassion when addressing the needs of customers and co-workers.

Respect- Demonstrating a high regard for and attention to the thoughts and opinions of others.

Positive Influence- Maintaining professionalism and a helpful demeanor towards others at all times.

Outstanding Service- Going above and beyond the status quo when providing customer service or in the performance of work responsibilities.

Supportive- Providing encouragement and commitment to fellow staff members and working as a team to further the mission and vision of the city.

Excellence- Exhibiting exceptional performance, work ethic, and an being example for others to follow.

As in any organization, competent and experienced city employees are essential to meet the vision and goals of the council and the needs and expectations of our citizens. It is generally known that municipal government and private sector organizations are competing for a smaller, qualified pool of available employees in the current job market. Needed market salary adjustments have become the new norm, as municipal governments continue to face a shortage of personnel throughout the state and the country. However, I am pleased to announce that for the first time since the pandemic, city staffing levels have been steady for the past two years. In an effort to continue to retain our employees, this budget proposes a compensation increase between three and eight percent for all employees, contingent upon job related skills, knowledge, and abilities associated with their current position. However, although this is a positive increase for all employees, the compensation in some positions will remain below the current market average. Future compensation plans will still need to address the market pay gap as soon as it is practical to do so.

The adopted budget also includes the addition of three new employees. These positions will be vital to meet the needs of our growing community. If approved, these employees will provide improved services in the Fire Department, the Municipal Court, and Community Development.

In our FY 2024-2025 budget, we outlined professional expectation goals for city staff members. I am proud to announce that we accomplished achievable goals within our control. Previous unachieved goals were a result of financial constraints or the inability to meet the fiscal year timeframe. Goals that were unable to be met last year will be incorporated into the new budget year objectives.

Community Development

One of our FY 2024-2025 budget goals included an update to the Comprehension Plan and the Unified Development Code (UDC). With input from our elected officials, this project will continue into FY 2024-2025 under this adopted budget to address the anticipated growth in business and urban development. A thorough review and subsequent update of the policies and procedures in the UDC is crucial to our success in the present and for future development. The UDC update was just one of many accomplishments in the past year.

Additional Community Development accomplishments in FY 2023-2024 included the adoption of the 2018 International Maintenance Code, the adoption of the Park Zoning Map, allowing funds collected from parks fees to be utilized to support operations, and updates to the parking, nuisance, and short-term rental ordinances. Community Development also reduced the costs for third-party services through improved training and development of department staff. Lastly, we implemented new software that will improve the efficiency and quality of work of our employees while providing better customer service.

The updated UDC is expected to improve development related communication, provide clear and measurable

expectations and building standards for developers, and minimizing conflicts regarding contradictory policies and guidelines found in our previous UDC standards. Having clear and measurable development standards benefits elected officials, city administrators, and citizens as the city continues to grow. Developers are also provided the opportunity to evaluate proposed projects vis á vis our community standards when exploring opportunities in Kennedale. A strong, clear, and concise UDC creates a benchmark for future development in the city, in line with our needs and expectations. Working together, we can continue to attract families seeking a safe and beautiful place to live with a quality-driven school district and a business-friendly environment.

Quality of Life and Infrastructure Improvements

Our continued commitment to enhance the quality of life for our residents, visitors, and property owners included completing water and sewer line and street capital infrastructure projects. Quality of life enhancements also included projects completed this year. We were able to replace over 1000 feet of sewer lines, repaired three of our water wells, purchased and installed new playground equipment for our parks, improved the splashpad play area at Sonora Park, and increased safety and security also at Sonora Park by installing a security access gate at the entrance. We also made improvements to parking lot lighting at Sonora Park and Rodgers Farm Park. As we move forward with the FY2024-2025 budget, we are planning improvements to the Kennedale Ballfields located on Village Street, as well as adding additional sports-oriented play and practice locations throughout the city to promote more outdoor activities for our citizens and visitors.

The following street projects were completed during the FY 2023-2024 budget year with more road improvements scheduled in the coming year. So far, we have not only striped over five miles of roadway to help with traffic control, we have also made repairs to curbs, updated street signage throughout the city, and filled over 500 pot holes. We were unable to complete two roads that were scheduled in the previous budget due to a lack of funding. However, the two roads have been added to this year's budget and are expected to be completed by the end of 2025.

During FY 2023-2024, the city partnered with the U.S. Department of Housing and Urban Development (HUD) and received a Community Development Block Grant (CDBG). The HUD grant allocation was used to replace over one thousand feet of water and sewer lines on West 3rd Street and North New Hope Road. We have been approved for the same grant for North Road and the project is scheduled to be completed within the coming fiscal year. To meet our continuing infrastructure needs, we plan to continue our partnership with HUD to receive additional CDBG funding to replace additional water and sewer lines throughout the city. Additionally, we are continuing to partner with Tarrant County Precinct 2 for assistance with stormwater drainage and culvert

debris cleanouts.

We completed a long overdue slope and stabilization project along with road and bridge improvements on Valley Lane and Averett Road last year. A complete rebuild of Collett Sublett Road, in addition to the needed improvements to our neighborhood concrete streets, is also planned for the new fiscal year. We have also partnered with Tarrant County Precinct 2 for FY 2024-2025 for additional road projects.

The long-awaited Safe Routes to School project finally began in June of this year. The city had originally partnered with the Texas Department of Transportation (TXDOT) in 2016 to improve pedestrian and bicycle mobility in our community. The program focuses on providing children the opportunity to walk and bike to school safely with the goal of also reducing vehicular traffic in the Delaney Elementary and James A. Arthur Early Childhood Center neighborhood. The projected completion date will be announced as soon as possible.

We have been negotiating with Arlington Water Utilities this year to supply water and wastewater services to the city. Negotiations are going well and we anticipate signing the agreement on August 20, 2024 for the FY2024-2025 Budget. Updates will also be provided as information becomes available.

As a result of the 2023 Certificate of Obligation (CO) Bond, we were able to start the design and construction on the T4 750,000-gallon storage water tank. The storage water tank is needed to continue supplying water to our city and to help us meet state water pressure standards. The engineering design for the sewer line from the Kennedale Texas Raceway to the Interstate 20 sewer and meter connector in Arlington is approximately 30% complete.

Communications and Community Outreach

The communications team provides transparent, innovative, and creative information, alerts, notices and advertisements to promote our mission, programs, events, and community-wide initiatives. Our vision is to consistently create and distribute effective messaging that is recognized as the best, most accurate, and dependable source of city information. This past year, the team created a new communications and social media policy, new branding standards, and increased outreach which has resulted in a significant increase in community participation at city events. As a result of the team's efforts, it is estimated that attendance at city events has more than doubled since the previous year.

In FY 2024-2025, we will partner with the Kennedale Youth Association (KYA) and the YMCA to improve the availability of youth sports and activities in our city. We created a Recreation Department to encourage better utilization of our parks and green spaces. The new department will provide scheduling, programming, and recreation related services, as well as promoting the use of facilities and resources available in Sonora

Park, TownCenter Plaza, Rodgers Farm Park and the future Kennedale Sports Complex.

In the past year, we were able to provide a variety of resources and programs to all ages through our Public Library and Senior Center. This included programs focused on improving life skills, workforce training through reading programs, and classes to learn basic computer skills. During this time, the library and Senior Center experienced significantly higher visitor traffic than in previous years. The Senior Center continues to be popular by hosting a variety of events specially designed for our Seniors such as health and exercise programs, game days, and arts and crafts activities. The Senior Center continues to provide lunch and breakfast through the Meals on Wheels program.

The library created and hosted a variety of additional programs and free events in FY 2023-2024 and encouraged citizens to take advantage of the free resources available to everyone with a library card. We partnered with Kennedale ISD to use their gyms due to the increased attendance at our summer reading programs and our very popular live animal presentations. The library staff also created a 3-D Printer Innovation Station including a 3D printer, laser engraver, and an embroidery machine, for the public to use for hands on training and use. The innovation station was funded through a grant by the Hancher Foundation.

The library also received a much-needed facelift last year that consisted of new carpet, new window blinds, new paint for the community room and the main collection area, and a new projector with speakers for the community room. The community room continues to be used regularly and hosts events scheduled for the public as well as in-house training courses held by the city.

The police department also launched a series of new and exciting programs in an effort to build partnerships and increase communication within the community. The department's Community Engagement Officer created a Business Crime Prevention Coalition to help local businesses deter crime and improve crime prevention efforts. The police department also participated in the very first national Faith and Blue event, hosted a Peace Officer Angel Foundation fundraiser, represented the city and the department at First Responder events at Globe Life Field and AT&T Stadium, started a new Police Chaplain program, launched the department's new drone program, and presented a number of crime prevention programs citywide to include Kennedale school district presentations to students and staff. In only the third year of participation, the police department driven initiative National Night Out was very successful and the city placed 3rd in Texas and 11th in the nation in participation, resulting in an award from the National Association of Town Watch for our efforts. The police department was also awarded Re-Accreditation by the Texas Police Chief's Association during this period. This is a significant accomplishment as there are only 211 agencies out of over 2,700 in the state that meet the standards for accreditation. These are just a few examples of many more accomplishments in FY 2023-2024

by our police department which highlights their efforts to provide quality police services while also maximizing community engagement.

The fire department continues to engage with the community by hosting the fire safety education programs annually. Fire fighters attend several career day events with local schools show casing their career path and passion of serving the community they work for. Throughout the year the fire department also host other events to the general public, including the open house for public safety and fire prevention week. During the open house the fire and police departments show case their equipment and gear to demonstrate the capabilities of serving and helping the public. The fire department serves the community by providing a local Angel Tree Christmas Program. The program helps support the needs of the community and its citizens during the Christmas season. In FY2025, the fire department will create a new program for fire safety prevention inside citizens homes, by providing residential smoke detectors. The program will allow the homes to have smoke detectors that work and are up to industry standards, at no charge to the public.

The Kennedale Public Works departments helps with all aspects of city activities and services. Public Works teams up with Keep Kennedale Beautiful Program. Each year public works helps KKB and organizations and business owners. Organizations and citizens help public works and KKB by providing an program of Adopt-A-Spot. This is where local citizens and businesses partner and clean the city within a designated area of the city. We also provide an annual Bring-it campaign to help control residential waste and debris from piling up inside/outside the home. Public works supports all city events including hosting their own KidFish. Kidfish is an event that brings families out to Sanora Park where we have a small lake to provide fishing and outdoor activities throughout the park. Public Works is a huge partner setting up our city events including; HomeTown Christmas. They decorate the Town Center Park with all the holiday décor including our 34ft Christmas tree.

Citizen involvement on our city boards and commissions is another important aspect that is key to promoting better communication with our citizens. We updated our communication technology to increase our audio and visual reach through our online communication system to increase transparency with our community. We will continue to build upon our previous efforts to encourage more citizen involvement in the new year and will seek other avenues to improve communication with our citizens. The city will continue to improve messaging through social media and our city and departmental website pages. We will continue to host townhall meetings and increase city representation at homeowner association meetings and other community events. We will also continue to partner with the Kennedale Rotary and the Kennedale Area of Chamber of Commerce.

We recognize the importance of keeping our citizens up-to-date on information that affects the community. The city has made improvements regarding notifications for situations such as street closures or weather events,

but there is still work to be done. The city is committed to keeping every citizen informed to the best of our ability and will seek any and all additional means to do so now and in the coming year.

In the past year, we made wonderful strides supporting and budgeting for a variety of city sponsored events. These included our revamped Kennedale Hometown Christmas event with a new thirty-foot Christmas tree, a new Kennedale BBQ Showdown event in partnership with Kennedale Speedway Park, Kidfish and Bark in the Park held at Sonora Park, the 911 Memorial Commemoration at TownCenter Plaza, the Veterans Day Memorial event also hosted at TownCenter Plaza, the annual Halloween Truck or Treat event held in TownCenter, and the Juneteenth Parade. We have enjoyed significant community support and have received positive feedback for our efforts to add value to our community by hosting these well-organized and family friendly events. Our goal is to continue to improve these events and potentially add more community centered activities in the coming year.

Municipal Court

The Kennedale Municipal Court continues to be dedicated to adhering to statutory requirements and providing the highest standards in customer service and promotes timely disposition of cases while ensuring accuracy to promote a positive public perception of our local judicial system. This past year, the court implemented a new citation writing system using cellular phones previously issued to police officers. Using existing technology in lieu of using a third party, independent citation writing device will save the city thousands of dollars in the future. The court is also exploring new screening technology for the council chamber to help protect our citizens and staff when court is in session. Additionally, new court managing software will be updated and implemented going in to FY 2025.

The court also continues to participate in citywide events and community education. The court participated in the Great Texas Warrant Roundup in March in cooperation with the police department, Texas Municipal Courts Week in November, and met with members of the community at various National Night Out neighborhood parties in October. Our court was also recognized by the Texas Municipal Courts Education Center and received the 2024 Municipal Traffic Safety Award. In addition to the emphasis of education and community outreach, the court staff still handled a 38% increase in all court filings with an 50% disposal and closed status case load last year. The court also had a 43% increase of fines recovered in FY 2023-2024.

In conclusion, I wish to thank each employee of the City of Kennedale team. Our department directors and administrative staff spent countless hours meeting and providing feedback and information to complete this year's adopted budget. I especially want to thank Finance Director Jonathan Horton and his team for their efforts bringing it all together.

I would also like to thank the members of the City Council for the opportunity to serve as your City Manager. Thanks to everyone's support and our dedicated employees, we have enjoyed a number of significant accomplishments this past year. From fixing our streets to improving our parks, City Council leadership and the support of our citizens will help us continue to make Kennedale one of the most desired places to live, work, and do business in the Dallas-Ft. Worth area. Together, we will continue to meet the demands of our growing city while focusing on providing unsurpassed customer service to continue to create a safe and family-friendly community. I am looking forward to managing our great city and serving our citizens in the new fiscal year and I respectfully submit this budget for consideration.

Sincerely,

A handwritten signature in black ink that reads "Darrell Hull". The signature is written in a cursive, slightly slanted style.

Darrell Hull
City Manager

USING THIS DOCUMENT

The budget is created on a fund basis with similar activities, goals, and funding sources grouped within each area. Each fund is self-balancing and is accounted for on its own. The General Fund, which encompasses most operational activities, is primarily funded by maintenance and operation ad valorem (property) tax, sales tax, and fees, and contains departmental line item expense budgets.

The financial reporting entity (the city government) includes all funds of the primary government (i.e., the City of Kennedale as legally defined), as well as each of its component units. Component units are legally separate entities for which the primary government is financially accountable. Discretely presented component units are legally separate entities and not part of the primary government's operations. The Kennedale Economic Development Corporation (EDC) is included in the budget and account records as a discretely presented component unit. This fund is appropriated annually.

It is the goal of operational funds like the General Fund, Stormwater Utility Fund, and Water Sewer Fund, to have revenue that exceeds expenditures to maintain a healthy reserve balance. Leadership aims to achieve and maintain an unassigned fund balance in the General Fund equal to 18% (with a goal of 25%) of budgeted annual expenditures to be used for unanticipated costs, unforeseen revenue fluctuations, or other adverse circumstances, as provided for in the Fund Balance Policy, a copy of which is included in the Appendix Section. These three funds are also appropriated annually.

The financial structure is defined by the City's fund types. Funds are established for specific revenues and expenditures related to certain activities of the City. They are further organized into various groups to identify their purpose.

- **Governmental Funds:** Used to account for all government-type activities. These activities consist of all financial resources that cannot be categorized into other funds.
- **Proprietary Funds:** Account for activities where the cost of providing services is financed primarily through user charges. These funds operate similarly to a private business.
- **Component Unit Funds:** Account for activity related to the City's only discretely presented component unit, the Kennedale Economic Development Corporation (EDC).

The following chart identifies the City's funds, organized by their fund type:

FLOW OF FUNDS

CITY OF KENNEDALE BUDGETARY FUNDS

GOVERNMENTAL FUNDS	PROPRIETARY FUNDS	COMPONENT UNIT FUNDS
General Fund	Stormwater Utility	EDC
Debt Service		
Water Impact	Water/Sewer	EDC Bond Reserve
Sewer Impact		
Capital Projects	LEOSE	Tree Restoration
Capital Bond	Disaster Recovery	Unclaimed Property
Park Dedication	Capital Replacement	
Library Building	Court Security	
Roadway Impact	Court Technology	
TIF #1 New Hope	Juvenile Case Manager	
Hotel Occupancy Tax	Grants	
Public Seizure	Park Recovery/Donation	

The following table lists City departments and the funds used to support that department's operations, or which department manages the inflow and outflow of resources:

Department	GF	DS	CP	CB	PD	RI	HO	PS	LE	DR	CS	CT	JC	GR	PR	TR	SU	WS	EDC
City Manager	x																		x
Mayor/Council	x																		
City Secretary	x																		
Municipal Court	x										x	x	x						
Human Resources	x																		
Finance	x	x																	x
Police	x							x	x						x				
Fire	x														x				
Community Development	x																		
Senior Center	x																		
Library	x														x				
Communications	x							x											
Public Works	x		x	x	x	x				x						x	x	x	x

Governmental Funds	
GF	General Fund
DS	Debt Service
CP	Capital Projects
CB	Capital Bond
PD	Pard Dedication
RI	Roadway Impact
HO	Hotel Occupancy Tax
PS	Public Seizure
LE	LEOSE
DR	Disaster Revoverly
CS	Court Security
CT	Court Techonolgy
JC	Juvenile Case Manager
GR	Grants
PR	Park Recovery/Donation
TR	Tree Restoration

Proprietary Funds	
SU	Stormwater Utility
WS	Water/Sewer

Component Unit Funds	
EDC	EDC

FUND DESCRIPTIONS

The following section provides an overview and general purpose for each fund. Funds are grouped by function, rather than by type, and are presented in the same order as they appear later in this book. Additional information for each fund can be found within its respective budget section.

GENERAL FUND

The General Fund serves as the main operating fund for the City's government. Fifty percent of revenue comes from property taxes, the rates of which are provided in the front of this document. Revenue is determined by applying the City's adopted rates to values established by the Tarrant Appraisal District. Sales taxes, which make up 19% of General Fund revenues, are indirectly budgeted using a weighted average method. This method is applied to project the remaining FY24 revenue. Revenue for FY25 is then projected to be the same as the projected revenue for FY24. A material growth in the City's tax base is not expected for FY25. The next highest category, Transfers In, consist of the value General Fund departments provide to support other funds. A breakdown of this amount is located in the Common Cost Analysis within this document. New for FY25, all department day to day operations will reside within this fund. Previously, the Public Works department captured day to day operations within the Street Repair Fund. That fund has been moved entirely into the General Fund.

DEBT SERVICE FUND

The Debt Service Fund pays for Debt that is secured by ad valorem (property) taxes. Property taxes account for over 99% of the Debt Service Fund revenues, with the remainder coming from investment income.

UTILITY FUNDS

Stormwater Utility Fund

The Stormwater Utility Fund is an Enterprise Fund with the responsibility of providing stormwater management to approximately 3,217 residential, commercial, and industrial customers.

Water/Sewer Fund

Also an Enterprise Fund, the Water/Sewer Fund maintains responsibility for providing water and wastewater services for the City. Revenue received for usage is expected to cover operations for this function. Bond proceeds are also housed within this fund for capital projects.

Water Impact Fee and Sewer Impact Fee Funds

Each of these funds receive revenue from fees associated with new development. Expenditures are tied to projects within the scope of each fund and can be used to pay related debt through a transfer to the appropriate fund, typically the Water/Sewer Fund.

CAPITAL PROJECT FUNDS

Capital Project Fund

The Capital Project Fund receives revenues from the City's waste collection contractor, Waste Connections, based on their overall landfill revenue. Funds are transferred to Debt Service to pay for debt requirements related to improvements to Dick Price Road, the road that leads to the landfill.

Capital Bond Fund

The Capital Bond Fund receives proceeds from bonds and records the project expense associated with the bond proceeds. Projects in this fund are independent from those recorded in the Water/Sewer Fund.

Park Dedication Fund

Revenue for the Park Dedication Fund comes primarily from fees associated with certain residential developments within the City and proportionate interest income from pooled investments. Expenditures from this fund are tied to park maintenance and improvements.

Library Building Fund

This fund was established to fund the current facility. Without any new capital projects, this fund is essentially sitting dormant.

Roadway Impact Fee Fund

Roadway Impact Fee Fund is funded primarily with new development fees and used to fund related projects

SPECIAL REVENUE FUNDS

TIF #1 New Hope Fund

Tax Increment Financing (TIF), authorized by Texas Tax Code Chapter 311, states local governments can publicly finance needed structural improvements and enhanced infrastructure within a defined area – a Tax Increment Reinvestment Zone (TIRZ) – to encourage desired development. The tax increment is derived from the difference in appraised value between the year in which the reinvestment zone is established (base year) and each year the reinvestment zone is in existence.

Hotel Occupancy Tax Fund

Revenue for this Fund comes primary from taxes related to overnight stays within the City. This is calculated as 7% of gross rents and remitted directly to the City each quarter. Presently, this tax comes exclusively from short-term rentals.

Public Seizure Fund

Revenue for the Public Seizure Fund comes from property seizures related to law enforcement activity. Expenditures are confined to law enforcement uses.

Law Enforcement Officer Standards and Education (LEOSE) Fund

The State Comptroller of Public Accounts collects and deposits proceeds from court costs into the Law Enforcement Officer Standards and Education (LEOSE) account of the state treasury, which is then distributed to local law enforcement agencies. Local agencies must use the funds to provide continuing education or necessary training for law enforcement officers.

Disaster Recovery Fund

The Disaster Recovery Fund (35) tracks transactions related to the American Rescue Plan Act of 2021 (ARPA).

OTHER FUNDS

Capital Replacement Fund

The Capital Replacement Fund receives transfers from other funds that utilize vehicles.

Court Security Fund

Revenue for the Court Security Fund comes from a \$3 fee assessed to defendants convicted of misdemeanors as a cost of court. Expenditures may only be used for security personnel, services, and items related to buildings that house the operations of our Municipal Court.

Court Technology Fund

Revenue for the Court Technology Fund comes from a \$4 fee assessed to defendants convicted of misdemeanors as a cost of court. Expenditures may only be used for technological enhancements for the Municipal Court.

Street Improvement Fund

Activity has been moved to the Public Works Department within the General Fund. While this change was implemented for FY25, historical activity is being displayed within the General Fund to allow for direct comparison with FY25 budget figures.

Local Youth Diversion Fund

Revenue for the Local Youth Diversion Fund comes from a \$5 fee assessed to defendants convicted of a “fine only misdemeanor offense” as a cost of court. Expenditures may only finance the salary and benefits of a juvenile case manager employed by the Municipal Court of the City of Kennedale.

Grants Fund

The Grants Fund will house funding and track expenditures for grants awarded to the City. As most grants function as cost reimbursable agreements (funding isn’t received until an expenditure has taken place and proper documentation has been provided to the granting agency), this fund is expected to have a \$0 balance over time.

Park Recovery and Other Donations Fund

Donations from the community, and their related expenditures, are tracked in the Park Recovery and Other Donations Fund. Similar to the Grant Fund, this fund is expected to have a \$0 balance over time.

Tree Restoration Fund

Funds collected by the City’s Community Development Department for tree removal permits, donations, and related development agreements are the primary source of revenue for the Tree Reforestation Fund.

Unclaimed Property Fund

The Unclaimed Property Fund is used for holding property valued at \$100 or less that is presumed abandoned or unclaimed subject, to Title VI, Chapter 76, of the Texas Property Code.

EDC FUNDS

EDC Fund

A component unit of the City of Kennedale, the Economic Development Corporation (EDC) is primarily funded by a .50% sales tax levied on items sold in the City of Kennedale. Revenue also comes in the form of rent paid by tenants of the TownCenter, the proportionate share of investment income, and other fees related to operating the TownCenter.

EDC Bond Reserve Fund

Established as a separate fund to allow for securing bond funding, the exclusive source of revenue is proportionate interest income from pooled investments. Consistent since inception, there are no anticipated expenditures from this fund.

BASIS OF ACCOUNTING AND ACCOUNT STRUCTURE

The City's accounting records for general governmental operations are maintained on a modified accrual basis, with revenues being recorded when available and measurable and expenditures being recorded when goods or services are received and when liabilities are incurred. Accounting records for the City's utilities (example, the Water Sewer Fund) are instead maintained on an accrual basis. In developing and maintaining the City's accounting system, consideration is given to the adequacy of the internal control structure. Internal accounting controls are designed to provide reasonable - but not absolute - assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability of assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. The City's Annual Comprehensive Financial Report (ACFR) is presented using the same budgetary basis as seen in this document.

Within this document, you will see charts similar to this one:

FUND 83 TREE REFORESTATION					
Account	Description	FY22 Actual	FY23 Budget	FY23 Est Actuals	FY24 Prop Budget
83-4197-00-00	TREE REFORESTATION	-	-	5,000	5,000
83-4401-00-00	INVESTMENT INCOME	481	300	1,550	1,550
TOTAL REVENUES		\$ 481	\$ 300	\$ 6,550	\$ 6,550
Account	Description	FY22 Actual	FY23 Budget	FY23 Est Actuals	FY24 Prop Budget
83-5290-01-00	EXPENDABLE SUPPLIES	-	15,000	-	
83-5570-01-00	SPECIAL SERVICES	-	15,000	-	
TOTAL EXPENDITURES		\$ -	\$ 30,000	\$ -	\$ -
NET CHANGE IN FUND BALANCE		\$ 481	\$ (29,700)	\$ 6,550	\$ 6,550
BEGINNING FUND BALANCE — OCT 1		\$ 71,054	\$ 71,535	\$ 71,535	\$ 78,085
ENDING FUND BALANCE — SEPT 30		\$ 71,535	\$ 41,835	\$ 78,085	\$ 84,635

These charts provide a comparative view with the prior year actuals, current year estimates, and current year budget. The columns are based on a Fiscal Year (FY) that runs from October 1 through September 30 of each year, rather than the calendar year. For example, references to FY23 refer to activity between October 1, 2022, and September 30, 2023, and references to FY24 refer to the time frame October 1, 2023, through September 30, 2024. Additionally, the amount of fund balance at the beginning and end of each period is shown at the bottom of all activity for each fund.

Within this document, you will see account codes. The first 2 digits represent the fund, the next 4 digits represent the object, the next 2 digits represent the department, and the last 2 digits represent the program.

A sample account code of 83-5290-01-00 EXPENDABLE SUPPLY would be for fund 83 -- Tree Restoration Fund, Object 5290 Expendable Supplies, department 01 and no program.

A list of the funds is as follows:

01 General Fund	15 EDC	35 Disaster Recovery
02 Debt Service	16 Court Technology	40 Grants
04 Capital Projects	18 Juvenile Cash Manager	41 Park and Other Donations
05 Capital Replacement	21 TIF #1 New Hope	45 Roadway Impact Fee
07 Stormwater Utility	30 Hotel/Motel Tax	61 Water Impact Fee
10 Water/Sewer	31 Police Seizure	62 Sewer Impact Fee
12 Court Security	32 Library Building	83 Tree Restoration
13 Capital Bond	34 LEOSE Police Training	85 Unclaimed Property
14 Park Dedication		

The object code represents the type of revenue, incoming transfer, expense, or outgoing transfer. The list of object codes is in the appendix of this document.

BUDGET PROCESS/TIMING

The development of the Annual Budget is governed by formal policies, accepted practices, and the City’s budget principles – foremost of which is a balanced budget where revenue is equal to or greater than operating expenses, with unassigned fund balance being utilized for one-time capital purchases or street repair. The budget process is designed to meet the needs of the community by allocating sufficient resources to support the planning and implementation of services, programs, and objectives. The budget is built with the following purposes in mind:

- Establishes a plan of operation, which allocates resources of the City to achieve specific goals and objectives and guides the City’s activities;
- Provides management information as a comprehensive recording of information; and,
- Establishes financial control through prioritization of programs/projects.

The budget cycle consists of three phases:

- Development and Preparation
- Review and Adoption
- Implementation

Development and Preparation

Each Director develops and submits to Finance initial budget requests, which are based on standing and new services and programs to meet the needs expressed by the public and the goals of the Mayor and Council. The Finance Director and the City Manager meet with each Director to review new program requests and compare projected revenues against projected expenditures. The City Manager then prepares a preliminary budget. The Preliminary Budget is shared with staff and assists the City Manager in developing the Proposed Budget, which is presented to City Council.

Review and Adoption

Council reviews the Proposed Budget, holds public hearings, and provides input and direction to staff before adopting the budget and the supporting property tax rate for the fiscal year.

Implementation

Throughout the fiscal year, the City Manager and staff implement and monitor the Adopted Budget. Included services, programs, and projects are carried out by departments with oversight from the Finance Office. Monthly financials are provided to Council to provide a status report on revenues and expenditures. The Finance Department also reviews and approves all check requests and requisitions for accuracy. Directors are expected to hold expenditures to the approved budgeted amounts; however, sometimes unforeseen circumstances occur, resulting in positive and/or negative variances by line item. Directors must manage to the bottom line for the department and report any overages at that level to the City Manager as soon as known to prevent any unexpected or unauthorized use of reserves. Budget amendments are presented by the City Manager to Council for approval and then input into the accounting system for tracking.

BUDGET CALENDAR

FISCAL YEAR 2025

Date	Entity/Department	Description of Action/Requirements	Occurred
1/2/2024	Finance	Distribute draft budget calendar	√
3/4/2024	Finance	Finalize and distribute budget calendar	√
3/5/2024- 4/14/2024	City Manager, City Staff	Meetings with City Manager and Department Directors on proposed FY2024-2025 Budget	√
4/15/2024	City Council, City Staff	Initial Budget Workshop - Capital Requests	√
4/30/2024	Tarrant Appraisal District	Chief Appraiser sends notice of 2024 preliminary appraised values	√
5/23/2024	Finance	Receive retirement rates from Texas Municipal Retirement System	√
6/5/2024	Finance	Update Tarrant County Assessor Collector Entity Contact Information	√
7/8/2024	City Council, City Staff	Budget Workshop	√
7/18/2024	Finance	Submit proposed budget to City Manager and City Secretary	√
7/19/2021	City Secretary	Post proposed budget on City website	√
7/25/2024	Tarrant Appraisal District	Chief Appraiser delivers 2024 certified appraisal	√
7/30/2024	Finance	Renewal meeting with benefits broker (Brinson Benefits)	√
8/10/2024	City Secretary	Last day to publish notice of budget hearing	√
8/10/2024	City Secretary	Publish notice of tax rate public hearing	√
8/12/2024	City Council, City Staff	Budget Workshop	√
8/20/2024	City Council	Public hearing - budget	√
		Public hearing - tax rate	√
		Adopt Budget	√
		Adopt Tax Rate	√
		Ratify property tax revenue increase per Local Government § Code 102.007 c	√
10/10/2024	Tarrant County	Tax Assessor-Collector to prepare and mail tax bills	√

FINANCIAL POLICIES AND PROCEDURES

Financial policies adopted by Council govern the management of the City's various funds. These policies have enabled the City to maintain an AA- bond rating from S&P Global. Adopted Financial Policies are available on the city website at www.cityofkennedale.com/FINpolicies.

COMMUNITY PROFILE

Settled in the 1860s, Kennedale is named for a dale, a broad valley, and Oliver S. Kennedy, who platted the area and donated every other lot to the Southern Pacific Railroad. The first settlement was Village Creek. Many founding residents worked at Miss Sargent's Brickyard, which was located where Sonora Park sits today. Officially incorporated as a City in 1947, Kennedale operates under a Council-Manager government and a Home Rule Charter (adopted in 1998).

Incorporated in 1947, the City of Kennedale is a first-tier suburb of Fort Worth and is located adjacent to Arlington and Mansfield in southeast Tarrant County. The City currently occupies a land area of 6.6 square miles and serves a population of 9,329. The City is empowered to levy property tax on both real and business personal properties located within its boundaries.

The City operates under a Council-Manager form of government with a Council comprised of a Mayor and five Councilmembers, each elected at large. The term of office is two years with the terms of the Mayor and Council Places 2 and 4 expiring in even-numbered years and the terms of Council Places 1, 3, and 5 expiring in odd-numbered years. The City Council is responsible for enacting ordinances, resolutions, and regulations governing the City, as well as appointing the members of various statutory and advisory boards, the City Manager, City Secretary, City Attorney, and Municipal Judge(s). The City Manager is the chief administrative officer of the City and is responsible for the enforcement of laws and ordinances, the appointment and supervision of executive directors and heads of departments, and the performance of administrative functions within the municipal organization.

The City of Kennedale provides a full range of services including police, fire, emergency medical service, municipal court, library, parks, water distribution, wastewater collection, solid waste collection, curbside recycling, streets, stormwater drainage, community development (planning, code enforcement, building inspection, and economic development), and general administrative services. The City contracts with the City of Arlington for the operation and maintenance of its water and wastewater utility system.

The City has 46 miles of streets, 120 miles of water and sewer lines, and 28 acres of parkland. The City supports 7 buildings – City Hall, Police Building, Fire Station, Public Works Facility, Section House, Library, and Senior Center.

Weather and Recreation

Warm summers and mild winters mean families can enjoy parks year-round, including the splash pad at Sonora Park. Spanning 22 acres, Sonora is Kennedale's largest recreational facility and offers a playground, fishing dock, trails, 9-hole disc golf course, ball fields, and the splash pad.

Kennedale also has TownCenter Park adjacent to the Shops at TownCenter. The park has a butterfly garden, outdoor pavilion, 9/11 Memorial, Veterans Memorial, walking paths, Eagle Fountain, and Clock Tower. It is also home to many events, like the annual Hometown Christmas celebration.



Population and Local Economy

After an election in July of 1947, the Town of Kennedale incorporated with a population of 300 people. By 1950, the population had increased to 500 and a petition to the State of Texas was approved, which changed the Township into a recognized City. In more recent years, Kennedale is becoming one of Tarrant County's fastest growing cities. The City had a population of 8,517 in the 2020 census and has grown to 3,199 active water accounts with 9,800 people. The median income for a household in the city is \$112,646 and per capita income is \$44,483.

Kennedale is located at the nexus of US Interstate 20 and State Highway 287 on low rolling hills about ten miles southeast of downtown Fort Worth. Residents enjoy life in a quiet community that is 6.6 square miles, in between two of the five largest cities in Texas. The City provides a

highly accessible location for both major retail and professional office space. This transportation corridor provides quick and easy access to the Dallas/Fort Worth International Airport. Downtown Fort Worth is just fifteen minutes to the northwest and downtown Dallas is less than thirty minutes to the east. The City's central location in the fourth largest metropolitan statistical area (MSA) in the nation means that Kennedale is just a short drive from major entertainment venues including Six Flags over Texas, Hurricane Harbor, Texas Motor Speedway, Globe Life Field (home of the MLB's Texas Rangers), AT&T Stadium (home of the NFL's Dallas Cowboys), and Fort Worth's cultural district and nationally ranked zoo. Kennedale is home to the Kennedale Speedway Park, which hosted the World of Outlaws Sprint Car Series for the first time in 2024.

Kennedale has experienced steady population growth in the last decade. Beautiful Village Creek slowly winds through the City, providing a feeling of tranquility in the community. Much of the City's land is undeveloped, allowing for incoming developments and offering residents a respite from the crowds and traffic congestion existing in much of the Dallas-Fort Worth Metroplex.

The Kennedale Economic Development Corporation (KEDC) was formed in 1996 to spearhead the City's economic growth. The KEDC is funded by a voter approved half-cent sales tax, which is used to offer grants and other economic incentives to existing and new businesses. The KEDC employs a four-pronged approach: (1) land acquisition, assembly, and clearing for resale, (2) manufacturing expansion, (3) retail retention and development, and (4) quality of life improvements. In accordance with the adopted master plan, the redevelopment of the Oak Crest area continues. Link Street to Kennedale Parkway was opened in 2015 and an extension was opened in October 2016. The improved access led to the development of a Popeye's and Burger King which opened in 2015. McDonald's opened in the Oak Crest area in October 2016. A hotel site is in the process of development. The KEDC is also working with property owners in the area to develop their land.

The TownCenter shopping center has room for expansion with three pad sites still undeveloped. The TownCenter currently hosts service offerings such as a small event venue, salon, physical therapy, and a roofing contractor. Retail offerings include an antique mall, an electrical supplier, the Dollar General variety store, and Wally's Pickles. Current restaurants in Town Center include Subway, Dickey's Barbeque, Bravo Eats, Chicken Express, the new Valentino's Pizza, and the incoming Thrive Coffee startup.

Over 35 new structures are scheduled for completion in 2024-2025, including the new Chipotle restaurant, The Learning Center daycare, a new gas station at Eden Rd., a new 20,000 SF building to support the expansion of Southwest Ambulance on East Kennedale Parkway, and new office/retail buildings on Potomac Parkway. Residential projects currently in development include Emerald Crest, Russell Ranch, Kennedale Oaks, and a 32-unit townhome project on Crestview.

Top 10 Taxpayers

Property Owner	Taxable Value
Atla 287 Owner LLC	\$ 49,500,000
Oncor Electric Delivery Co LLC	20,866,726
Sabre-FWT Ventures LLC	11,910,423
F W T Inc	11,708,970
Hawk Steel Industries, Inc	10,173,282
Harrison Jet Guns II LP/Harrison Jet Guns Inc	9,173,600
KD Hammack Creek Housing LP	8,200,000
Atmos Energy/Mid Tex Division	6,908,920
Pennington Family LP INC/ODAAT 52 LLC	6,204,937
Tealcove Drive LLC	6,106,750

Source: Tarrant Appraisal District as of 9/1/2024

Top 10 Employers

Employer	Employees
Sabre Industries/Fort Worth Tower	450-500
Kennedale Independent School District	400-450
Old Castle Infrastructure	100-150
Speed Fab Crete	100-150
ARK Contracting Services	50-100
Hawk Steel	50-100
Hexpol Compounding	50-100
RE Watson & Associates	50-100
Harrison Jet Guns	50-100
City of Kennedale	50-100

Source: City of Kennedale September 30, 2023 Annual Comprehensive Financial Report

Sales Tax Rates

Kennedale has a Sales Tax Rate of 8.25%. The rate is composed of the following components:

State of Texas	6.25%
City of Kennedale	1.50%
Economic Development Corporation	<u>0.50%</u>
Total	8.25%

Website and Social Media Presence

To engage the community, the City of Kennedale maintains a website at www.cityofkennedale.com, where residents can find information such as budgets, financial policies, job postings, event calendars, make online payments for permits or court issues, register for the emergency warning system, view Council agendas and minutes, volunteer for Boards and Committees, and more.

The City also maintains social media pages for City Hall, Police, Fire, the Library, and the Senior Center.

AD VALOREM (PROPERTY) TAX RATE HISTORY

TAX YEAR	M&O RATE	I&S RATE	TOTAL RATE	% CHG
1971	0.570000	0.780000	1.350000	
1972	0.350000	1.000000	1.350000	0.0%
1973	0.350000	1.000000	1.350000	0.0%
1974	0.350000	1.000000	1.350000	0.0%
1975	0.540000	0.810000	1.350000	0.0%
1976	0.810000	0.540000	1.350000	0.0%
1977	0.740000	0.610000	1.350000	0.0%
1978	0.780000	0.570000	1.350000	0.0%
1979	0.760000	0.490000	1.250000	-7.4%
1980	0.770000	0.480000	1.250000	0.0%
1981	0.630000	0.120000	0.750000	-40.0%
1982	0.510000	0.100000	0.610000	-18.7%
1983	0.510000	0.090000	0.600000	-1.6%
1984	0.368000	0.050500	0.418500	-30.3%
1985	0.377100	0.048900	0.426000	1.8%
1986	0.323700	0.036300	0.360000	-15.5%
1987	0.331850	0.032750	0.364600	1.3%
1988	0.288120	0.031880	0.320000	-12.2%
1989	0.327000	0.030500	0.357500	11.7%
1990	0.365670	0.034230	0.399900	11.9%
1991	0.388500	0.051400	0.439900	10.0%
1992	0.408910	0.053650	0.462560	5.2%
1993	0.446720	0.061960	0.508680	10.0%
1994	0.500269	0.062245	0.562514	10.6%
1995	0.525856	0.056669	0.582525	3.6%
1996	0.529473	0.048604	0.578077	-0.8%
1997	0.550544	0.049456	0.600000	3.8%

TAX YEAR	M&O RATE	I&S RATE	TOTAL RATE	% CHG
1998	0.566296	0.045081	0.611377	1.9%
1999	0.554177	0.080823	0.635000	3.9%
2000	0.521522	0.113478	0.635000	0.0%
2001	0.579841	0.112659	0.692500	9.1%
2002	0.617235	0.095265	0.712500	2.9%
2003	0.634814	0.097686	0.732500	2.8%
2004	0.632409	0.090091	0.722500	-1.4%
2005	0.624805	0.097695	0.722500	0.0%
2006	0.628186	0.094314	0.722500	0.0%
2007	0.572665	0.149835	0.722500	0.0%
2008	0.569197	0.153303	0.722500	0.0%
2009	0.572729	0.149771	0.722500	0.0%
2010	0.571103	0.151397	0.722500	0.0%
2011	0.516013	0.206487	0.722500	0.0%
2012	0.549582	0.172918	0.722500	0.0%
2013	0.560454	0.187046	0.747500	3.5%
2014	0.551216	0.196284	0.747500	0.0%
2015	0.575204	0.192296	0.767500	2.7%
2016	0.581711	0.185789	0.767500	0.0%
2017	0.578750	0.198750	0.777500	1.3%
2018	0.535219	0.190495	0.725714	-6.7%
2019	0.544429	0.190541	0.734970	1.3%
2020	0.582686	0.191399	0.774085	5.3%
2021	0.572949	0.191136	0.764085	-1.3%
2022	0.569154	0.137036	0.706190	-7.6%
2023	0.509273	0.196917	0.706190	0.0%
2024	0.510974	0.195216	0.706190	0.0%

LONG-RANGE FINANCIAL PLANNING

The primary goal of the City's long-term financial planning process is to anticipate problems and assess opportunities which may arise during future budget cycles. This exercise also allows the involved parties to ensure future budgets are aligned with the long-term vision for the City.

Main points of focus are:

- **Property Tax Revenue Projections:** TAD has currently moved away from annual re-appraisals. An analysis of existing accounts shows the current appraised value, for a significant majority of tax accounts, is well under the market value. The most common cause is due to market value increasing at a faster rate than the maximum allowable taxable value increase (10%/year). Under this situation, the taxable value can still increase without a re-appraisal. We are forecasting a 5% increase, which is a conservative estimate based on the potential impact of new TAD policies. This situation is being closely monitored.
- **Sales Tax Revenue Projections:** The largest source of sales tax receipts for the City is an online marketplace. A stated goal of the City Council, and the EDC, is to increase commercial sales activity in the City. While we have not forecasted for an increase of physical retailers, an increased presence certainly would ease anxiety around potential impacts of changes to property tax appraisals. To comply with our Policy of maintaining a conservative approach, we are budgeting a modest 1.75% increase/year. This does not consider the impact inflation could have on sales tax.
- **Department Expense Projections:** The City's Police and Fire Departments have made several vehicle purchases in recent years. We are forecasting for a decline in this activity for FY26, which does pull those departments from our average expected increase of 2%/year.
- **Utility Funds:** Forecasting for all Utility Funds was addressed within a water rate study that was presented to Council in July, 2024. That entire study has been provided in the Appendix.

A forecast is only one component of a financial planning program. The financial forecast, as presented, does not attempt to predict the future. Current economic and regulatory conditions can be volatile, and the forecast is only as good as its underlying assumptions. However, the forecast has the potential for accuracy, and the true benefit is the discussion and deliberation resulting. The long-range forecast contains many underlying assumptions for each projection.

The City of Kennedale uses expert judgement, trend analysis, weighted average, and incremental change as the four basic techniques to forecast revenue and expenditures. The expert judgment, also known as the "best guess" approach, is used to provide weights to our weighted average calculations. This method relies on a variety of experts on the staff as well as outside sources.

CITY OF KENNEDALE
Long Range Financial Plan - General Fund
Fiscal Year 2025-2030

Description	Fiscal Year Projected 2023-24	Fiscal Year Approved 2024-25	Fiscal Year Projected 2024-25	Fiscal Year Projected 2025-26	Fiscal Year Projected 2026-27	Fiscal Year Projected 2027-28	Fiscal Year Projected 2028-29	Fiscal Year Projected 2029-30
REVENUES								
Property Taxes	\$ 6,113,829	\$ 6,209,872	\$ 6,209,872	\$ 6,520,366	\$ 6,846,384	\$ 7,188,703	\$ 7,548,138	\$ 7,925,545
Sales Taxes	2,365,567	2,391,591	2,391,591	2,433,444	2,476,029	2,519,359	2,563,448	2,608,309
Grants and Contributions	-	-	-	-	-	-	-	-
Licenses and Permits	425,507	450,000	450,000	459,000	468,180	477,544	487,094	496,836
Fines and Fees	1,027,915	1,033,500	1,033,500	1,059,338	1,080,524	1,102,135	1,124,177	1,146,661
Charges for Services	309,307	292,000	315,000	321,300	327,726	334,281	340,966	347,785
Intergovernmental	211,047	165,000	165,000	168,300	171,666	175,099	178,601	182,173
All Other Revenues	404,131	350,000	405,000	413,100	421,362	429,789	438,385	447,153
Transfers In	1,460,005	1,517,154	1,517,154	1,547,497	1,578,447	1,610,016	1,642,216	1,675,060
Total Revenues	12,317,308	12,409,117	12,487,117	12,922,344	13,370,318	13,836,926	14,323,027	14,829,523
EXPENDITURES								
City Manager - Dept 01	337,115	378,229	378,229	385,794	393,510	401,380	409,407	417,595
Mayor/Council - Dept 02	196,555	201,950	201,950	205,989	210,109	214,311	218,597	222,969
City Secretary - Dept 03	189,324	215,458	215,458	219,767	224,162	228,646	233,218	237,883
Municipal Court - Dept 04	223,828	320,764	320,764	327,179	333,723	340,397	347,205	354,149
Human Resources - Dept 05	185,000	210,081	210,081	214,283	218,569	222,940	227,399	231,947
Finance - Dept 07	532,000	581,973	581,973	593,613	605,485	617,595	629,946	642,545
Police - Dept 09	3,497,624	3,916,051	3,916,051	3,994,372	4,074,259	4,155,744	4,238,859	4,323,636
Fire - Dept 10	2,721,595	3,353,570	3,353,570	3,248,587	3,313,559	3,379,830	3,447,426	3,516,375
Community Development - Dept 12	611,681	693,806	693,806	707,682	721,836	736,272	750,998	766,018
Senior Citizen Center - Dept 16	44,670	101,900	101,900	103,938	106,017	108,137	110,300	112,506
Library - Dept 17	445,136	590,536	590,536	602,347	614,394	626,682	639,215	651,999
Communications - Dept 18	18,539	23,500	23,500	23,970	24,449	24,938	25,437	25,946
Public Works - Dept 20	1,065,962	1,492,428	1,492,428	1,370,624	1,398,036	1,425,997	1,454,517	1,483,607
Non Departmental - Dept 90	534,496	566,695	566,695	625,000	630,000	635,000	640,000	645,000
Transfers Out	368,158	299,200	299,200	299,200	299,200	299,200	299,200	299,200
Total Expenditures	10,971,683	12,946,142	12,946,142	12,922,344	13,167,307	13,417,069	13,671,726	13,931,377
Revenues Over (Under) Expenditures	1,345,625	(537,025)	(459,025)	(0)	203,011	419,857	651,301	898,146
Beginning Fund Balance	3,516,561	4,862,186	4,862,186	4,403,161	4,403,161	4,606,172	5,026,029	5,677,330
Prior Period Adjustment	-	-	-	-	-	-	-	-
Ending Fund Balance	\$ 4,862,186	\$ 4,325,161	\$ 4,403,161	\$ 4,403,161	\$ 4,606,172	\$ 5,026,029	\$ 5,677,330	\$ 6,575,477
Average Daily Annual Expenditures	\$ 30,059	\$ 35,469	\$ 35,469	\$ 35,404	\$ 36,075	\$ 36,759	\$ 37,457	\$ 38,168
Days of Working Capital	162	122	124	124	128	137	152	172
Days of Working Capital Goal = 75-100 days								
Assumptions:								
Total Tax Rate		\$0.70619						
M&O Tax Rate (for General Fund operations)		\$0.51097						
I&S Tax Rate (for debt service)		\$0.19522						
General Property Tax revenue growth from values and new development				5.00%	5.00%	5.00%	5.00%	5.00%
Property Tax revenue from increased M&O tax rate (one penny generates approx. \$121,530)								
One penny of M&O tax rate generates approx. \$121,530 in FY2025				\$121,530	\$127,607	\$133,987	\$140,686	\$147,720
City Sales Tax revenue growth				1.75%	1.75%	1.75%	1.75%	1.75%
Expenditure growth in all departments				2.00%	2.00%	2.00%	2.00%	2.00%
All other revenues and expenditures are set numbers								

PERSONNEL SUMMARY				
Position	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
CITY MANAGER				
City Manager	1.0	1.0	1.0	1.0
Administrative Assistant	1.0	1.0	1.0	1.0
TOTAL POSITIONS	2.00	2.00	2.00	2.00
CITY SECRETARY				
City Secretary	1.0	1.0	1.0	1.0
TOTAL POSITIONS	1.00	1.00	1.00	1.00
COURT				
Court Administrator	1.0	1.0	1.0	1.0
Juvenile Case Manager	-	-	1.0	1.0
Court Clerk	1.0	1.0	-	1.0
TOTAL POSITIONS	2.00	2.00	2.00	3.00
HUMAN RESOURCES				
Director	1.0	1.0	1.0	1.0
TOTAL POSITIONS	1.00	1.00	1.00	1.00
FINANCE				
Director	1.0	1.0	1.0	1.0
Accounting Associate II/Sr. Accounting Associate	1.0	1.0	1.0	1.0
Accounting Associate II/Sr. Accounting Associate	1.0	1.0	1.0	1.0
Accounting Associate I	0.50	0.75	0.75	0.75
TOTAL POSITIONS	3.50	3.75	3.75	3.75
POLICE				
Police Chief	1.0	1.0	1.0	1.0
Police Captain	1.0	1.0	1.0	1.0
Sergeant	3.0	3.0	4.0	4.0
Corporal	1.0	1.0	4.0	4.0
Detective	2.0	2.0	2.0	2.0
Officer	8.0	8.0	4.0	4.0
Community Engagement Officer			1.0	1.0
Auto Theft Task Force Officer	1.0	1.0	1.0	1.0
DEA Task Force Officer	1.0	1.0	1.0	1.0
School Resource Officer	2.0	2.0	2.0	2.0
Total Commissioned Officers	20.00	20.00	21.0	21.00
Animal Control Officer	1.0	1.0	1.0	1.0
Evidence/Records Clerk	1.0	1.0	1.0	1.0
Administrative Assistant	1.0	1.0	1.0	1.0
Total Civilian Positions	3.00	3.00	3.0	3.00
Reserve Police Officer (Non-Paid)	1.0	1.0	1.0	1.0
Police Chaplain (Non-Paid)	1.0	1.0	1.0	1.0
Total Non-Paid Positions	2.00	2.00	2.0	2.00
TOTAL POSITIONS	25.00	25.00	26.00	26.00

FIRE				
Fire Chief	1.0	1.0	1.0	1.0
Fire Captain	-	-	-	1.0
Fire Inspector	-	-	-	1.0
Fire Marshal	1.0	1.0	1.0	-
Administrative Assistant	1.0	1.0	1.0	1.0
Fire Lieutenant	3.0	3.0	3.0	3.0
Driver Engineers	3.0	3.0	3.0	3.0
Firefighter / Paramedics	12.0	12.0	12.0	12.0
TOTAL POSITIONS	21.00	21.00	21.00	22.00

COMMUNITY DEVELOPMENT				
Director	1.0	1.0	1.0	1.0
Building Inspector	1.0	1.0	1.0	1.0
Planning Technician	1.0	1.0	1.0	1.0
Permit Clerk	1.0	1.0	1.0	1.0
Code Enforcement Officer	-	-	-	1.0
TOTAL POSITIONS	4.00	4.00	4.00	5.00

LIBRARY				
Director	1.0	1.0	1.0	1.0
Library Clerk	2.0	3.0	2.0	2.0
Library Clerk (Part Time, per FTE)			1.0	1.0
Programming and Events		1.0	1.0	1.0
TOTAL POSITIONS	3.00	5.00	5.00	5.00

PUBLIC WORKS				
Director	1.0	1.0	1.0	1.0
Supervisor	1.0	1.0	1.0	1.0
Field Worker - Full Time	4.0	6.0	6.0	6.0
Field Worker - Part Time by FTE	1.0	0.7	0.7	1.7
Administrative Assistant	1.00	1.00	1.00	1.00
TOTAL PUBLIC WORKS POSITIONS	8.00	9.70	9.70	10.70

TOTAL STRENGTH OF FORCE	70.50	74.45	75.45	79.45
--------------------------------	--------------	--------------	--------------	--------------

REVENUE SUMMARY BY FUND					
Fund	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
01	GENERAL FUND	9,968,878	9,899,167	10,630,692	10,891,963
TOTAL GENERAL FUND		\$ 9,968,878	\$ 9,899,167	\$ 10,630,692	\$ 10,891,963

Fund	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
02	DEBT SERVICE	1,480,159	2,346,984	2,372,952	2,431,447
TOTAL DEBT SERVICE		\$ 1,480,159	\$ 2,346,984	\$ 2,372,952	\$ 2,431,447

Fund	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
07	STORMWATER UTILITY FUND	315,324	272,850	307,202	311,150
10	WATER/SEWER FUND	5,090,489	12,722,628	5,435,192	14,548,481
61	WATER IMPACT FEE FUND	18,848	58,752	23,023	24,100
62	SEWER IMPACT FEE FUND	19,289	111,348	27,639.00	30,700
TOTAL UTILITY FUNDS		\$ 5,443,950	\$ 13,165,578	\$ 5,793,056	\$ 14,914,431

Fund	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
04	CAPITAL PROJECTS FUND	120,531	95,700	131,632	128,200
13	CAPITAL BOND FUND	2,806,125	173,250	14,356,559	356,600
14	PARK DEDICATION FUND	36,806	27,000	32,533	32,100
32	LIBRARY BUILDING FUND	215	202	318	210
45	ROADWAY IMPACT FEE FUND	53,675	141,695	54,143	56,200
TOTAL CAPITAL PROJECT FUNDS		\$ 3,017,353	\$ 437,847	\$ 14,575,185	\$ 573,310

Fund	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
21	TIF #1 NEW HOPE FUND	79,265	72,406	80,000	80,006
30	HOTEL/MOTEL TAX FUND	38,749	25,000	24,624	20,900
31	PUBLIC SEIZURE FUND	125	80	156	160
34	LEOSE FUND	1,438	1,421	3,778	3,790
35	DISASTER RECOVERY FUND	254,371	1,991,000	149,386	1,300,000
TOTAL SPECIAL REVENUE FUNDS		\$ 373,947	\$ 2,089,907	\$ 257,944	\$ 1,404,856

Fund	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
05	CAPITAL REPLACEMENT FUND	108,888	27,650	16,020	15,000
12	COURT SECURITY FUND	5,398	3,850	9,234	9,235
16	COURT TECHNOLOGY FUND	5,185	4,050	7,103	7,140
18	JUVENILE CASE MANAGER FUND	560	490	633	685
40	GRANTS	-	675,000	685,836	65
41	PARK RECOVERY/DONATION FUND	5,336	5,625	36,407	6,683
83	TREE RESTORATION FUND	7,429	6,550	2,931	2,931
85	UNCLAIMED PROPERTY FUND	18	20	-	-
TOTAL OTHER FUNDS		\$ 132,814	\$ 723,235	\$ 758,164	\$ 41,739

Fund	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
15	EDC FUND	1,121,314	1,093,807	1,131,606	1,416,780
95	EDC BOND RESERVE FUND	4,350	2,800	5,457	5,457
TOTAL EDC FUNDS		\$ 1,125,664	\$ 1,096,607	\$ 1,137,062	\$ 1,422,237

TOTAL REVENUES		\$ 21,542,766	\$ 29,759,325	\$ 35,525,056	\$ 31,679,983
-----------------------	--	----------------------	----------------------	----------------------	----------------------

EXPENDITURE SUMMARY BY FUND					
Fund	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
01	GENERAL FUND	10,053,232	11,363,650	10,757,064	12,646,942
TOTAL GENERAL FUND		\$ 10,053,232	\$ 11,363,650	\$ 10,757,064	\$ 12,646,942

Fund	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
02	DEBT SERVICE	1,863,100	2,564,324	2,564,324	2,603,769
TOTAL DEBT SERVICE		\$ 1,863,100	\$ 2,564,324	\$ 2,564,324	\$ 2,603,769

Fund	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
07	STORMWATER UTILITY FUND	31,593	18,100	5,768	45,800
10	WATER/SEWER FUND	5,915,618	12,306,332	4,588,884	13,465,637
61	WATER IMPACT FEE FUND	-	-	-	-
62	SEWER IMPACT FEE FUND	-	-	-	-
TOTAL UTILITY FUNDS		\$ 5,947,210	\$ 12,324,432	\$ 4,594,652	\$ 13,511,437

Fund	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
04	CAPITAL PROJECTS FUND	120,531	95,700	131,632	128,200
13	CAPITAL BOND FUND	2,041,439	6,768,295	1,374,776	12,279,097
14	PARK DEDICATION FUND	177,820	45,000	301,083	100,000
32	LIBRARY BUILDING FUND	-	-	-	-
45	ROADWAY IMPACT FEE FUND	-	-	111,077	-
TOTAL CAPITAL PROJECT FUNDS		\$ 2,339,791	\$ 6,908,995	\$ 1,918,568	\$ 12,507,297

Fund	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
21	TIF #1 NEW HOPE FUND	48,848	150,000	100,388	150,000
30	HOTEL/MOTEL TAX FUND	13,258	12,000	11,000	15,000
31	PUBLIC SEIZURE FUND	-	3,810	-	-
34	LEOSE FUND	1,590	1,500	1,500	1,500
35	DISASTER RECOVERY FUND	191,642	2,039,300	71,283	1,250,000
TOTAL SPECIAL REVENUE FUNDS		\$ 255,339	\$ 2,206,610	\$ 184,171	\$ 1,416,500

Fund	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
05	CAPITAL REPLACEMENT FUND	242,160	97,103	79,488	79,668
12	COURT SECURITY FUND	5,092	10,000	250	26,570
16	COURT TECHNOLOGY FUND	8,828	10,000	2,700	10,000
18	JUVENILE CASE MANAGER FUND	-	7,000	-	-
40	GRANTS	-	675,000	685,771	-
41	PARK RECOVERY/DONATION FUND	7,604	7,853	7,752	19,500
83	TREE RESTORATION FUND	-	-	-	-
85	UNCLAIMED PROPERTY FUND	-	-	-	-
TOTAL OTHER FUNDS		\$ 263,684	\$ 806,956	\$ 775,961	\$ 135,738

Fund	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
15	EDC FUND	537,171	1,079,546	818,949	937,953
95	EDC BOND RESERVE FUND	-	-	-	-
TOTAL EDC FUNDS		\$ 537,171	\$ 1,079,546	\$ 818,949	\$ 937,953

TOTAL EXPENDITURES		\$ 21,259,527	\$ 37,254,513	\$ 21,613,689	\$ 43,759,636
---------------------------	--	----------------------	----------------------	----------------------	----------------------

2025 Adopted Common Cost Analysis

Department	01 GF Total	07 Storm Water Allocation 5%	10 Water/Sewer Allocation 20%	15 EDC Allocation 15%	15 EDC Wage Allocation
Dept 1 City Manager Expenditures	\$ 378,229	\$ 18,911	\$ 75,646	\$ 56,734	\$ -
Dept 2 Council Expenditures	\$ 201,950	\$ 10,098	\$ 40,390	\$ 30,293	\$ -
Dept 3 City Secretary Expenditures	\$ 215,458	\$ 10,773	\$ 43,092	\$ 32,319	\$ -
Dept 5 Human Resources Exp.	\$ 210,081	\$ 10,504	\$ 42,016	\$ 31,512	\$ -
Dept 7 Finance Expenditures	\$ 581,973	\$ 29,099	\$ 116,395	\$ 87,296	\$ -
Dept 12 Community Development Exp.	\$ 693,806	\$ 34,690	\$ 138,761	\$ 104,071	\$ -
Dept 17 Library (Communications Staff)					\$ 40,205
WC/Admin Fees/Unemployment	\$ 218,034	\$ 10,902	\$ 43,607	\$ 32,705	\$ -
Insurance	\$ 143,134	\$ 7,157	\$ 28,627	\$ 21,470	\$ -
IT Support, Internet, and Phones	\$ 174,000	\$ 8,700	\$ 34,800	\$ 26,100	\$ -
Total Allocated from Fund 1 to Other Funds	\$ 2,816,665	\$ 140,833	\$ 563,333	\$ 422,500	\$ 40,205

Department	01 Street Personnel	07 Storm Water Allocation 10%	10 Water/Sewer Allocation 25%	15 EDC Allocation 10%
Dept 20 Public Works (Street Personnel Only)	\$ 778,406	\$ 77,841	\$ 194,602	\$ 77,841
Total Allocated from Dept 20 to Other Funds	\$ 778,406	\$ 77,841	\$ 194,602	\$ 77,841

FUND / ACCOUNT		FY 23 Actual	FY 24 Budget	FY 24 Projected	FY 25 Budget	Notes
GENERAL FUND TRANSFERS IN						
01-4509-00-00	ADMIN CHARGE - STREET	132,597	136,035	136,035		Value of services provided from General Fund
01-4510-00-00	ADMIN CHARGE-WATER/SEWER	530,389	544,140	544,140	757,935	Value of services provided from General Fund
01-4512-00-00	ADMIN CHARGE-EDC	397,791	447,522	447,522	540,545	Added in audit and value of services provided
01-4514-00-00	TRANSFER IN STORM WATER	132,597	136,035	136,035	218,674	Value of services provided from General Fund
GENERAL FUND TRANSFERS OUT						
01-5705-90-01	TRANSFER OUT-CAPITAL REPLAC FUND	(120,000)	(120,000)	(120,000)	(139,200)	Enterprise Lease
01-5717-90-00	TRANSFER OUT-STREET IMPROVEMENT		(68,958)	(68,958)	-	For Pavement Management System and Repairs
01-5498-90-01	INCREMENTAL PROP TAX TO TIF	(157,883)	(160,000)	(160,000)	(160,000)	City payment for incremental property tax
STREET IMPROVEMENT FUND TRANSFERS IN						
17-4076-00-00	FRANCHISE FEES-WATER/SEWER	140,310	140,310	140,310		Services provided by Street Personnel
17-4511-00-00	ADMIN CHARGE-STORM WATER	56,124	61,520	61,520		Services provided by Street Personnel
17-4515-00-00	TRANSFER IN EDC	56,124	61,520	61,520		Services provided by Street Personnel
17-4906-00-00	TRANSFER IN-GENERAL	-	68,958	68,958		For Pavement Management System and Repairs
STREET IMPROVEMENT FUND TRANSFERS OUT						
17-5701-12-02	TRANSFER OUT - GENERAL FUND	(132,597)	(136,035)	(136,035)		Value of services provided from General Fund
17-5705-12-04	TRANSFER OUT-CAP REPLAC FUND	(19,200)	(19,200)	(19,200)		Enterprise Lease
DEBT SERVICE FUND TRANSFERS IN						
02-4960-00-00	CAPITAL PROJECTS FUND	104,800	108,055	108,055	108,265	Dick Price Road Set By Debt Schedule
02-4963-00-00	TRANSFER IN-TIRZ	-	228,229	228,229	228,229	Payment toward 2023 \$17.4MM CO Bond
WATER & SEWER FUND TRANSFERS IN						
10-4963-00-00	TRANSFER IN:WATER IMPACT FUND	30,000	30,000	30,000	30,000	Pay Portion \$2.9MM 2007 CO Bond/16" water line (based on impact fee revenue and avail fund balance)
10-4964-00-00	TRANSFER IN-SEWER IM	60,000	60,000	60,000	60,000	Pay Portion \$2.9MM 2007 CO Bond/16" water line (based on impact fee revenue and avail fund balance)
10-4965-00-00	TRANSFER IN-ROADWAY	97,525	97,525	97,525	97,525	Pay Portion \$2.9MM 2007 CO Bond/16" water line (based on impact fee revenue and avail fund balance)
WATER & SEWER FUND TRANSFERS OUT						
10-5595-90-00	ADMIN CHARGE-GENERAL	(530,389)	(544,140)	(544,140)	(757,935)	Value of services provided from General Fund
10-5596-90-00	PAYMENT IN LIEU OF	(140,310)	(140,310)	(140,310)	-	Services provided by Street Personnel
STORMWATER FUND TRANSFERS OUT						
07-5598-35-01	ADMIN CHARGE-STREET	(56,124)	(61,520)	(61,520)	(77,841)	Value of services provided from Public Works
07-5701-35-01	TRANSFER OUT - GENER	(132,597)	(136,035)	(136,035)	(140,833)	Value of services provided from General Fund
WATER IMPACT FUND TRANSFERS OUT						
61-5710-00-00	TRANSFER OUT:WATER/SEWER FUND	(30,000)	(30,000)	(30,000)	(30,000)	Pay Portion \$2.9MM 2007 CO Bond/16" water line (based on impact fee revenue and avail fund balance)
SEWER IMPACT FUND TRANSFERS OUT						
62-5710-00-00	TRANSFER OUT-WATER/SEWER FUND	(60,000)	(60,000)	(60,000)	(60,000)	Pay Portion \$2.9MM 2007 CO Bond/16" water line (based on impact fee revenue and avail fund balance)
ROADWAY IMPACT FUND TRANSFERS OUT						
45-5711-71-01	TRANSFER OUT - WATER	(97,525)	(97,525)	(97,525)	(97,525)	Pay Portion \$2.9MM 2007 CO Bond/16" water line (based on impact fee revenue and avail fund balance)
45-5798-71-01	TRANSFER OUT-TIF #1	(10,000)	(10,000)	(10,000)	(10,000)	Fund TIF Projects
TIRZ FUND TRANSFERS IN						
21-4519-00-00	INTERGOV-CITY OF KENNEDALE	157,883	160,000	160,000	160,000	City payment for incremental property tax
21-4945-00-00	TRANSFER IN-ROADWAY	10,000	10,000	10,000	10,000	City payment for incremental property tax
TIRZ FUND TRANSFERS OUT						
21-5702-06-06	TRANSFER OUT - DEBT SERVICE	-	(228,229)	(228,229)	(228,229)	Payment toward 2023 \$17.4MM CO Bond
CAPITAL REPLACEMENT FUND TRANSFERS IN						
05-4906-00-00	TRANSFER IN-GENERAL	120,000	120,000	120,000	139,200	Enterprise Lease
05-4917-00-00	TRANSFER IN-STREET FUND	19,200	19,200	19,200	-	Enterprise Lease
EDC FUND TRANSFERS OUT						
15-5595-06-01	ADMIN CHARGE-GENERAL	(397,791)	(447,522)	(447,522)	(540,545)	Added in audit and value of services provided
15-5717-00-00	TRANSFER OUT STREETS	(56,124)	(61,520)	(61,520)	-	Services provided by Street Personnel
CAPITAL PROJECTS FUND TRANSFERS OUT						
04-5702-00-00	DEBT SERVICE FUND	(104,800)	(108,055)	(108,055)	(108,265)	Dick Price Road Set By Debt Schedule



General Fund

GENERAL FUND REVENUE AND INCOMING TRANSFERS					
Department	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
	PROPERTY TAXES	5,763,918	5,980,866	5,980,866	6,209,872
	SALES TAXES	2,248,383	1,991,717	2,391,591	2,391,591
	GRANTS AND CONTRIBUTIONS	135,199	-	-	-
	LICENSES AND PERMITS	281,185	449,883	425,000	450,000
	FINES AND FEES	907,733	931,701	1,027,915	1,033,500
	CHARGES FOR SERVICES	244,123	225,000	292,876	292,000
	INTERGOVERNMENTAL	189,737	165,000	165,000	165,000
	ALL OTHER REVENUE	198,600	155,000	347,444	350,000
	TRANSFERS IN	1,445,744	1,460,005	1,460,005	1,517,154
TOTAL REVENUE AND TRANSFERS IN		\$ 11,414,622	\$ 11,359,172	\$ 12,090,697	\$ 12,409,117

GENERAL FUND EXPENDITURES					
Department	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
01	CITY MANAGER	330,992	366,953	329,476	378,229
02	MAYOR AND COUNCIL	151,730	187,100	187,290	201,950
03	CITY SECRETARY	162,093	194,447	192,575	215,458
04	MUNICIPAL COURT	181,028	242,974	221,318	320,764
05	HUMAN RESOURCES	163,243	224,532	221,208	210,081
07	FINANCE	466,574	545,337	502,560	581,973
09	POLICE	3,472,227	3,606,007	3,595,535	3,916,051
10	FIRE	2,673,744	2,961,998	2,741,569	3,353,570
12	COMMUNITY DEVELOPMENT	617,476	687,853	623,076	693,806
16	SENIOR CITIZEN CENTER	48,584	53,172	42,877	101,900
17	LIBRARY	393,462	501,226	451,061	590,536
18	COMMUNICATIONS	-	26,100	18,539	23,500
20	PUBLIC WORKS	847,877	1,200,756	1,095,482	1,492,428
90	NON DEPARTMENTAL	544,203	565,194	534,496	566,695
TOTAL EXPENDITURES		\$ 10,053,232	\$ 11,363,650	\$ 10,757,064	\$ 12,646,942

Department	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
90	NON DEPARTMENTAL	410,290	368,158	368,158	299,200
TOTAL OUTGOING TRANSFERS		\$ 410,290	\$ 368,158	\$ 368,158	\$ 299,200

TOTAL OUTGOING FUNDS	\$ 10,463,523	\$ 11,731,808	\$ 11,125,222	\$ 12,946,142
-----------------------------	----------------------	----------------------	----------------------	----------------------

NET CHANGE IN FUND BALANCE	\$ 951,099	\$ (372,636)	\$ 965,475	\$ (537,025)
-----------------------------------	-------------------	---------------------	-------------------	---------------------

BEGINNING FUND BALANCE — OCT 1	\$ 2,565,462	\$ 3,516,561	\$ 3,516,561	\$ 4,482,037
---------------------------------------	---------------------	---------------------	---------------------	---------------------

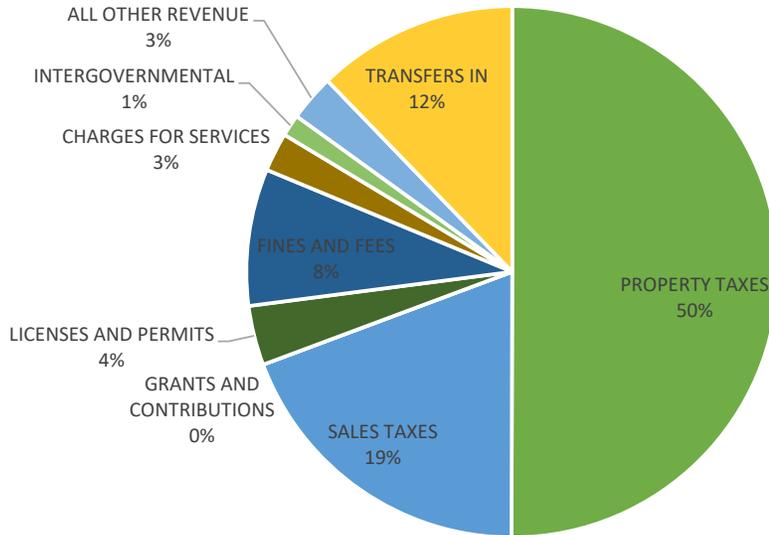
ENDING FUND BALANCE — SEPT 30	\$ 3,516,561	\$ 3,143,925	\$ 4,482,037	\$ 3,945,011
--------------------------------------	---------------------	---------------------	---------------------	---------------------

AVERAGE DAILY ANNUAL EXPENDITURES	\$ 28,667	\$ 32,142	\$ 30,480	\$ 35,469
--	------------------	------------------	------------------	------------------

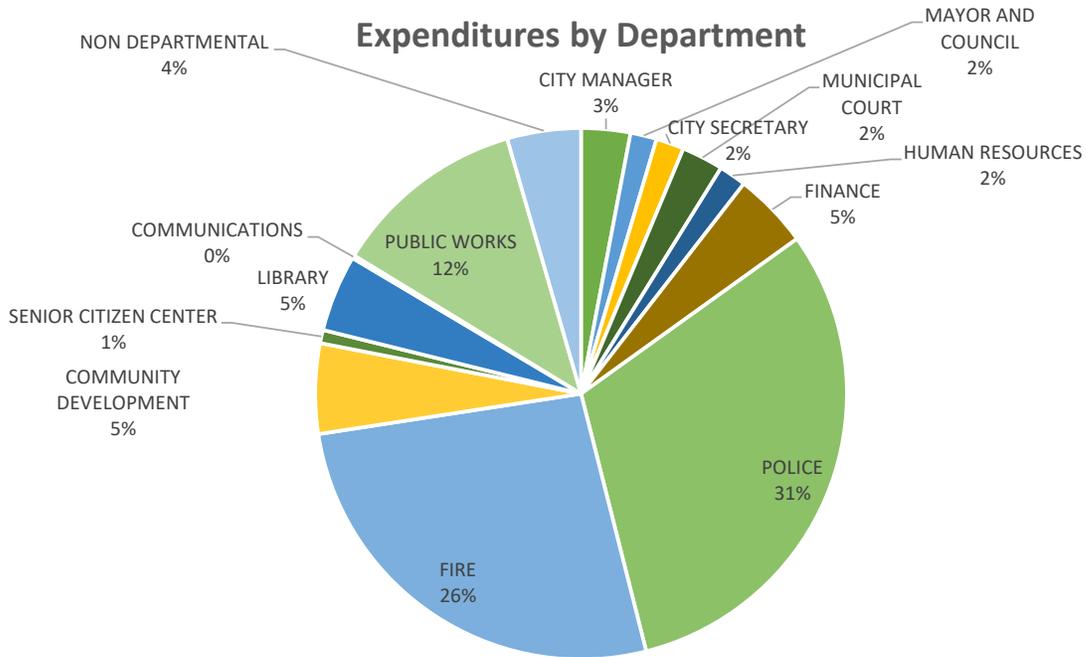
DAYS OF FUND BALANCE	123	98	147	111
-----------------------------	------------	-----------	------------	------------

GENERAL FUND SUMMARY

Revenue by Source



Expenditures by Department



DEPARTMENT OUTLINE: CITY MANAGER

Kennedale operates under the Council-Manager form of government, which combines the strength of an elected Mayor and Council with a professional manager and staff. The City Manager's Department oversees the day-to-day management of the City, supervises all departments and employees, reports information and makes recommendations to the City Council, and fosters economic development. The City Manager is accountable to the City Council for the proper administration of all the affairs of the City.

PRIOR YEAR RESULTS & ACCOMPLISHMENTS

- Grew General Fund Reserve over 30%.
- Road and bridge improvements on Valley Lane and Averett Road.
- Continued growth in attendance for the Hometown Christmas event.

SHORT-TERM (FY25) GOALS

- Continue to improve the City's financial strength and integrity through efficient budget, financial, and debt management practices
- Texas Water Development Board 80% match on the Valley Lane Project
- Identify events as strengthening community-based engagement with a hometown feel
- Completing roadway improvements as identified in existing engineering studies
- Send leadership team to TML Leadership Academy
- Secure business for Kennedale Parkway near Interstate 20 and Oak Crest addition
- Residential Development on New Hope Road
- Secure legislative options for transportation funding
- Increase pedestrian traffic in the TownCenter development complex by 10% and complete final phase of the TownCenter Development
- Partner with YMCA for sports complex and office space in TownCenter complex

FUTURE INITIATIVES

- Development plan for Oakcrest development at Kennedale Parkway and I-20 to increase retail and mix use development
- Secure a commuter rail stop in I-20/820 corridor
- Develop plan for redevelopment along southeast portion of Kennedale Parkway for industrial and mix use.
- Develop tools and policies that reduce flood damage and flood risk to residents and buildings along Village Creek and its tributaries
- Determine financing and grant strategies to fund Village Creek restoration project
- Increase residential development on New Hope Road (within TIRZ)
- Secure options for transportation funding
- Installation of medians along Kennedale Parkway in TownCenter
- Facilitate the inclusion of the extension of Little School Road in the 2021 Tarrant County Transportation Bond Program (at 50% funding)

PERFORMANCE MEASURES					
Measure	Type	FY23 Actual	FY24 Target	FY24 Projected	FY25 Target
General Fund Reserve %	Effectiveness	33.7%	26.8%	40.3%	30.0%
Christmas Event Attendance	Effectiveness	2,023	2,500	2,793	4,000
KidFish Attendance	Effectiveness	1,225	1,500	1,742	2,000
TownCenter Available Pads	Effectiveness	3	2	2	1

GENERAL FUND EXPENDITURES BY DEPARTMENT

01 CITY MANAGER

Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
Personnel		278,809	304,002	281,550	316,779
Operations		52,182	62,950	47,926	61,450
TOTAL CITY MANAGER'S OFFICE		\$ 330,992	\$ 366,953	\$ 329,476	\$ 378,229

Positions

City Manager	1.0	1.0	1.0	1.0
Administrative Assistant	1.0	1.0	1.0	1.0
TOTAL POSITIONS	2.00	2.00	2.00	2.00

Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
01-5101-01-01	SALARIES	207,958	216,828	204,772	220,413
01-5107-01-01	OVERTIME	1,563	2,000	1,135	2,000
01-5111-01-01	AUTO ALLOWANCE	-	-		
01-5112-01-01	ASSIGNMENT PAY	-	3,250		
01-5114-01-01	LONGEVITY PAY	3,224	2,880	2,880	2,880
01-5115-01-01	RETIREMENT	31,012	31,660	33,406	38,570
01-5117-01-01	FICA	15,880	16,961	15,659	17,235
01-5118-01-01	MEDICAL INSURANCE	16,713	27,457	20,244	31,507
01-5120-01-01	LIFE INSURANCE	1,742	1,636	1,418	2,200
01-5121-01-01	DENTAL INSURANCE	677	1,000	1,403	1,050
01-5122-01-01	VISION INSURANCE	71	103	187	324
01-5126-01-01	DISABILITY	(30)	229	447	600
TOTAL PERSONNEL		\$ 278,809	\$ 304,002	\$ 281,550	\$ 316,779

Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
01-5240-01-01	PRINTED SUPPLIES	95	100	75	100
01-5230-01-01	CLEANING SUPPLIES	18	-	-	
01-5260-01-01	GENERAL OFFICE SUPPLIES	3,925	2,750	2,750	2,750
01-5261-01-01	POSTAGE	27	50	346	400
01-5280-01-01	MINOR EQUIP/SMALL TOOLS			1,856	-
01-5285-01-01	FUEL	4,065	6,000	3,169	4,100
01-5290-01-01	EXPENDABLE SUPPLIES	2,128	2,500	981	1,000
01-5298-01-01	VICTUALS BEVERAGES & GROCERY	172		806	950
01-5430-01-01	MOTOR VEHICLE MAINTENANCE	1,465	3,000	973	1,500
01-5440-01-01	OFFICE EQUIP	3,240	3,500	1,064	3,500
01-5510-01-01	ASSOC DUES/PUBLICICATIONS	5,941	5,000	3,996	5,000
01-5525-01-01	TRAINING/SEMINARS	990	4,500	1,350	4,500
01-5530-01-01	ELECTRIC SERVICES	14,310	11,250	11,250	13,000
01-5535-01-01	GAS SERVICES	4,203	5,500	4,250	5,500
01-5570-01-01	SPECIAL SERVICES	3,476	1,000	627	1,000
01-5575-01-01	EQUIPMENT RENTAL	0	8,000	5,576	8,000
01-5578-01-01	TRAVEL	3,967	5,000	4,887	5,000
01-5585-01-01	TELEPHONE SERVICES	1,217	1,300	1,587	1,650
01-5590-01-01	WATER/SEWER SERVICES	2,942	3,500	2,383	3,500
TOTAL OPERATIONS		\$ 52,182	\$ 62,950	\$ 47,926	\$ 61,450

TOTAL CITY MANAGER'S OFFICE		\$ 330,992	\$ 366,953	\$ 329,476	\$ 378,229
------------------------------------	--	-------------------	-------------------	-------------------	-------------------

DEPARTMENT OUTLINE: MAYOR/CITY COUNCIL

The City Council consists of a Mayor and five Councilmembers elected at-large for two-year terms (with no term limits). Regular meetings are held on the third Tuesday of each month at 5:30 p.m., and special or joint meetings (with Advisory Boards or Commissions) are scheduled as needed.

PRIOR YEAR RESULTS & ACCOMPLISHMENTS

- Hosted TML Region 8 event for the first time
- Increased attendance at City events, including National Night Out
- Sent General Obligation Bonds to the voters for park improvements
- Issued \$14,000,000 in bonds to improve City parks, public safety facility remodels, and infrastructure improvement
- Approved a restructure of the public safety step plan that will increase employee retention

SHORT-TERM (FY25) GOALS

- Strategic Plan Update
- Increased prioritization of road maintenance and repair
- Restoration and development of Village Creek Park and the Greenways Project
- Attend 20 hours of training annually for all council members.

VOLUNTEER RESOURCES

ADVISORY BOARD AND COMMISSION REGULAR MEETING SCHEDULE:

Board of Adjustment (BOA)/Board of Appeals (BBA)	2 nd Tuesdays at 6:00 p.m., <i>as needed</i>
Economic Development Corporation (EDC) Board	4 th Tuesdays at 6:00 p.m.
Keep Kennedale Beautiful (KKB) Commission	2 nd Tuesdays at 6:00 p.m.
Library Board	As Needed
Parks and Recreation Board	1 st Wednesdays at 7:00 p.m.
Planning and Zoning (P&Z) Commission	2 nd Thursdays at 6:00 p.m.
TownCenter Development District (TDD) Board	Annually
Tax Increment Reinvestment Zone (TIRZ) #1 Board	Annually
Utility and Infrastructure Board (UIB)	As Needed, Upon the Direction of the Council
Youth Advisory Council (YAC)	Determined by Membership Annually

PERFORMANCE MEASURES

Measure	Type	FY23 Actual	FY24 Target	FY24 Projected	FY25 Target
Capital Projects Funded	Output	3	5	5	0
Training Hours Completed	Effectiveness	Not Measured	20	22	20

GENERAL FUND EXPENDITURES BY DEPARTMENT

02 MAYOR AND COUNCIL

Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
Operations		151,730	187,100	187,290	201,950
TOTAL MAYOR & CITY COUNCIL		\$ -	\$ 187,100	\$ 187,290	\$ 201,950

Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
01-5240-02-01	PRINTED SUPPLIES	1,438	2,000	1,221	2,000
01-5260-02-01	GENERAL OFFICE SUPPLIES	400	200	122	200
01-5280-02-01	MINOR EQUIP/SMALL TOOLS<\$5K	-	1,000	109	500
01-5298-02-01	VICTUALS BEVERAGES & GROCERY	247	500	453	500
01-5510-02-01	ASSOC DUES/PUBLICATIONS	6,716	6,500	6,500	6,500
01-5511-02-01	VOLUNTEER MEETINGS	297	700	-	500
01-5525-02-01	TRAINING/SEMINARS	1,233	3,500	3,500	3,500
01-5440-02-01	OFFICE EQUIP	1,200	2,500	-	1,500
01-5564-02-01	COMMUNITY RELATIONS	-	-	-	-
01-5565-02-01	LEGAL SERVICES	128,788	150,000	162,987	170,000
01-5570-02-01	SPECIAL SERVICES	1,351	5,000	1,922	2,500
01-5571-02-01	SPECIAL EVENTS	3,120	6,000	7,350	4,500
01-5578-02-01	TRAVEL	4,330	6,000	-	6,500
01-5585-02-01	TELEPHONE SERVICES	2,611	3,200	3,125	3,250
TOTAL OPERATIONS		\$ 151,730	\$ 187,100	\$ 187,290	\$ 201,950

TOTAL MAYOR AND CITY COUNCIL		\$ 151,730	\$ 187,100	\$ 187,290	\$ 201,950
-------------------------------------	--	------------	------------	------------	------------

DEPARTMENT OUTLINE: CITY SECRETARY

Maintain the integrity of the election process, ensure transparency and access to city records, facilitate the city’s legislative process, record local government history, and most importantly, provide excellent customer service to citizens, staff, and council in the most fair and ethical ways possible.

PRIOR YEAR RESULTS & ACCOMPLISHMENTS

- Began the process of updating all agendas and minutes uploaded into the Agenda Center on the website.
- Began training with CivicClerk in order to be more familiar with the program.
- Completed most public records requests in-house and started charging for records according to the cost estimator generator provided by the Texas Secretary of State

SHORT-TERM (FY25) GOALS

- Become Compliant with the Texas State Library and Archives Commission
- Complete second recertification through Texas Municipal Clerks Certification Program
- Work with CivicClerk to modify current software to fit the needs of the agenda and minute software, i.e., formatting
- Update website to correctly reflect the agenda and minutes center from October 2023-forward

FUTURE INITIATIVES

- Complete the Master Municipal Clerk Program
- Achieve the Municipal Clerk’s Office Achievement of Excellence Award
- Train and certify a deputy city secretary in order to establish back up for office
- Establish a candidate information forum to guide candidate through the process of filling out and turning in all election required material
- Initiate the purchase and implementation of public information software

PERFORMANCE MEASURES

Measure	Type	FY23 Actual	FY24 Target	FY24 Projected	FY25 Target
Full Time Positions	Input	1	1	1	1
PIRs Processed	Output	38	50	150	175
Meetings Posted	Output	49	50	75	75
TSLAC Doc Compliance	Efficiency	n/a	100%	80%	100%
TMCCP Recert Requirements	Efficiency	n/a	100%	100%	100%

GENERAL FUND EXPENDITURES BY DEPARTMENT

03 CITY SECRETARY

Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
Personnel		86,106	101,147	92,033	113,158
Operations		75,987	93,300	100,542	102,300
TOTAL CITY SECRETARY		\$ 162,093	\$ 194,447	\$ 192,575	\$ 215,458

Positions

City Secretary	1.0	1.0	1.0	1.0
TOTAL POSITIONS	1.00	1.00	1.00	1.00

Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
01-5101-03-01	SALARIES	65,497	77,860	67,485	85,000
01-5114-03-01	LONGEVITY PAY	-	-	-	-
01-5115-03-01	RETIREMENT	9,588	11,118	10,798	14,552
01-5117-03-01	FICA	4,764	5,956	5,061	6,503
01-5118-03-01	MEDICAL INSURANCE	5,178	5,291	7,877	6,072
01-5120-03-01	LIFE INSURANCE	667	501	405	550
01-5121-03-01	DENTAL INSURANCE	367	368	338	377
01-5122-03-01	VISION INSURANCE	45	51	69	104
01-5126-01-01	DISABILITY	-	-	147	150
TOTAL PERSONNEL		\$ 86,106	\$ 101,147	\$ 92,033	\$ 113,158

Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
01-5240-03-01	PRINTED SUPPLIES	128	300	350	300
01-5261-03-01	POSTAGE	98	200	85	200
01-5290-03-01	EXPENDABLE SUPPLIES	-	2,600	2,600	3,000
01-5298-03-01	VICTUALS BEVERAGES & GROCERY	230	300	612	400
01-5403-03-01	BUILDING MAINTENANCE	17,326	12,000	12,000	12,000
01-5440-03-01	OFFICE EQUIP	4,880	600	600	600
01-5445-03-01	SOFTWARE	13,453	25,000	25,000	25,000
01-5501-03-01	ADVERTISING	1,289	2,000	3,950	2,000
01-5510-03-01	ASSOC DUES/PUBLICICATIONS	1,794	1,500	1,500	1,000
01-5525-03-01	TRAINING/SEMINARS	3,408	5,000	5,000	4,000
01-5570-03-01	SPECIAL SERVICES	5,718	17,000	14,045	17,000
01-5573-03-01	ELECTION SERVICES	17,473	10,000	18,000	20,000
01-5574-03-01	FILING FEES		250	250	250
01-5578-03-01	TRAVEL	1,202	3,000	3,000	3,000
01-5585-03-01	TELEPHONE SERVICES	484	550	550	550
01-5589-03-01	JANITORIAL SERVICES	8,505	13,000	13,000	13,000
TOTAL OPERATIONS		\$ 75,987	\$ 93,300	\$ 100,542	\$ 102,300

TOTAL CITY SECRETARY'S OFFICE		\$ 162,093	\$ 194,447	\$ 192,575	\$ 215,458
--------------------------------------	--	------------	------------	------------	------------

DEPARTMENT OUTLINE: MUNICIPAL COURT

The Municipal Court is a Judicial Branch of the City government. The Kennedale Municipal Court is dedicated to the principles of fair and impartial justice while adhering to statutory requirements and providing the highest standards in customer service. Utilizing an innovative approach, the Municipal Court promotes timely disposition of cases while ensuring accuracy to promote a positive public perception of the judicial system.

PRIOR YEAR RESULTS & ACCOMPLISHMENTS

- Assisted the Police Department in Implementing Cell Phone Ticket Writers
- Participated in the 2023 Municipal Courts Week
- Recipient of the 2024 Municipal Traffic Safety Initiative Award for new applicants through the Texas Municipal Courts Education Center
- Appointed a new associate Judge and Prosecutor
- Participated in the 2024 Great Warrant Roundup
- Participated in 2023 public Safety Event and National night out

NEW FOR FY25

The Municipal court currently consists of a Court Administrator and a Juvenile Case Manager. We would like to add a full-time court clerk. This clerk will have an anticipated start date of October 1, 2024.

The court has recently experienced a significant increase in workload. In January and February, we saw a 41% increase in all areas compared to last year. We are also seeing an average of 150 people a month at our window. Adding a court clerk would help us manage our workload more effectively and maintain the quality of our output.

The new court clerk will also help alleviate some job duties from our current juvenile case manager. This is essential because effective 01/1/2025, H.B. 3186 requires the adoption of a youth diversion program for every municipal and justice court in Texas. Our current juvenile case manager will be busy creating and managing a Youth Diversion program for our court.

SHORT-TERM (FY25) GOALS

- Monitor future legislation affecting municipal court operations
- Continue to review and update the courts forms, policies, and procedures
- Encourage continued development and training of staff
- Increase convenience for the customer by allowing email and online requests
- Implement a Diversion Program
- Increase compliance from defendants during the warrant roundup
- Enter into an interlocal agreement with Arlington Teen court to allow juvenile misdemeanor offenders an alternative to the criminal justice system.

- Implement new software that is more efficient, reduces paper documents, and provides the public with additional interface options

FUTURE INITIATIVES

- Develop a court procedures manual that will align with the court’s new software
- Leverage the continued use of technology
- Collaborate with other agencies to connect defendants with available resources
- Evaluate and implement alternative programs to enhance customer service

PERFORMANCE MEASURES					
Measure	Type	FY23 Actual	FY24 Target	FY24 Projected	FY25 Target
Cases Filed	Input	2,525	2,500	2,500	3,100
Fine Revenue Received	Output	\$382,713.21	\$38,000.00	\$38,000.00	\$400,000.00
Arrest Warrants Issued	Output	1,286	1,200	1,200	1,300
Transactions Summary	Output	50,085	50,000	50,000	51,000
Cases Set for Court	Output	1,713	1,700	1,700	2,000

GENERAL FUND EXPENDITURES BY DEPARTMENT

04 COURT

Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
Personnel		135,950	166,548	169,651	262,464
Operations		45,078	76,426	51,667	58,300
TOTAL MUNICIPAL COURT		\$ 181,028	\$ 242,974	\$ 221,318	\$ 320,764

Positions

Court Administrator	1.0	1.0	1.0	1.0
Juvenile Case Manager	-	-	1.0	1.0
Court Clerk	1.0	1.0	-	1.0
TOTAL POSITIONS	2.00	2.00	2.00	3.00

Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
01-5101-04-01	SALARIES	95,603	119,626	122,320	177,067
01-5107-04-01	OVERTIME	189	500	250	500
01-5114-04-01	LONGEVITY PAY	96	192	192	656
01-5115-04-01	RETIREMENT	14,033	17,181	19,611	30,512
01-5117-04-01	FICA	6,861	9,204	9,193	13,634
01-5118-04-01	MEDICAL INSURANCE	17,561	18,347	16,091	36,805
01-5120-04-01	LIFE INSURANCE	775	549	908	1,200
01-5121-04-01	DENTAL INSURANCE	755	772	668	1,327
01-5122-04-01	VISION INSURANCE	88	102	90	363
01-5126-04-01	DISABILITY	(10)	74	328	400
TOTAL PERSONNEL		\$ 135,950	\$ 166,548	\$ 169,651	\$ 262,464

Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
01-5240-04-01	PRINTED SUPPLIES	-	-	75	800
01-5260-04-01	GENERAL OFFICE SUPPLIES	1,383	3,500	2,021	3,500
01-5261-04-01	POSTAGE	1,468	1,780	2,036	2,500
01-5280-04-01	MINOR EQUIP/SMALL TOOLS <\$5K	394	-	244	400
01-5290-04-01	EXPENDABLE SUPPLIES	-	-	326	500
01-5220-04-01	UNIFORMS	-	-	163	700
01-5440-04-01	OFFICE EQUIP	692	880	226	1,500
01-5445-04-01	SOFTWARE	9,153	29,366	10,000	11,500
01-5510-04-01	ASSOC DUES/PUBLICICATIONS	285	500	320	500
01-5525-04-01	TRAINING/SEMINARS	978	4,200	2,589	3,000
01-5565-04-01	LEGAL SERVICES	13,664	14,500	14,500	1,000
01-5570-04-01	SPECIAL SERVICES	933	1,500	254	1,500
01-5575-04-01	EQUIPMENT RENTAL	0	2,600	1,722	2,600
01-5578-04-01	TRAVEL	102	1,000	509	1,200
01-5581-04-01	JUDGE AND PROSECUTOR SERVICES	14,900	15,400	15,400	25,800
01-5585-04-01	TELEPHONE SERVICES	1,022	1,200	1,281	1,300
TOTAL OPERATIONS		\$ 45,078	\$ 76,426	\$ 51,667	\$ 58,300

TOTAL MUNICIPAL COURT		\$ 181,028	\$ 242,974	\$ 221,318	\$ 320,764
------------------------------	--	-------------------	-------------------	-------------------	-------------------

DEPARTMENT OUTLINE: HUMAN RESOURCES

The City of Kennedale’s Human Resources Department provides guidance and assistance to all staff within each department. The vision is to provide exceptional human resources services for internal and external customers and improve the partnership, one employee, professionally, at a time.

PRIOR YEAR RESULTS & ACCOMPLISHMENTS

- Provided services to all City departments in areas of recruiting, employee relations, personnel records maintenance, benefits administration, retirement, employee injuries, and compensation
- Monthly team building with Luncheon for all staff
- Completed a comprehensive review of employee pay aligned with incumbent in position
- Recognition of employee of the month and Annual Service Awards
- Promoted the Tuition Reimbursement program

SHORT-TERM (FY25) GOALS

- Maintain compliance regarding recruitment, pre-employment evaluations, and operational procedures
- Scan all personnel and medical file documents in software to remain compliant with the Texas State Records Retention Schedule
- Continue as Training Coordinator responsible for organizing and implementing employee training programs
- Focus on attracting, sourcing, and recruiting top talent for hiring managers

FUTURE INITIATIVES

- Create and provide job descriptions for all City positions
- Coordinate the recruiting and selection process to hire top talent
- Continue to monitor technology to improve paperless environment for employee files
- Manage the employee injury reports and stay in front of claims and loss of time with training
- Develop and implement policies and procedures to promote a positive work environment and maintain compliance with labor laws and regulations

PERFORMANCE MEASURES

Measure	Type	FY23 Actual	FY24 Target	FY24 Projected	FY25 Target
Annual Applications Received	Input	324	175	177	175
Annual New Hires	Workload	22	15	16	10
Annual Terminations	Workload	12	10	15	10
Applicants/Posting (average)	Effectiveness	24	25	22	25
Pre-emp. processing (days)	Effectiveness	4	2	2	2
Benefit Participation (%)	Effectiveness	80%	82%	84%	82%

GENERAL FUND EXPENDITURES BY DEPARTMENT

05 HUMAN RESOURCES

Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
Personnel		130,880	139,882	140,561	147,111
Operations		32,364	84,650	80,647	62,970
TOTAL HUMAN RESOURCES OFFICE		\$ 163,243	\$ 224,532	\$ 221,208	\$ 210,081

Positions

Director	1.0	1.0	1.0	1.0
TOTAL POSITIONS	1.00	1.00	1.00	1.00

Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
01-5101-05-01	SALARIES	99,088	106,704	106,704	108,838
01-5114-05-01	LONGEVITY PAY	96	192	192	288
01-5115-05-01	RETIREMENT	14,493	15,265	17,073	18,682
01-5117-05-01	FICA	7,422	8,118	8,003	8,348
01-5118-05-01	MEDICAL INSURANCE	8,490	8,442	7,406	9,686
01-5120-05-01	LIFE INSURANCE	772	600	647	650
01-5121-05-01	DENTAL INSURANCE	494	331	289	347
01-5122-05-01	VISION INSURANCE	46	51	49	51
01-5126-05-01	DISABILITY	(21)	180	198	220
TOTAL PERSONNEL		\$ 130,880	\$ 139,882	\$ 140,561	\$ 147,111

Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
01-5125-05-01	TUITION REIMBURSEMENT	500	10,000	10,000	10,000
01-5240-05-01	PRINTED SUPPLIES	40	10,000	119	-
01-5261-05-01	POSTAGE	1	100	200	200
01-5280-05-01	MINOR EQUIP/SMALL TOOLS<\$5K	-	500	164	-
01-5290-05-01	EXPENDABLE SUPPLIES	711	500	500	1,000
01-5298-05-01	VICTUALS BEVERAGES & GROCERY	334	4,000	4,000	4,000
01-5440-05-01	OFFICE EQUIP	5,682	500	500	500
01-5445-05-01	SOFTWARE	1,068	16,000	16,000	7,870
01-5501-05-01	ADVERTISING	-	2,000	500	500
01-5510-05-01	ASSOC DUES/PUBLICICATIONS	1,503	2,000	2,500	2,500
01-5525-05-01	TRAINING/SEMINARS	475	3,000	3,000	2,000
01-5570-05-01	SPECIAL SERVICES	9,116		-	-
01-5571-05-01	SPECIAL EVENTS	3,892	12,000	19,114	12,000
01-5578-05-01	TRAVEL	3,660	3,200	3,200	1,500
01-5585-05-01	TELEPHONE SERVICES	856	850	850	900
01-5588-05-01	HR RELATED TESTS	4,526	20,000	20,000	20,000
TOTAL OPERATIONS		\$ 32,364	\$ 84,650	\$ 80,647	\$ 62,970

TOTAL HUMAN RESOURCES		\$ 163,243	\$ 224,532	\$ 221,208	\$ 210,081
------------------------------	--	-------------------	-------------------	-------------------	-------------------

DEPARTMENT OUTLINE: FINANCE

We have three main objectives: provide timely and materially correct financial reports, safeguard the financial assets of the City, and ensure those who conduct business with the City are paid in a timely manner.

PRIOR YEAR RESULTS & ACCOMPLISHMENTS

- Started a program to send Automated Clearing House (ACH) payments directly from the City’s operating account. This reduced the number of necessary logins, reduced operating expenses, and increased the speed vendors receive payments.
- All payment requests and journal entries were scanned within 30 days of final approval
- All active financial policies were reviewed and presented to Council
- Revived our Government Finance Officers Association (GFOA) award submission program This was a first for all full-time Department staff.
- Offsite storage reduction was placed on hold due to a much higher than anticipated quote to close our relationship with the facility. That item is budgeted in FY25.

SHORT-TERM (FY25) GOALS

- Increase payments made by ACH to 15% of payments initiated through the City’s operating account
- Remove all boxes from our offsite storage facility. Scan all documents within the retention period provided by the Texas State Records Retention Schedule
- Earn the Certificate of Achievement for Excellence in Financial Reporting, and the Distinguished Budget Presentation Award. Both are issued by the GFOA

FUTURE INITIATIVES

- Establish a system allowing for payment requests to be reviewed and approved electronically
- Continue to work with our investment partners to minimize the impact of inflation on our capital project costs
- Increase revenue through grant funded projects

PERFORMANCE MEASURES

Measure	Type	FY23 Actual	FY24 Target	FY24 Projected	FY25 Target
Total Vendor Payments	Output	1,508	1,600	1,582	1,600
ACH Payments (%)	Efficiency	0%	15%	12%	15%
Financial Policies Reviewed	Output	1	9	9	9
Boxes In Offsite Storage	Efficiency	190	0	190	0
GFOA Award - Budget	Effectiveness	No Submission	Awarded	Denied	Awarded
GFOA Award - ACFR	Effectiveness	No Submission	Awarded	Awarded	Awarded
Bond Rating (S&P Global)	Effectiveness	AA-	AA-	AA-	AA-

GENERAL FUND EXPENDITURES BY DEPARTMENT

07 FINANCE

Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
Personnel		253,326	366,190	323,765	379,083
Operations		213,248	179,148	178,796	202,890
TOTAL FINANCE		\$ 466,574	\$ 545,337	\$ 502,560	\$ 581,973

Positions

Director		1.0	1.0	1.0	1.0
Accounting Associate II/Sr. Accounting Associate		1.0	1.0	1.0	1.0
Accounting Associate II/Sr. Accounting Associate		1.0	1.0	1.0	1.0
Accounting Associate I		0.50	0.75	0.75	0.75
TOTAL POSITIONS		3.50	3.75	3.75	3.75

Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
01-5101-07-01	SALARIES	160,662	236,587	226,180	237,534
01-5107-07-01	OVERTIME	909	800	500	800
01-5109-07-01	TEMPORARY / PART-TIME	24,217	39,923	20,282	39,381
01-5114-07-01	LONGEVITY PAY	440	-	-	256
01-5115-07-01	RETIREMENT	27,070	39,600	36,269	47,589
01-5117-07-01	FICA	13,680	21,214	17,001	21,265
01-5118-07-01	MEDICAL INSURANCE	23,886	25,325	21,191	29,059
01-5120-07-01	LIFE INSURANCE	1,271	1,200	724	1,000
01-5121-07-01	DENTAL INSURANCE	1,133	1,237	1,047	1,280
01-5122-07-01	VISION INSURANCE	82	154	87	369
01-5126-07-01	DISABILITY	(23)	150	484	550
TOTAL PERSONNEL		\$ 253,326	\$ 366,190	\$ 323,765	\$ 379,083

Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
01-5240-07-01	PRINTED SUPPLIES	425	400	344	400
01-5220-07-01	UNIFORMS	179	-	-	250
01-5260-07-01	GENERAL OFFICE SUPPLIES	3,798	3,000	1,100	1,500
01-5261-07-01	POSTAGE	1,370	1,100	1,074	1,300
01-5280-07-01	MINOR EQUIP/SMALL TOOLS	394	-	-	-
01-5290-07-01	EXPENDABLE SUPPLIES	27	500	502	550
01-5298-07-01	VICTUALS BEVERAGES & GROCERY	361	-	-	-
01-5440-07-01	OFFICE EQUIP	15,120	4,000	550	2,500
01-5445-07-01	SOFTWARE	1,176	19,000	19,999	18,500
01-5501-07-01	ADVERTISING	-	-	-	-
01-5510-07-01	ASSOC DUES/PUBLICATICATIONS	753	1,497	1,500	1,500
01-5525-07-01	TRAINING/SEMINARS	3,642	3,250	2,000	3,250
01-5567-07-01	AUDIT SERVICES - FORVIS	71,300	68,000	58,700	72,000
01-5570-07-01	SPECIAL SERVICES - Ext Consultants	67,980	30,000	42,486	43,000
01-5575-07-01	EQUIPMENT RENTAL	(0)	3,500	3,500	3,500
01-5578-07-01	TRAVEL	1,280	3,000	1,100	3,000
01-5585-07-01	TELEPHONE SERVICES	1,808	900	1,300	600
01-5587-07-01	APPRAISAL SERVICES	25,229	36,000	41,641	48,540
01-5884-07-01	FINES AND PENALTIES	18,406	5,000	3,000	2,500
TOTAL OPERATIONS		\$ 213,248	\$ 179,148	\$ 178,796	\$ 202,890

TOTAL FINANCE		\$ 466,574	\$ 545,337	\$ 502,560	\$ 581,973
----------------------	--	-------------------	-------------------	-------------------	-------------------

DEPARTMENT OUTLINE: POLICE

The Kennedale Police Department believes in community-oriented policing focusing on building

TRUST, INTEGRITY, and PURPOSE

with the intent to positively enhance the quality of life for our citizens, business owners, and visitors. Partnerships with our stakeholders will shape the priorities of our police agency.

PRIOR YEAR RESULTS & ACCOMPLISHMENTS

AWARDS

- Re-Accreditation by the Texas Police Chiefs Association- One of only 211 of over 2,700 police agencies in Texas that are Best Practices Agencies
- National Association of Town Watch Award for participating in National Night Out, placing 3rd in Texas and 11th in the nation for cities with a population of 5,000 to 15,000
- Chief Holguin received the FBI-LEEDA Trilogy Award for the completion of the Supervisor Leadership Institute, the Command Leadership Institute, and the Executive Leadership Institute courses
- Three veteran officers were recognized by the Airpower Foundation at the annual Sky Ball held at Globe Life Field and each were awarded an active shooter vest from the Airpower Foundation
- Chief Holguin was selected as a member of the Texas Police Chiefs Association Legislative Committee and the Chair of the Tri-County Auto Burglary and Theft Prevention Board of Governors

NEW PROGRAMS, PROJECTS, & EVENTS

- Hosted the first ever Peace Officer Angel Foundation Dining for Heroes event to raise money for police officers injured in the line of duty
- Held the first ever National Faith and Blue event at Town Center Park, promoting engagement with our community and faith-based organizations
- First ever Department participation at first responder events held at AT&T Stadium during an NFL game and at Globe Life Field during an MLB game
- Started a new Police Chaplain program
- Started a new Trap-Neuter Return program through Animal Services and in cooperation with Texas Coalition for Animal Protection (TCAP) to address the feral cat problem in the city
- New partnership with Mansfield ISD's Ben Barber Innovation Academy to support their criminal justice student intern program
- Began the very first drone program within the department which included extensive training and the creation of a new drone policy
- Invited to participate in the Healthy Tarrant County Collaboration (HTCC) project
- Implemented the PowerDMS new policy and record management software

COMMUNITY ENGAGEMENT & PUBLIC OUTREACH

- New Community Engagement activities included participation and partnerships with following:
- The North Texas Crime Prevention Association
- The Tarrant County Coalition of Crime Victims
- The Tarrant County Sexual Assault Association Council
- Senior Outreach
- Organized and hosted events to include:
- Trunk or Treat
- Bark in the Park
- DEA Drug Take Back
- Business Crime Prevention Coalition
- Dog Walker Watch
- Kennedale Seniors Outreach
- Juneteenth Parade
- Civilian Response to Active Shooter Events (CRASE) training for KISD and local businesses
- Presentations to multiple student visits from Delaney Elementary School and the James A. Arthur Early Childhood Center
- Presentations at KISD schools
- Attended, participated in, and or organized city-wide events to include:
- Veterans Day Celebration
- September 11th
- Santa Around Town
- Hometown Christmas
- Public Safety Open House
- Halloween Safety Detail
- Bicycle Safety Day
- Summer Reading Program

OPERATIONS

- Achieved and maintained full police staffing for over 5 months of the budget year
- Completed a thorough review and update of 85% of the department's policy manual
- Awarded ten Watchguard brand cameras from the Duncanville Police Department
- Awarded 25 Motorola APX 6000 handheld radios from the Mansfield Police Department
- Continued use of the Community Oriented and Geographic policing model to address the causes of crime and long-term quality of life issues in cooperation with Community Development and other area partners
- Renewed the Memorandum of Understanding with the Alliance for Children to provide victim services and assist in the investigation of offenses against children
- Continued our partnership with the DEA Task Force- Ft. Worth (DEATF - FTW) to address drug/narcotics trafficking affecting the Kennedale area and investigating drug related overdose cases

- Continued our partnership with the Tri-County Auto Theft Task Force (TCATTF) which included new funding for the salary of assigned officer
- Continuation of the School Resource Officer (SRO) program, in partnership with KISD, to increase campus safety which included:
- Regular communication with the district's Safety and Security Director and school district leadership
- Continued faculty and staff training regarding active shooter and safety training throughout the school year
- Conducting safety assessments at each campus as needed or requested
- Conducting mandatory Senate Bill (SB) 30, Community Safety Education Act, presentations for all high school students
- Continued high-level social media presence on Twitter, Facebook, Instagram, and Nextdoor; averaging 10 to 15 new posts per week

TRAINING

- Officers and non-sworn department personnel averaged over 120 hours of training during the 2023-2024 fiscal year
- Officers completed 16 hours of mandated ALERRT training in addition to department force-on-force training
- ALERRT instructors completed the active shooter First Responder Breaching Course and Active Attack Integrated Response (AAIR) during this period; they had previously completed the ALERRT Instructors School and the Solo Officer Response & Deployment (SORD) course
- Officers were trained and certified on the new Taser platform and the new Byrna pepper ball launcher platform
- Officers completed mandatory 16-hour red-dot and 9mm handgun training in addition to required state qualifications training
- Sergeants were trained to use the less-lethal, bean-bag shotgun
- Records and Property Room Manager attended the TAPEIT conference
- Command staff and supervision attended the following training:
- The 5th Annual Consent Decree Conference and the FBI-LEEDA Conference
- The Texas Police Chief Leadership Series
- The FBI LEEDA Supervisor Leadership Institute (SLI)
- The FBI-LEEDA Command Leadership Institute (CLI)
- The Institute for Law Enforcement Administration (ILEA) First Line Supervisors Course
- The FBI LEEDA and North Texas HIDTA Media and Public Relations (PIO) Courses

GRANTS

- Continuing the use of grants to fund major technology improvements to include:
- Applied for a Citizens on Patrol vehicle through a State of Texas Justice Assistance Grant (JAG); award still pending
- The grant funded Stalker LED speed limit signs are still in service throughout the city
- The Forward Looking Infrared (FLIR) grant funded cameras are in service
- The Light Detection and Ranging (LIDAR) speed enforcement devices are currently in use

- Training is scheduled for the bullet resistant shields purchased through grant funding
- The Virtra grant funded firearms simulator is still being utilized for training
- The federal ballistic vest partnership grant continues to be utilized as needed

SHORT-TERM (FY25) GOALS

- Continue sending command and supervisory staff to ILEA, LEMIT-LCC, and FBI LEEDA for leadership training
- Chief Holguin to attend the FBI National Academy
- Apply for grants for equipment and positions that enhance the department's ability to deliver varied and high-quality services
- Create a five-year strategic plan for department to meet internal and external growth concerns
- Implement formal programs and additional community outreach partnerships through:
 - Public Safety Cadets
 - Shattered Dreams Program
 - Kennedale Citizens Police Academy
 - Coffee with a Cop
- Enhance patrol tactics training to meet the evolving needs of our community through the current four-hour per month training mandate
- Conduct ALERRT training once per quarter
- Implement the Active Attack Integrated Response (AAIR) program for coordinated active attack response between the fire department and the police department
- Hire an additional Captain to assist with the day-to-day operation and to meet the future demands and goals of the department to provide better service to our community
- Complete policy revisions
- Increase traffic enforcement by 2% in fiscal year 2024-2025
- Decrease Part I NIBRS crimes by 2% in fiscal year 2024-2025
- An increase of three community engagement/outreach programs in fiscal year 2024-2025
- Earn 1st Place for National Night Out (NNO) participation nationally and in Texas
- Maintain full staffing level in fiscal year 2024-2025

FUTURE INITIATIVES

- Host regional training through current agreement with North Texas Council of Governments (NTCOG) Regional Police Academy
- Implementation of formal Emergency Operations processes, procedures, and strategic plans
- Full implementation of PowerDMS for scheduling and to track inventory
- Purchase detective vehicles
- Begin a fitness program for all officers
- Increase field personnel as the need for police services and the population of the city increases

PERFORMANCE MEASURES					
Measure	Type	FY23 Actual	FY24 Target	FY24 Projected	FY25 Target
Full-Time Positions	Input	23	23	23	24
Self-Initiated Traffic Enforcement	Output	5,720	5,720	5,750	5,800
Self-Initiated Business Checks	Output	2,700	2,700	2,750	2,800
Community Engagement Programs	Output	5	5	5	8

GENERAL FUND EXPENDITURES BY DEPARTMENT

09 POLICE OPERATIONS

Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
Personnel		2,481,252	2,625,708	2,631,934	2,887,838
Operations		990,975	980,300	963,601	1,028,213
TOTAL POLICE		\$ 3,472,227	\$ 3,606,007	\$ 3,595,535	\$ 3,916,051

Positions

Police Chief	1.0	1.0	1.0	1.0
Police Captain	1.0	1.0	1.0	1.0
Sergeant	3.0	3.0	4.0	4.0
Corporal	1.0	1.0	4.0	4.0
Detective	2.0	2.0	2.0	2.0
Officer	8.0	8.0	4.0	4.0
Community Engagement Officer			1.0	1.0
Auto Theft Task Force Officer	1.0	1.0	1.0	1.0
DEA Task Force Officer	1.0	1.0	1.0	1.0
School Resource Officer	2.0	2.0	2.0	2.0
Total Commissioned Officers	20.00	20.00	21.0	21.00
Animal Control Officer	1.0	1.0	1.0	1.0
Evidence/Records Clerk	1.0	1.0	1.0	1.0
Administrative Assistant	1.0	1.0	1.0	1.0
Total Civilian Positions	3.00	3.00	3.0	3.00
Reserve Police Officer (Non-Paid)	1.0	1.0	1.0	1.0
Police Chaplain (Non-Paid)	1.0	1.0	1.0	1.0
Total Non-Paid Positions	2.00	2.00	2.0	2.00

TOTAL POSITIONS	25.00	25.00	26.00	26.00
------------------------	--------------	--------------	--------------	--------------

Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
01-5101-09-01	SALARIES	1,627,886	1,736,248	1,756,026	1,859,886
01-5107-09-01	OVERTIME	50,456	56,000	39,799	56,000
01-5109-09-01	TEMPORARY/PART-TIME	-	-	-	-
01-5112-09-01	ASSIGNMENT PAY	4,077	5,000	-	5,000
01-5113-09-01	INCENTIVE PAY	41,287	42,000	37,950	42,000
01-5114-09-01	LONGEVITY PAY	15,022	13,546	13,382	17,968
01-5115-09-01	RETIREMENT	252,067	264,606	295,545	339,122
01-5117-09-01	FICA	128,267	141,753	138,537	151,535
01-5118-09-01	MEDICAL INSURANCE	146,737	152,637	129,836	181,227
01-5120-09-01	LIFE INSURANCE	12,367	12,018	8,187	3,200
01-5121-09-01	DENTAL INSURANCE	7,874	8,077	6,618	8,811
01-5122-09-01	VISION INSURANCE	902	1,130	989	1,795
01-5126-09-01	DISABILITY	(333)	2,017	3,978	4,200
01-5101-09-02	SALARIES	143,750	144,910	145,711	162,220
01-5107-09-02	OVERTIME	4,208		2,035	
01-5113-09-02	INCENTIVE PAY	-	-	2,704	
01-5114-09-02	LONGEVITY PAY	584	560	560	768
01-5115-09-02	RETIREMENT	21,715	20,773	24,161	27,903
01-5117-09-02	FICA	11,213	11,128	11,326	12,469
01-5118-09-02	MEDICAL INSURANCE	11,079	11,027	13,234	12,144
01-5120-09-02	LIFE INSURANCE	1,306	1,245	273	290
01-5121-09-02	DENTAL INSURANCE	706	735	643	771
01-5122-09-02	VISION INSURANCE	103	103	90	149
01-5126-09-02	DISABILITY	(21)	193	353	380
TOTAL PERSONNEL		\$ 2,481,252	\$ 2,625,708	\$ 2,631,934	\$ 2,887,838

GENERAL FUND EXPENDITURES BY DEPARTMENT

09 POLICE OPERATIONS

Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
01-5220-09-01	UNIFORMS	19,314	25,000	23,983	25,000
01-5230-09-01	CLEANING SUPPLIES	854	600	948	1,000
01-5240-09-01	PRINTED SUPPLIES	6,841	5,000	5,886	5,500
01-5260-09-01	GENERAL OFFICE SUPPLIES	4,120	3,000	3,541	4,000
01-5261-09-01	POSTAGE	197	500	1,057	1,100
01-5280-09-01	MINOR EQUIP/SMALL TOOLS<\$5K	21,756	20,200	13,257	15,000
01-5285-09-01	FUEL	48,244	60,220	38,944	45,000
01-5289-09-01	MEDICAL SUPPLY AND EQUIPMENT	1,622	1,000	1,000	500
01-5290-09-01	EXPENDABLE SUPPLIES	3,183	3,300	3,616	3,700
01-5291-09-01	GRANT FUNDED SUPPLIES	32,290		-	-
01-5298-09-01	VICTUALS BEVERAGES & GROCERY	3,816	2,000	2,452	1,000
01-5403-09-01	BUILDING MAINTENANCE	37,840	36,000	43,704	30,000
01-5420-09-01	MACHINERY/TOOL MAINTENANCE	12	-	-	-
01-5430-09-01	MOTOR VEHICLE MAINTENANCE	55,450	45,000	31,494	30,000
01-5440-09-01	OFFICE EQUIP	9,023	4,000	25,441	5,000
01-5445-09-01	SOFTWARE	-	4,000.00	141.23	17,600
01-5460-09-01	RADIO MAINTENANCE	20,684	35,000	22,743	28,000
01-5501-09-01	ADVERTISING	-	500	-	500
01-5510-09-01	ASSOC DUES/PUBLICICATIONS	1,911	2,000	1,055	2,000
01-5517-09-01	FIREARMS TRAINING	4,056	3,800	920	3,000
01-5525-09-01	TRAINING/SEMINARS	10,232	8,000	10,180	12,000
01-5530-09-01	ELECTRIC SERVICES	15,042	10,000	12,000	10,000
01-5535-09-01	GAS SERVICES	1,659	2,300	-	-
01-5564-09-01	COMMUNITY RELATIONS	4,424	3,500	4,971	3,500
01-5570-09-01	SPECIAL SERVICES	55,072	30,000	37,211	40,000
01-5575-09-01	EQUIPMENT RENTAL	(0)	4,000	5,138	4,000
01-5578-09-01	TRAVEL	3,992	2,000	5,669	5,000
01-5583-09-01	ANIMAL CONTROL	33,825	15,000	30,467	25,000
01-5585-09-01	TELEPHONE SERVICES	27,834	26,000	30,959	30,000
01-5589-09-01	JANITORIAL SERVICES	-		7,264	7,500
01-5590-09-01	WATER/SEWER SERVICES	5,659	5,500	3,576	4,000
01-5557-09-01	INTERGOV- CITY OF MAN	325,515	520,000	519,091	520,000
01-5870-09-01	OTHER EQUIPMENT	236,510	20,879	7,500	19,113
01-5910-09-01	MOTOR VEHICLES	-	82,000	69,394	130,200
TOTAL OPERATIONS		\$ 990,975	\$ 980,300	\$ 963,601	\$ 1,028,213
TOTAL POLICE		\$ 3,472,227	\$ 3,606,007	\$ 3,595,535	\$ 3,916,051

DEPARTMENT OUTLINE: FIRE

The mission of our fire department is the protection of life and property of the citizens of Kennedale through public education, fire prevention code enforcement, and the response of highly-trained professional emergency response personnel.

We have three main objectives: reduce the amount of overtime by retaining fully certified firefighter/paramedics, establish a comprehensive fire prevention program, and increase hands on fire/ems continuing education training.

PRIOR YEAR RESULTS & ACCOMPLISHMENTS

- Updated Standard Operating Policies and Procedures
- Through new software, were able to go paperless for Texas Commission on Fire Protection audits
- New advanced EMS equipment obtained that will benefit citizens through grants

NEW FOR FY25

- Fire Captain position to serve as operations commander for the Department. The anticipated hire date is October 1, 2024

SHORT-TERM (FY25) GOALS

- Retain personnel by creating an environment that is culturally positive and reflects the direction of the city
- Increase leadership classes for supervisors
- Reorganize the public safety step pay plan to fit the skill level of the current market
- Establish a plan to get all businesses in the City of Kennedale inspected once a year and updated on current fire codes
- Increase fire/ems training with hands on skills. Develop a career advancement curriculum for future leaders of the department

FUTURE INITIATIVES

- Work towards obtaining Best Practices, a recognition program through the Texas Fire Chiefs Association
- Continue to evaluate the market yearly to recognize potential recruitment and retention needs
- Evaluate call volume and response times to help predict future staffing needs

PERFORMANCE MEASURES					
Measure	Type	FY23 Actual	FY24 Target	FY24 Projected	FY25 Target
Annual Fire Inspections	Output	74	200	80	200
Alarm to En-route Time	Efficiency	1min 30sec	1min 30sec	1min 16sec	1min 30sec
En-route to On scene time	Efficiency	4min 34sec	4min	4min 39sec	4 min 30sec

GENERAL FUND EXPENDITURES BY DEPARTMENT					
10 FIRE					
Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
Personnel		2,250,151	2,475,566	2,481,270	2,855,315
Operations		423,594	486,432	260,299	498,255
TOTAL FIRE		\$ 2,673,744	\$ 2,961,998	\$ 2,741,569	\$ 3,353,570

Positions					
Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
Fire Chief		1.0	1.0	1.0	1.0
Fire Captain		-	-	-	1.0
Fire Inspector		-	-	-	1.0
Fire Marshal		1.0	1.0	1.0	-
Administrative Assistant		1.0	1.0	1.0	1.0
Fire Lieutenant		3.0	3.0	3.0	3.0
Driver Engineers		3.0	3.0	3.0	3.0
Firefighter / Paramedics		12.0	12.0	12.0	12.0
TOTAL POSITIONS		21.00	21.00	21.00	22.00

Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
01-5101-10-01	SALARIES	1,463,772	1,580,262	1,501,311	1,801,885
01-5107-10-01	OVERTIME	58,975	115,000	186,028	120,000
01-5108-10-01	FLSA OVERTIME	154,514	162,000	161,853	162,000
01-5112-10-01	ASSIGNMENT PAY	4,657	5,000	7,000	5,000
01-5113-10-01	INCENTIVE PAY	39,088	40,000	38,500	40,000
01-5114-10-01	LONGEVITY PAY	9,542	14,116	11,804	13,382
01-5115-10-01	RETIREMENT	249,404	273,659	305,039	366,756
01-5117-10-01	FICA	128,147	146,603	142,987	163,883
01-5118-10-01	MEDICAL INSURANCE	125,559	120,220	109,257	159,778
01-5120-10-01	LIFE INSURANCE	11,216	8,175	7,069	8,100
01-5121-10-01	DENTAL INSURANCE	4,689	7,623	6,003	8,850
01-5122-10-01	VISION INSURANCE	852	1,027	913	1,931
01-5126-10-01	DISABILITY	(266)	1,881	3,505	3,750
TOTAL PERSONNEL		\$ 2,250,151	\$ 2,475,566	\$ 2,481,270	\$ 2,855,315

GENERAL FUND EXPENDITURES BY DEPARTMENT

10 FIRE

Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
01-5220-10-01	UNIFORMS	16,107	14,000	14,284	17,000
01-5225-10-01	LIFE SAFETY EQUIPMENT	13,716	15,000	575	15,000
01-5230-10-01	CLEANING SUPPLIES	1,978	2,250	2,100	2,500
01-5240-10-01	PRINTED SUPPLIES	2,425	3,000	3,940	3,500
01-5260-10-01	GENERAL OFFICE SUPPLIES	3,780	3,000	2,304	3,000
01-5261-10-01	POSTAGE	243	100	131	200
01-5280-10-01	MINOR EQUIP/SMALL TOOLS <\$5K	10,655	12,000	3,698	12,000
01-5285-10-01	FUEL	23,581	22,220	17,419	20,000
01-5288-10-01	EMS SUPPLIES	31,998	30,000	25,395	30,000
01-5290-10-01	EXPENDABLE SUPPLIES	4,529	5,000	2,100	5,000
01-5291-10-01	GRANT FUNDED SUPPLIES	80,030	-	-	-
01-5297-10-01	FIRE OPERATIONS EXPENDABLE SUPPLI	1,491	6,000	5,521	6,000
01-5298-10-01	VICTUALS BEVERAGES & GROCERY	1,378	2,000	7,294	4,000
01-5403-10-01	BUILDING MAINTENANCE	24,734	40,000	16,563	30,000
01-5420-10-01	MACHINERY/TOOL MAINTENANCE	15,298	17,000	19,422	17,000
01-5430-10-01	MOTOR VEHICLE MAINTENANCE	31,832	40,000	42,342	45,000
01-5440-10-01	OFFICE EQUIP/SOFTWARE	14,213	6,000	1,954	7,500
01-5445-10-01	SOFTWARE	-	8,000	8,569	8,500
01-5460-10-01	RADIO MAINTENANCE	7,638	9,000	10,911	9,000
01-5510-10-01	ASSOC DUES/PUBLICATIONS	5,753	5,000	2,519	5,000
01-5525-10-01	TRAINING/SEMINARS	18,496	20,000	18,000	20,000
01-5521-10-01	PUBLIC SAFETY EDUCATION	1,342	3,500	4,567	6,000
01-5530-10-01	ELECTRIC SERVICES	9,927	8,500	8,140	8,500
01-5535-10-01	GAS SERVICES	3,065	4,000	4,000	4,000
01-5570-10-01	SPECIAL SERVICES	43,467	25,000	16,343	25,000
01-5575-10-01	EQUIPMENT RENTAL	4,491	5,000	6,579	7,000
01-5578-10-01	TRAVEL	1,980	4,000	7,423	6,000
01-5585-10-01	TELEPHONE SERVICES	5,156	4,500	4,840	6,000
01-5590-10-01	WATER/SEWER SERVICES	4,419	3,500	3,366	3,500
01-5840-01-01	OTHER EQUIPMENT	24,367	-	-	-
01-5861-10-01	MOTOR VEHICLES	-	168,862	-	172,055
01-5870-10-01	OTHER EQUIPMENT	15,506	-	-	-
01-5570-10-02	SPECIAL SERVICES	-	-	-	-
TOTAL OPERATIONS		\$ 423,594	\$ 486,432	\$ 260,299	\$ 498,255
TOTAL FIRE		\$ 2,673,744	\$ 2,961,998	\$ 2,741,569	\$ 3,353,570

DEPARTMENT OUTLINE: COMMUNITY DEVELOPMENT

We have three main objectives: improve building safety where possible, promote property maintenance and stewardship, and ensure development is consistent with adopted plans.

PRIOR YEAR RESULTS & ACCOMPLISHMENTS

- Updated the City’s Comprehensive Plan and Unified Development Code
- Adoption of the 2018 International Property Maintenance Code
- Updates to parking, nuisance, and short-term rental ordinances
- Adoption of the Park Zone Map, allowing funds collected from park fees to be utilized
- Reduced costs for third-party services through improved training and development of department staff

NEW FOR FY25

- One full-time position dedicated to code and environmental compliance. For year one, the expected cost is \$78,184, with an anticipated hire date of October 1, 2024.

SHORT-TERM (FY25) GOALS

- Successful implementation of a new software platform to improve permitting and service requests
- All members of the department obtain at least (1) new ICC certification
- Increase department visibility and community involvement by participating in at least (3) special events
- Host at least (2) community education workshops for property owners and businesses
- Update the city’s schedule of fees
- Establish a tool-sharing program in association with the Kennedale Public Library

FUTURE INITIATIVES

- Pursue agency accreditation with the American Association of Code Enforcement (AACE)
- Pursue grant opportunities for parks, hazard mitigation, and building code adoption
- Establish an annual rental registration and inspection program
- Establish a beautification program in association with Keep Kennedale Beautiful (KKB)

PERFORMANCE MEASURES

Measure	Type	FY23 Actual	FY24 Target	FY24 Projected	FY25 Target
Permit Software Implementation	Efficiency	-	Budget Amdmt	August Started Date	August End Date
ICC Certifications Obtained	Effectiveness	0	0	1	4
Special Events Attended	Output	0	1	1	3
Workshops Conducted	Output	0	0	0	2
Fee Schedule Updates	Efficiency	-	Research	Research Completed	Adoption
Establish tool sharing program	Effectiveness	-	Research	Research Completed	Program Established

GENERAL FUND EXPENDITURES BY DEPARTMENT

12 COMMUNITY DEVELOPMENT

Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
Personnel		235,208	316,716	305,338	419,556
Operations		382,269	371,137	317,739	274,250
TOTAL COMMUNITY DEVELOPMENT		\$ 617,476	\$ 687,853	\$ 623,076	\$ 693,806

Positions

Director	1.0	1.0	1.0	1.0
Building Inspector	1.0	1.0	1.0	1.0
Planning Technician	1.0	1.0	1.0	1.0
Permit Clerk	1.0	1.0	1.0	1.0
Code Enforcement Officer	-	-	-	1.0
TOTAL POSITIONS	4.00	4.00	4.00	5.00

Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
01-5101-12-01	SALARIES	138,105	234,830	229,605	293,942
01-5107-12-01	OVERTIME	487	500	794	2,000
01-5109-12-01	TEMPORARY/PART-TIME	40,025	-	-	-
01-5113-12-01	INCENTIVE PAY	-	6,000	-	6,000
01-5114-12-01	LONGEVITY PAY	-	144	144	800
01-5115-12-01	RETIREMENT	25,117	33,626	36,887	50,545
01-5117-12-01	FICA	13,389	18,014	17,291	22,585
01-5118-12-01	MEDICAL INSURANCE	15,750	21,166	18,590	40,042
01-5120-12-01	LIFE INSURANCE	1,223	910	548	910
01-5121-12-01	DENTAL INSURANCE	1,002	1,322	992	1,914
01-5122-12-01	VISION INSURANCE	140	130	103	367
01-5126-12-01	DISABILITY	(31)	75	384	450
TOTAL PERSONNEL		\$ 235,208	\$ 316,716	\$ 305,338	\$ 419,556

Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
01-5220-12-01	UNIFORMS	1,378	1,000	1,250	1,250
01-5240-12-01	PRINTED SUPPLIES	361	500	500	500
01-5260-12-01	GENERAL OFFICE SUPPLIES	1,674	1,500	1,000	1,500
01-5261-12-01	POSTAGE	678	600	810	600
01-5280-12-01	MINOR EQUIP/SMALL TOOLS<\$5K	2,380	5,000	5,000	5,000
01-5285-12-01	FUEL	1,998	1,500	1,200	1,500
01-5290-12-01	EXPENDABLE SUPPLIES	48	250	250	500
01-5298-12-01	VICTUALS BEVERAGES & GROCERY	76	150	165	500
01-5403-12-01	BUILDING MAINTENANCE	-	-	34	-
01-5430-12-01	MOTOR VEHICLE MAINTENANCE	654	750	700	1,000
01-5440-12-01	OFFICE EQUIP	19,358	5,000	5,000	5,000
01-5445-12-01	SOFTWARE	-	33,887	20,000	28,000
01-5501-12-01	ADVERTISING	1,321	2,000	2,000	2,000
01-5510-12-01	ASSOC DUES/PUBLICATIONS	1,001	1,500	1,500	1,750
01-5525-12-01	TRAINING/SEMINARS	2,000	5,000	5,000	5,000
01-5570-12-01	SPECIAL SERVICES	118,060	100,000	60,000	75,000
01-5572-12-01	CODE ENFORCEMENT SERVICES	2,576	5,000	5,000	5,000
01-5574-12-01	FILING FEES	301	500	250	500
01-5575-12-01	EQUIPMENT RENTAL	5,062	4,500	4,500	4,500
01-5576-12-01	STRATEGIC PLANNING	23,630	100,000	100,000	30,000
01-5578-12-01	TRAVEL	4	1,000	1,200	1,500
01-5580-12-01	ENGINEERING SERVICES	162,941	100,000	100,000	100,000
01-5585-12-01	TELEPHONE SERVICES	1,847	1,500	2,418	3,650
01-5861-12-01	MOTOR VEHICLES	34,921	-	(38)	-
TOTAL OPERATIONS		\$ 382,269	\$ 371,137	\$ 317,739	\$ 274,250
TOTAL COMMUNITY DEVELOPMENT		\$ 617,476	\$ 687,853	\$ 623,076	\$ 693,806

DEPARTMENT OUTLINE: SENIOR CENTER

The Kennedale Senior Center provides access to community resources, nutrition, health and entertainment activities that promote social connection, vibrant aging, and life-long learning and enable the emotional and physical well-being of independent adults over 55. Our goal is to provide opportunities for seniors that meet their changing needs, improve their quality of life, and empower them to live life to the fullest.

PRIOR YEAR RESULTS & ACCOMPLISHMENTS

- Increased activities – particularly for health and exercise
- Increase in participation – meals and programs
- Increased participation with community partners
- Installed handicapped front door

NEW FOR FY25

New flooring and interior paint are much-needed facility improvements taking place in FY25. The current flooring has deteriorated beyond repair. Painting the walls will take place in concert with the new flooring.

SHORT-TERM (FY25) GOALS

- Continue with Meals on Wheels activity director contract
- Continue to build activities offered
- Increase community outreach/awareness
- Continue to build volunteer pool
- Install new floor
- Paint walls

FUTURE INITIATIVES

- Continue to build community relationships and partnerships
- Increase membership and activities to meet the needs of members
- Seek funding and sponsorships for additional programs and activities
- Add Senior Center employee

PERFORMANCE MEASURES

Measure	Type	FY23 Actual	FY24 Target	FY24 Projected	FY25 Target
Lunches Served	Output	2,912	3,500	4,000	4,200
Activities Scheduled	Output	388	400	450	500
New Members	Input	32	35	35	35
New Programs	Output	10	15	15	18
New Member Volunteers	Efficiency	12	10	10	12

GENERAL FUND EXPENDITURES BY DEPARTMENT

16 SENIOR CENTER

Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
Personnel		-	-	-	-
Operations		48,584	53,172	42,877	101,900
TOTAL SENIOR CENTER		\$ 48,584	\$ 53,172	\$ 42,877	\$ 101,900

Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
01-5230-16-01	CLEANING SUPPLIES	-	-	50	-
01-5260-16-01	GENERAL OFFICE SUPPLIES	35	100	-	100
01-5290-16-01	EXPENDABLE SUPPLIES	1,115	6,000	3,212	6,000
01-5285-16-01	FUEL	-	-	-	-
01-5298-16-01	VICTUALS BEVERAGES & GROCERY	651	-	-	-
01-5403-16-01	BUILDING MAINTENANCE	16,133	6,000	3,113	52,000
01-5430-16-01	MOTOR VEHICLE MAINTENANCE	33	-	-	-
01-5440-16-01	OFFICE EQUIP/SOFTWARE	725	400	2,121	500
01-5530-16-01	ELECTRIC SERVICES	5,016	4,000	4,000	4,000
01-5535-16-01	GAS SERVICES	1,299	1,852	-	2,000
01-5564-16-01	COMMUNITY RELATIONS	-	1,000	1,000	1,000
01-5570-16-01	SPECIAL SERVICES	20,670	22,000	20,500	23,000
01-5575-16-01	EQUIPMENT RENTAL	96	-	-	-
01-5589-16-01	JANITORIAL SERVICES	-	8,820	7,350	10,000
01-5590-16-01	WATER/SEWER SERVICES	2,811	3,000	1,531	3,300
TOTAL OPERATIONS		\$ 48,584	\$ 53,172	\$ 42,877	\$ 101,900

TOTAL SENIOR CENTER		\$ 48,584	\$ 53,172	\$ 42,877	\$ 101,900
----------------------------	--	-----------	-----------	-----------	------------

DEPARTMENT OUTLINE: LIBRARY

The Kennedale Public Library serves as a thriving community center that provides access to information and resources to educate, empower, enrich, and welcome our community. The Library connects the community with library services for personal enjoyment, growth, and enrichment through diverse resources in multiple and accessible formats, innovative programs and technology that increase knowledge, awareness, and quality of life for all members of the community, support for local educational programs and self-directed, lifelong learning opportunities, community gathering spaces, and the preservation of local history.

PRIOR YEAR RESULTS & ACCOMPLISHMENTS

- New carpet in the Library
- New Paint in Library and Community Room
- Increased programming offered for adults and teens
- Partnered with KISD to use gyms for increased attendance of Summer Reading programs
- Story Walk installed in Sonora Park
- New projector and speakers for Community Room programming
- Hired 50% Programming Librarian (50% EDC)
- Increased attendance and usage of all services and programs
- Created Innovation Station with funding from the Hancher Foundation

NEW FOR FY25

Mobile shelves with castors to replace all current shelves in the building. The current shelves are original to the facility.

SHORT-TERM (FY25) GOALS

- Expand library space to community room
- Increase PT Library Clerk to FT Assistant Librarian
- Acquire and install new shelving
- Upgrade to and install RFID system and tags
- Increase staff training for program development and delivery
- Hold one Innovation Station workshop per month
- Apply for Tocker Foundation Library Transformation Grant 2025
- Receive TSLAC accreditation
- Apply for TexTreasures 2026 grant for newspaper digitization

FUTURE INITIATIVES

- Increase programming for all ages
- Complete collection audit and clean-up/update
- Increase community outreach
- Continue to build community partnerships and relationships

- Increase awareness of services through effective marketing and community engagement
- Develop Historical Society local history collection
- Add FT Youth Services librarian
- Convert Programming Librarian to Supervising Librarian

PERFORMANCE MEASURES					
Measure	Type	FY23 Actual	FY24 Target	FY24 Projected	FY25 Target
Registered Users	Input	2,239	2,250	2,250	2,400
Circulation	Output	318	32,500	32,500	33,000
In-person Programs	Output	220	250	275	275
Innovation Station Appts	Output	N/A	20	20	50
In-Person Visits	Output	20,826	22,000	22,000	24,000
Receive Accreditation	Effectiveness	Y	Y	Y	Y

GENERAL FUND EXPENDITURES BY DEPARTMENT

17 LIBRARY

Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
Personnel		273,669	382,662	353,351	408,436
Operations		119,793	118,564	97,711	182,100
TOTAL LIBRARY		\$ 393,462	\$ 501,226	\$ 451,061	\$ 590,536

Positions

Director	1.0	1.0	1.0	1.0
Library Clerk	2.0	3.0	2.0	2.0
Library Clerk (Part Time, per FTE)			1.0	1.0
Programming and Events		1.0	1.0	1.0
TOTAL POSITIONS	3.00	5.00	5.00	5.00

Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
01-5101-17-01	SALARIES	168,575	237,696	221,023	245,416
01-5107-17-01	OVERTIME	303	500	730	500
01-5109-17-01	TEMPORARY/PART-TIME	35,272	42,000	36,878	42,843
01-5114-17-01	LONGEVITY PAY	3,600	3,986	3,840	4,560
01-5115-17-01	RETIREMENT	28,404	40,581	41,995	50,259
01-5117-17-01	FICA	15,555	21,740	19,685	22,458
01-5118-17-01	MEDICAL INSURANCE	19,305	32,753	25,261	37,584
01-5120-17-01	LIFE INSURANCE	1,511	1,428	1,811	2,200
01-5121-17-01	DENTAL INSURANCE	1,034	1,530	1,249	1,597
01-5122-17-01	VISION INSURANCE	138	205	282	368
01-5126-17-01	DISABILITY	(28)	242	597	650
TOTAL PERSONNEL		\$ 273,669	\$ 382,662	\$ 353,351	\$ 408,436

Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
01-5230-17-01	CLEANING SUPPLIES	45	-	51	
01-5240-17-01	PRINTED SUPPLIES	-	-	120	
01-5260-17-01	GENERAL OFFICE SUPPLIES	455	300	297	300
01-5261-17-01	POSTAGE	453	400	453	500
01-5280-17-01	MINOR EQUIP/SMALL TOOLS<\$5K	672		-	800
01-5290-17-01	EXPENDABLE SUPPLIES	4,275	6,000	3,640	7,000
01-5292-17-01	LIBRARY PROCESSING SUPPLIES	173	-	-	
01-5294-17-01	LIBRARY BOOK-CITY FUND	15,964	20,000	16,385	22,000
01-5298-17-01	VICTUALS BEVERAGES & GROCERY	185	-	-	
01-5403-17-01	BUILDING MAINTENANCE	52,693	35,550	34,950	86,000
01-5455-17-01	SOFTWARE MAINT		12,000	11,782	16,000
01-5440-17-01	OFFICE EQUIP	14,795	2,500	1,110	3,000
01-5510-17-01	ASSOC DUES/PUBLICICATIONS	1,018	1,500	1,580	1,500
01-5525-17-01	TRAINING/SEMINARS	908	2,500	-	3,000
01-5530-17-01	ELECTRIC SERVICES	7,885	6,840	6,254	7,000
01-5535-17-01	GAS SERVICES	1,709	2,000	-	2,500
01-5564-17-01	COMMUNITY RELATIONS		5,000	3,500	5,000
01-5570-17-01	SPECIAL SERVICES	8,063	3,000	1,047	4,000
01-5575-17-01	EQUIPMENT RENTAL	3,698	3,900	3,479	4,000
01-5578-17-01	TRAVEL	-	2,500	39	2,500
01-5585-17-01	TELEPHONE SERVICES	2,004	2,200	1,652	2,500
01-5589-17-01	JANITORIAL SERVICES	-	8,304	8,304	10,000
01-5590-17-01	WATER/SEWER SERVICES	4,795	4,070	3,066	4,500
TOTAL OPERATIONS		\$ 119,793	\$ 118,564	\$ 97,711	\$ 182,100

TOTAL LIBRARY		\$ 393,462	\$ 501,226	\$ 451,061	\$ 590,536
----------------------	--	-------------------	-------------------	-------------------	-------------------

DEPARTMENT OUTLINE: COMMUNICATIONS

The Communications Department provides transparency through innovative and creative communications solutions. It promotes the City's mission, programs, and initiatives efficiently and effectively. The vision of the Communications Department is to consistently create and distribute effective messaging that is recognized as the best, most accurate, and dependable source of City information.

Areas of concentration:

- Communication with employees, citizens, and businesses
- Marketing and graphic design
- Media and community relations
- City publications
- Manage city online presence
- Special Events Promotion
- Work to improve the image of Kennedale

PRIOR YEAR RESULTS & ACCOMPLISHMENTS

- Created Communications and Social Media policy
- Created style guide for brand consistency
- Increased outreach and marketing/promotion
- Effective event promotion resulting in significantly increased community participation
- Hired 50% Event Coordinator (EDC, 50% Library)

SHORT-TERM (FY25) GOALS

- Establish an intranet for employee awareness/information
- Establish a larger communications network for broader reach for information
- Train employees in each department for consistent messaging and adherence to communications policy
- Continue to build relationships with the community for transparent distribution of information

FUTURE INITIATIVES

- Increase community participation in City events and activities
- Train one person per department in web page admin
- Update all department web pages with trained web admins
- Add 100% Event Coordinator/Marketing employee

PERFORMANCE MEASURES					
Measure	Type	FY23 Actual	FY24 Target	FY24 Projected	FY25 Target
Event Attendance	Effectiveness	3,500	4,000	4,500	5,000
Webpage Visits	Effectiveness	141,809	180,000	190,000	200,000
1 Trained Admin/Department	Efficiency	N/A	N/A	N/A	8
Newsletter Subscriptions	Effectiveness	922	1,000	1,040	1,200
Social Media New Followers	Effectiveness	436	500	550	600

GENERAL FUND EXPENDITURES BY DEPARTMENT					
18 COMMUNICATIONS					
Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
Personnel		-	-	-	-
Operations		-	26,100	18,539	23,500
TOTAL COMMUNICATIONS		\$ -	\$ 26,100	\$ 18,539	\$ 23,500

Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
01-5260-18-01	GENERAL OFFICE SUPPLIES	-	100	86	100
01-5261-18-01	POSTAGE	-	-	-	-
01-5290-18-01	EXPENDABLE SUPPLIES	-	1,000	1,000	1,000
01-5440-17-01	OFFICE EQUIP	-	-	-	-
01-5455-18-01	SOFTWARE	-	7,000	957	5,000
01-5501-18-01	ADVERTISING	-	2,000	53	1,000
01-5510-18-01	ASSOC DUES/PUBLICATICATIONS	-	500	500	500
01-5525-18-01	TRAINING/SEMINARS	-	1,000	1,443	1,000
01-5564-18-01	COMMUNITY RELATIONS	-	10,000	10,000	6,000
01-5570-18-01	SPECIAL SERVICES	-	3,000	3,000	2,000
01-5571-18-01	SPECIAL EVENTS	-	-	-	6,000
01-5578-18-01	TRAVEL	-	1,500	1,500	900
TOTAL OPERATIONS		\$ -	\$ 26,100	\$ 18,539	\$ 23,500
TOTAL COMMUNICATIONS		\$ -	\$ 26,100	\$ 18,539	\$ 23,500

DEPARTMENT OUTLINE: PUBLIC WORKS

Our mission is to preserve and enhance public safety and quality of life for our citizenry by providing exceptional public services through planning, engineering, operating, and maintaining public infrastructure.

PRIOR YEAR RESULTS & ACCOMPLISHMENTS

- Rehabilitated approximately 2.3 LM of city streets
- Upgraded approximately 1,102 LF of lines within our water distribution system, and 1,970 LF to the collection system
- Modernized and upgraded the playground equipment and Splash Pad at Sonora Park
- Based on engineering studies and public requests, installed solar powered flashing stop signs at various high-traffic intersections throughout the City
- Installed continental cross-walks and approximately 49,831 LF of pavement markings throughout the City

NEW FOR FY25

Air conditioning unit for the Public Works Service Center.

SHORT-TERM (FY25) GOALS

- Systemically remove and replace all failing and manually read Neptune water meters with Masters AMI by Spring 2025
- Reduce our overall street inventory of streets classified as in poor condition (currently at 12.8% or 108,330 SY) by 33% annually
- Systemically upgrade our water distribution and wastewater collection systems by investing at least \$0.5M annually
- Rehabilitate our existing ballfield for a FY 2026 projected completion

FUTURE INITIATIVES

- Replace existing 500,000-gallon water ground storage tank with a 750,000-gallon tank
- Upgrade playground equipment in remaining City Parks
- Perform infiltration and inflow (I & I) survey on the collection system basins, and conduct the necessary repairs as needed
- Develop strategies and solicit grant funding for reconstruction of deteriorating streets, to include water, sewer, and stormwater upgrades

PERFORMANCE MEASURES

Measure	Type	FY23 Actual	FY24 Target	FY24 Projected	FY25 Target
100% replacement of water meters (3,229)	Efficiency	2,470	759	759	3,229
% of streets classified as poor condition	Effectiveness	12.8% (108,330 LF)	8.53% (72,220 LF)	8.53% (72,220 LF)	4.26% (36,110 LF)
Investment dollars	Output	\$774,098.50	\$798,242.00	\$889,882.00	\$500,000.00
% completion of ballfield	Efficiency	No Submission	Awarded	0%	100%

GENERAL FUND EXPENDITURES BY DEPARTMENT

20 PUBLIC WORKS

Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
Personnel		488,710	615,196	649,406	778,406
Operations		359,167	585,560	446,076	714,022
TOTAL PUBLIC WORKS		\$ 847,877	\$ 1,200,756	\$ 1,095,482	\$ 1,492,428

Positions	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
Director	1.0	1.0	1.0	1.0
Supervisor	1.0	1.0	1.0	1.0
Field Worker - Full Time	4.0	6.0	6.0	6.0
Field Worker - Part Time by FTE	1.0	0.7	0.7	1.75
Administrative Assistant	1.00	1.00	1.00	1.00
TOTAL PUBLIC WORKS POSITIONS	8.00	9.70	9.70	10.75

STREET MAINTENANCE

Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
01-5101-20-03	SALARIES	337,506	428,891	456,651	484,149
01-5107-20-03	OVERTIME	5,386	6,000	5,228	9,450
01-5109-20-03	TEMPORARY/PART-TIME	23,364	23,740	21,875	61,187
01-5113-20-03	INCENTIVE PAY	2,711	1,500	2,704	2,800
01-5114-20-03	LONGEVITY PAY	5,554	7,740	5,368	9,856
01-5115-20-03	RETIREMENT	54,420	66,812	78,692	96,924
01-5117-20-03	FICA	28,135	35,792	36,887	43,310
01-5118-20-03	MEDICAL INSURANCE	27,911	39,508	35,244	61,089
01-5120-20-03	LIFE INSURANCE	2,161	2,101	3,539	4,200
01-5121-20-03	DENTAL INSURANCE	1,393	2,483	1,928	3,658
01-5122-20-03	VISION INSURANCE	201	411	325	683
01-5126-20-03	SHORT-TERM DISABILITY	(30)	218	965	1,100
TOTAL PERSONNEL		\$ 488,710	\$ 615,196	\$ 649,406	\$ 778,406

Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
01-5210-20-03	CHEMICAL SUPPLIES	8,685	5,000	5,790	5,000
01-5220-20-03	UNIFORMS	3,408	5,100	3,824	6,272
01-5230-20-03	CLEANING SUPPLIES	1,310	1,500	1,280	2,500
01-5240-20-03	PRINTED SUPPLIES	52	500	-	500
01-5260-20-03	GENERAL OFFICE SUPPLIES	1,062	1,500	538	1,500
01-5280-20-03	MINOR EQUIP/SMALL TOOLS<\$5K	3,520	5,000	3,560	5,000
01-5285-20-03	FUEL	14,865	15,000	13,637	15,500
01-5290-20-03	EXPENDABLE SUPPLIES	1,680	1,400	1,975	2,600
01-5403-20-03	BUILDING MAINTENANCE	3,407	5,000	6,308	14,350
01-5407-20-03	STREET MAINTENANCE	11,583	176,958	99,894	194,700
01-5409-20-03	IRRIGATION MAINTENANCE	205	2,500	75	2,500
01-5420-20-03	MACHINERY/TOOL MAINTENANCE	4,015	8,000	11,789	8,800
01-5430-20-03	MOTOR VEHICLE MAINTENANCE	15,726	25,000	10,132	20,000
01-5440-20-03	OFFICE EQUIP	1,358	1,500	781	9,600
01-5445-20-03	SOFTWARE	-	14,257	10,000	10,000
01-5480-20-03	SIGNS/FENCE/SIDEWALK MAINTENANCE	9,045	12,000	10,000	13,200
01-5510-20-03	ASSOC DUES/PUBLICATIONS	620	5,000	140	4,500
01-5525-20-03	TRAINING/SEMINARS	3,810	8,000	848	7,500
01-5530-20-03	ELECTRIC SERVICES	67,772	74,480	52,347	66,000
01-5535-20-03	GAS SERVICES	1,414	1,364	-	1,000
01-5570-20-03	SPECIAL SERVICES	288	32,500	32,500	50,500
01-5575-20-03	EQUIPMENT RENTAL	20,102	15,000	15,100	18,000
01-5578-20-03	TRAVEL	114	3,000	175	3,000
01-5580-20-03	ENGINEERING SERVICES	87,732	50,000	63,234	78,000
01-5585-20-03	TELEPHONE SERVICES	1,648	4,000	2,087	3,000
01-5590-20-03	WATER/SEWER SERVICES	545	22,000	-	40,000
01-5591-20-03	TRASH/DISPOSAL/DUMP SERVICES	1,005	1,500	-	1,500
01-5870-20-03	OTHER EQUIPMENT	12,191	13,000	16,500	16,500
01-5701-20-03	TRANSFER OUT- GENERAL	-	-	-	-
01-5501-20-03	ADVERTISING	-	-	-	-
TOTAL STREET MAINTENANCE OPERATIONS		\$ 277,161	\$ 510,059	\$ 362,514	\$ 601,522

GENERAL FUND EXPENDITURES BY DEPARTMENT
20 PUBLIC WORKS
PARK MAINTENANCE

Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
01-5404-20-04	PARK MAINTENANCE	-	20,000	19,500	30,000
01-5405-20-04	TOWN CENTER PLAZA	10,150	-	551	
01-5406-20-04	SONORA AND RODGERS FARM PARK	8,741	7,000	21,268	30,000
01-5408-20-04	OTHER PARKS/MISC.	5,795	10,000	9,200	-
01-5530-20-04	ELECTRIC SERVICES	6,694	2,500	3,081	3,500
01-5522-20-04	KEEP KENNEDALE BEAUTIFUL	-	5,000	3,269	11,000
01-5575-20-04	EQUIPMENT RENTAL	-	3,000	-	3,000
01-5590-20-04	WATER/SEWER SERVICES	38,185	28,000	26,692	35,000
01-5870-20-04	OTHER EQUIPMENT	12,440			
TOTAL PARK MAINTENANCE OPERATIONS		\$ 82,005	\$ 75,501	\$ 83,562	\$ 112,500

DEPARTMENT OUTLINE: NONDEPARTMENTAL

Department 90 is for costs that benefit all organizations without being assigned to any individual department. Examples of non-departmental costs would be City-wide costs such as insurance, telephones, or the information technology service provider.

NEW FOR FY25

- A planned departure from our offsite storage provider, which an anticipated cost of \$15,000, will take place throughout the year.

GENERAL FUND EXPENDITURES BY DEPARTMENT

90 NON-DEPARTMENTAL

Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
Personnel		-	-	-	-
Operations		544,203	565,194	534,496	566,695
TOTAL NON-DEPARTMENTAL		\$ 544,203	\$ 565,194	\$ 534,496	\$ 566,695

Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
01-5116-90-01	UNEMPLOYMENT INSURANCE	21,671	27,000	27,000	28,500
01-5119-90-01	WORKERS' COMPENSATION	138,144	139,667	138,006	118,534
01-5123-90-01	HEALTH ADMIN FEES	60,326	60,000	71,000	71,000
01-5440-90-01	OFFICE EQUIP	2,241	3,000	7,883	8,000
01-5445-90-01	SOFTWARE		23,527	-	23,527
01-5540-90-01	INSURANCE-AUTO	58,430	67,000	63,974	67,470
01-5545-90-01	INSURANCE-PROPERTY	28,187	32,000	34,776	40,226
01-5550-90-01	INSURANCE-GENERAL LIABILITY	10,786	15,000	13,224	17,064
01-5560-90-01	INSURANCE-LAW ENFORCEMENT	12,565	15,000	18,843	18,374
01-5569-90-01	IT SUPPORT	151,132	130,000	130,000	130,000
01-5570-90-01	SPECIAL SERVICES	16,763	21,000	19,000	32,000
01-5585-90-01	TELEPHONE SERVICES	10,790	12,000	10,790	12,000
01-5870-90-01	OTHER EQUIPMENT	33,169	20,000	-	
TOTAL OPERATIONS		\$ 544,203	\$ 565,194	\$ 534,496	\$ 566,695

TOTAL NON-DEPARTMENTAL		\$ 544,203	\$ 565,194	\$ 534,496	\$ 566,695
-------------------------------	--	-------------------	-------------------	-------------------	-------------------

90 NON-DEPARTMENTAL - TRANSFERS OUT

Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
01-5705-90-01	TRANSFER OUT- CAP REPLACEMENT	252,407	139,200	139,200	139,200
01-5717-90-01	TRANSFER OUT - STREET IMPROV.		68,958	68,958	
01-5498-90-01	INCREMENTAL PROPERTY TAX	157,883	160,000	160,000	160,000
TOTAL TRANSFERS OUT		\$ 410,290	\$ 368,158	\$ 368,158	\$ 299,200



Debt Service Fund

OVERVIEW: DEBT SERVICE FUND

The Debt Service Fund pays for Debt that is secured by ad valorem (property) taxes. Property taxes account for over 99% of the Debt Service Fund revenues, with the remainder coming from investment income.

As of the preparation of this budget, the Debt Service Fund had amassed approximately \$629,481 in unassigned fund balance, primarily due to property tax revenues being more than what was needed to pay debt service requirements in prior years. This budget decreases the Interest and Sinking portion of Ad Valorem taxes by \$.002 per \$100 valuation.

EXPENSES AND BOND RATING

All expenses from the Debt Service are related payments of principal and interest on debt and related agent fees.

The City of Kennedale’s AA- bond rating was affirmed by S&P Global Ratings on August 13, 2024. At that time, the outlook was improved to “Positive” from “Stable.”

DEBT SERVICE REQUIREMENTS

The City has bond expenditures in three funds – 02 Debt Service, 10 Water/Sewer, and 15 EDC. The below chart depicts all bond payments for all 3 funds. On the next page, the \$2,600,769 has been programed into the total expenditure budget for Fund 02 Debt Service Fund. The \$958,773.76 for Fund 10, and \$183,788.03 for EDC Fund 15, are shown later in the book with the expenditures for those funds.

Debt Service Requirements -- 2025 Proposed Budget

Debt Instruments	Fund 02 Debt Service Fund (I&S Ad Valorem Tax Levy)	Fund 10 Water Sewer Fund	Fund 15 Economic Develop Corp	Fund 02 Debt Service Fund (I&S Ad Valorem Tax Levy)	Fund 10 Water Sewer Fund	Fund 15 Economic Development Corporation	2025	Principal	2025	Interest
							\$	\$	\$	\$
\$2,900,000 Comb Tax & Rev C/O Series 2007		100%			210,705.00			190,000.00		20,705.00
\$1,200,000 Sales Tax Rev Bonds Taxable Series 2007			100%			110,502.50		90,000.00		20,502.50
\$3,720,000 GO Refunding Bond Series 2016	100%			396,703.75				375,000.00		21,703.75
\$2,000,000 Tax Notes Series 2019	100%			396,162.50				385,000.00		11,162.50
\$1,260,000 GO Refunding Bonds Series 2020	100%			138,847.75				125,000.00		13,847.75
\$1,540,000 GO Refunding Bonds Series 2020A	100%			162,505.00				150,000.00		12,505.00
\$5,735,000 Comb Tax and Rev C/O Series 2021	100%			364,050.00				240,000.00		124,050.00
\$1,700,000 Texas Leverage Fund Original 3.25% Interest Rate			100%			73,285.53		61,669.80		11,615.73
\$17,065,000 Comb Tax and Revenue C/O Series 2023		86%			748,068.76			100,000.00		648,068.76
\$17,065,000 Comb Tax and Revenue C/O Series 2023	14%			184,125.00				80,000.00		104,125.00
\$2,980,000 General Obligation Bonds Series 2024	100%			237,750.00				90,000.00		147,750.00
\$10,810,000 Comb Tax and Revenue C/O Series 2024	100%			720,625.00				175,000.00		545,625.00
Total Debt Service by Year				2,600,769.00	958,773.76	183,788.03		2,061,669.80		1,681,660.99

Name	Maturity Date	Purpose
\$4,365,000 GO Refunding Bonds Series 2007	2024	New City Hall and Complex 2001 \$1.7M, improve streets, Water improvements T-4 well \$955k, T-1 Storage Tank \$411k
\$2,900,000 Comb Tax & Rev C/O Series 2007	2027	Improve water, sewer, and storm water systems
		16" Water Line A - FW Connect \$2.4M, 16" Water Line B - \$759k
\$1,200,000 Sales Tax Rev Bonds Taxable Series 2007	2027	Land for Town Center, 109 W Kennedale Parkway
\$2,735,000 Comb Tax & Rev C/O Series 2007A	2024	ROW, Street Improvements, Utility relocation, Drainage Improvements
\$3,720,000 GO Refunding Bond Series 2016	2028	Refund outstanding 2005 and 2008 bonds for Library and Community Center
\$2,000,000 Tax Notes Series 2019	2026	Streets, drainage, and facilities construction
\$1,260,000 GO Refunding Bonds Series 2020	2030	Improve and repair water, sewer, storm water, streets, parking lots, sidewalks, drainage, utility line, traffic signals, landscaping and lighting; relocate and restore Historic Section House
\$1,540,000 GO Refunding Bonds Series 2020A	2031	Refunded 2011 Series that was issued for ROW, street construction, utility relocation, drainage improvements, ambulance and fire truck
\$5,735,000 Comb Tax and Rev C/O Series 2021	2041	Public safety vehicles, streets, and drainage
\$1,700,000 Texas Leverage Fund Original 3.25% Interest Rate	2026	Link street purchase
\$17,065,000 Comb Tax and Revenue C/O Series 2023	2043	Interceptor Project (sewer), Hillside upgrade, portions of rebuilds for Eden Road, New Hope Road, and Swiney Hiatt
\$2,980,000 General Obligation Bonds Series 2024	2044	Park system improvements
\$10,810,000 Comb Tax and Revenue C/O Series 2024	2044	Remodels for public safety facilities, street projects

Fund 02 DEBT SERVICE					
Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
I&S Tax Rate/\$100 Valuation		0.137037	0.196917	0.196917	0.195216
Taxable Valuation		948,012,532	1,174,395,219	1,174,395,219	1,215,300,957

Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
02-4001-00-00	PROPERTY TAX-CURRENT	1,378,094	2,312,584	2,312,584	2,372,462
02-4011-00-00	PROPERTY TAX-DELINQUENT	150	6,300	8,198	7,500
02-4041-00-00	PROPERTY TAX-PENALTY	7,709	6,100	8,185	7,500
02-4401-00-00	INVESTMENT INCOME	29,123	22,000	43,985	43,985
02-4902-00-00	PROCEEDS-DEBT/LOAN	65,084			
TOTAL REVENUES		\$ 1,480,159	\$ 2,346,984	\$ 2,372,952	\$ 2,431,447

Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
02-5602-21-06	2007 \$4.365M GO RFND	126,588	129,675	129,675	-
02-5606-21-06	2016 3.72M REFUNDING	365,000	375,000	375,000	375,000
02-5607-21-06	2016 3.72M REFUNDING	35,039	28,416	28,416	21,704
02-5612-21-06	2007 \$4.365M GO RFND	7,661	2,574	2,574	-
02-5621-21-06	BANK FEES / PAYING AGENT FEES	200	600	600	500
02-5622-21-06	ARBITRAGE/DISCLOSURE	2,250	2,500	2,500	2,500
02-5625-21-06	ISSUANCE COSTS	52,702	-	-	-
02-5626-21-06	PMT TO ESCROW AGENT	-	-	-	-
02-5643-21-06	2007 \$1.2M TAX BOND-INTEREST	12,800	4,300	4,300	-
02-5644-21-06	2007 \$1.2M TAX BOND-PRINCIPAL	210,000	215,000	215,000	-
02-5650-21-06	2011 \$3.26M CO-PRINC		-	-	
02-5651-21-06	2019 \$2.0M TAX NOTES	370,000	375,000	375,000	385,000
02-5652-21-06	2019 \$2.0M TAX NOTES	25,555	18,430	18,430	11,163
02-5655-21-06	2020A \$1.54M GO RFND	145,000	150,000	150,000	150,000
02-5656-21-06	2020A \$1.54M GO RFND	16,130	14,335	14,335	12,505
02-5657-21-06	2021 \$6.0M CO-PRINCIPAL	215,000	185,000	185,000	240,000
02-5658-21-06	2021 \$6.0M CO - INTEREST	140,550	132,550	132,550	124,050
02-5659-21-06	2020 1.26M GO REFUND-INTEREST	18,625	-	-	13,848
02-5660-21-06	2020 1.26M GO REFUND-PRINCIPAL	120,000	-	-	125,000
02-5661-21-06	2023 \$17.0 MM C/O - INTEREST	-	760,944	760,944	80,000
02-5662-21-06	2023 \$17.0 MM C/O - PRINCIPAL	-	170,000	170,000	104,125
TBD	2024 \$3MM GO - INTEREST				147,750
TBD	2024 \$3MM GO - PRINCIPAL				90,000
TBD	2024 \$11.0 MM C/O - INTEREST	-	-	-	545,625
TBD	2024 \$14.0 MM C/O - PRINCIPAL	-	-	-	175,000
TOTAL EXPENDITURES		\$ 1,863,100	\$ 2,564,324	\$ 2,564,324	\$ 2,603,769

TOTAL REVENUES OVER (UNDER) EXPENDITURES		\$ (382,940)	\$ (217,340)	\$ (191,372)	\$ (172,322)
02-4915-00-00	TRANSFER IN-EDC FUND	138,625	-	-	138,848
02-4961-00-00	TRANSFER IN-TIRZ		228,229	228,229	228,229
02-4960-00-00	TRANSFER IN-PROJECTS	104,800	108,055	108,055	108,265
TOTAL OTHER FINANCING SOURCES (USES)		\$ 243,425	\$ 336,284	\$ 336,284	\$ 475,342

NET CHANGE IN FUND BALANCE		\$ (139,515)	\$ 118,944	\$ 144,912	\$ 303,020
-----------------------------------	--	---------------------	-------------------	-------------------	-------------------

BEGINNING FUND BALANCE — OCT 1		\$ 838,142	\$ 698,627	\$ 698,627	\$ 843,539
ENDING FUND BALANCE — SEPT 30		\$ 698,627	\$ 817,570	\$ 843,539	\$ 1,146,558



Utility Funds

OVERVIEW: STORMWATER FUND

The Stormwater Utility Fund is an Enterprise Fund with the responsibility for providing stormwater management to approximately 3,217 residential, commercial, and industrial customers. It serves approximately 8,463 residents in Kennedale. Stormwater management is a vital issue affecting Kennedale's future, with millions of dollars of identified projects needed to address life safety issues, flooding, and infrastructure damage. This funding was established to prevent flooding, preserve streams, minimize water pollution, and to operate the stormwater system in a more effective manner to fully comply with state and federal regulatory requirements. This will be accomplished by improving infrastructure reconstruction and system maintenance, master planning, enhanced development review, and increased public education and outreach.

SHORT-TERM GOALS

- Initial funding from the Texas Water Development Board, TWDB, was finalized and once additional funding is approved by the Federal Emergency Management Administration, FEMA, initiate a construction contract for the Valley Lane Channel improvements
- Collett Sublett Road drainage improvements
- Continue open drainage maintenance with Tarrant County's Inter-Local Agreements
- Continue spraying of drainage channels to effectively control unwanted vegetation

LONG-TERM GOALS

- Systematically improve infrastructure reconstruction and system maintenance, master planning, enhanced development review, and increased public education and outreach
- Focus on reducing runoff and improving water quality through maintaining natural hydrologic cycles, site grading, vegetation, soils, and natural processes that absorb and filter stormwater onsite

FUND 7 STORMWATER

Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
07-4205-00-00	DRAINAGE FEES	283,988	270,000	276,052	280,000
07-4401-00-00	INVESTMENT INCOME	31,336	2,850	31,150	31,150
TOTAL REVENUES		\$ 315,324	\$ 272,850	\$ 307,202	\$ 311,150

Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
07-5510-35-01	ASSOC DUES/PUBLICATIONS	2,668	3,000	4,168	4,200
07-5570-35-01	SPECIAL SERVICES				20,000
07-5574-35-01	FILING FEES	100	100	100	100
07-5580-35-01	ENGINEERING SERVICES	8,525	15,000	1,500	21,500
07-5637-90-00	DEPRECIATION EXPENSE	20,300	-		
TOTAL EXPENDITURES		\$ 31,593	\$ 18,100	\$ 5,768	\$ 45,800

TOTAL REVENUES OVER (UNDER) EXPENDITURES		\$ 283,731	\$ 254,751	\$ 301,434	\$ 265,350
---	--	-------------------	-------------------	-------------------	-------------------

Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
07-4912-00-00	TRANSFER IN-W/S FUND	-	-		
07-5598-35-01	ADMIN CHARGE - STREET	56,124	(61,520)	(61,520)	(77,841)
07-5701-35-01	TRANSFER OUT GENERAL FUND	132,597	(136,035)	(136,035)	(140,833)
TOTAL OTHER FINANCING SOURCES (USES)		\$ 188,721	\$ (197,555)	\$ (197,555)	\$ (218,674)

NET CHANGE IN FUND BALANCE		\$ 472,452	\$ 57,196	\$ 103,879	\$ 46,676
-----------------------------------	--	-------------------	------------------	-------------------	------------------

BEGINNING FUND BALANCE — OCT 1		\$ 676,394	\$ 1,148,846	\$ 1,148,846	\$ 1,252,725
ENDING FUND BALANCE — SEPT 30		\$ 1,148,846	\$ 1,206,042	\$ 1,252,725	\$ 1,299,401

OVERVIEW: WATER/SEWER FUND

The City of Kennedale continues to receive the majority of its water from the City of Arlington; however, a small amount is purchased from the City of Fort Worth and blended with groundwater. The collection system is channeled to the Trinity River Authority via the City of Arlington.

The City is in the 5th year of a contract with the City of Arlington for operations and maintenance of the Kennedale water and sewer system and utility billing services. The primary source of revenue for the Water/Sewer fund is charges for services, which accounts for 91% of all revenue.

Per policy, the City will strive to maintain a bond coverage ratio of 1.50 times in the Water/Sewer Fund.

SHORT-TERM GOALS

- Implement the sanitary sewer interceptor improvement project, which involves upgrading approximately 10,000 LF of sewer pipelines along the northwest sector of the city, from North Road to Gilman Road
- Invest in the rehabilitation of the groundwater tank, T₄, at 751 Caruthers Ln. (High School) and the elevated tank, T₃, at 500 Gail Dr. to maintain water distribution sustainability, fire flow and pressure
- Meet the October 16, 2024 deadline for the Lead and Copper Rule Revision (LCRR) service line inventory
- Be compliant with America's Water Infrastructure Act of 2018, Emergency Preparedness Plan (EPP), SB3

LONG-TERM GOALS

- Upgrade all undersized water and sewer piping to an 8" diameter minimum
- Loop all dead-end mains, as deemed necessary
- Upsize the existing 6" sewer line, in the Hillside Addition, to a 12"

FUND 10 WATER/SEWER					
Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
10-4010-00-00	WATER SERVICE	2,474,371	2,875,970	2,483,076	3,352,153
10-4020-00-00	SEWER SERVICE	1,793,957	1,712,453	1,710,713	2,309,463
10-4050-00-00	ADMINISTRATIVE FEES	-			
10-4060-00-00	WATER TAP FEES	-			
10-4061-00-00	METER PURCHASE/INSTALATION	6,165	5,500	5,500	5,500
10-4070-00-00	SEWER TAP FEES	-	-	-	
10-4071-00-00	ENGINEER REVIEW FEES	1,322	-	-	
10-4073-00-00	SANITATION BILLING FEES	6,853	1,000	14,552	7,000
10-4076-00-00	OTHER FEES-WATER/SEWER	-			
10-4081-00-00	SALES TAX	53	35	115	50
10-4090-00-00	ARLINGTON OPERATOR COST	382,213	165,000	446,922	400,000
10-4401-00-00	INVESTMENT INCOME	336,846	262,670	774,314	774,315
10-4409-00-00	MISCELLANEOUS INCOME	11,710	-	-	-
10-4485-00-00	EQUIPMENT SALE GAIN (LOSS)	-	-	-	-
10-4999-00-00	2023 C/O SERIES A	77,000	7,700,000	-	7,700,000
TOTAL REVENUES		\$ 5,090,489	\$ 12,722,628	\$ 5,435,192	\$ 14,548,481

Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
	UTILITY BILLING	2,073,319	1,450,700	1,893,111	2,126,675
	OPERATIONS	1,727,872	2,172,320	2,181,192	2,596,882
	DEBT SERVICE	435,735	295,312	295,312	394,830
	CAPITAL PROJECTS	315,647	8,315,000	185,180	8,300,000
	NON-DEPARTMENTAL	1,363,044	73,000	34,089	47,250
TOTAL EXPENDITURES		\$ 5,915,618	\$ 12,306,332	\$ 4,588,884	\$ 13,465,637

TOTAL REVENUES OVER (UNDER) EXPENDITURES		\$ (825,128)	\$ 416,297	\$ 846,308	\$ 1,082,844
---	--	---------------------	-------------------	-------------------	---------------------

Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
10-4963-00-00	TRANSFER IN-WATER IMPACT	30,000	30,000	30,000	30,000
10-4964-00-00	TRANSFER IN-SEWER IMPACT	60,000	60,000	60,000	60,000
10-4965-00-00	TRANSFER IN-ROADWAY	97,525	97,525	97,525	97,525
10-5595-90-00	ADMIN CHARGE – GENERAL FUND	(530,389)	(544,140)	(544,140)	(757,935)
10-5596-90-00	PAYMENT IN LIEU OF	(140,310)	(140,310)	(140,310)	
10-5707-00-00	TRANSFER OUT - STORM	-	-		
TOTAL OTHER FINANCING SOURCES (USES)		\$ (483,174)	\$ (496,925)	\$ (496,925)	\$ (570,410)

NET CHANGE IN FUND BALANCE		\$ (1,308,302)	\$ (80,628)	\$ 349,383	\$ 512,434
-----------------------------------	--	-----------------------	--------------------	-------------------	-------------------

BEGINNING FUND BALANCE — OCT 1		\$ 2,324,280	\$ 1,015,978	\$ 1,015,978	\$ 1,365,361
ENDING FUND BALANCE — SEPT 30		\$ 1,015,978	\$ 935,350	\$ 1,365,361	\$ 1,877,795

FUND 10 / DEPARTMENT 15 UTILITY BILLING					
Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
10-5240-36-15	PRINTED SUPPLIES	-	-	-	-
10-5440-36-15	OFFICE EQUIP	4,364	4,500	-	-
10-5570-36-15	SPECIAL SERVICES	98,305	95,000	210,000	150,000
10-5575-36-15	EQUIPMENT RENTAL	1,203	1,200	1,371	12,000
10-5591-36-15	TRASH/DISPOSAL/DUMP SERVICES	-	-	-	-
10-5592-36-15	INTERGOV-FORT WORTH SEWER	26,222	25,000	25,000	25,000
10-5594-36-15	INTERGOV-ARLINGTON SEWER	1,170,008	800,000	1,131,740	1,414,675
10-5595-36-15	ADMIN CHARGE – GENERAL FUND	-	-	-	-
10-5597-36-15	INTERGOV-FORT WORTH WATER	255,636	275,000	275,000	275,000
10-5598-36-15	INTERGOV-ARLINGTON WATER	517,583	250,000	250,000	250,000
TOTAL UTILITY BILLING		\$ 2,073,319	\$ 1,450,700	\$ 1,893,111	\$ 2,126,675

FUND 10 / DEPARTMENT 01 INTERLOCAL AGREEMENT CITY OF ARLINGTON					
Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
10-5403-36-01	BUILDING MAINTENANCE	74	1,000	-	-
10-5440-36-01	OFFICE EQUIP	113	300	-	-
10-5530-36-01	ELECTRIC SERVICES	163,983	170,000	203,949	204,000
10-5535-36-01	GAS SERVICES	-	-	-	-
10-5570-36-01	SPECIAL SERVICES	23,806	150,000	26,795	25,000
10-5575-36-01	EQUIPMENT RENTAL	-	-	35	50
10-5580-36-01	ENGINEERING SERVICES	5,997	5,000	17,389	20,000
10-5585-36-01	TELEPHONE SERVICES	680	850	731	850
10-5590-36-01	WATER/SEWER SERVICES	5,023	5,000	3,637	5,000
10-5593-36-01	INTERGOV-TARRANT COU	-	-	-	-
10-5599-36-01	INTERLOCAL-CITY OF ARLINGTON	1,530,128	1,680,170	1,768,656	2,210,820
10-5653-36-01	2019 \$2.0M TAX NOTES	32,261	35,000	35,000	11,162
10-5654-36-01	2019 \$2.0M TAX NOTES	(5,593)	125,000	125,000	120,000
TOTAL UTILITY OPERATIONS		\$ 1,727,872	\$ 2,172,320	\$ 2,181,192	\$ 2,596,882

FUND 10 / DEPARTMENT 06 WATER DEBT SERVICE					
Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
10-5603-36-06	2007 \$4.365M GO RFND – PRINCIPAL	(1)	80,325	80,325	-
10-5613-36-06	2007 \$4.365M GO RFND INTEREST	4,356	1,594	1,594	-
10-5625-36-06	ISSUANCE COSTS	396,021	-	-	-
10-5626-36-06	2007 \$2.9M CO-INTEREST	35,359	28,393	28,393	20,705
10-5620-36-06	2007 \$2.9M CO-PRINCIPAL	-	185,000	185,000	190,000
TBD	REPAYMENT TO GENERAL FUND	-	-	-	-
TBD	2023 \$17.65 UTILITY PRIN	-	-	-	80,000
TBD	2023 \$17.65 UTILITY INT	-	-	-	104,125
TOTAL DEBT SERVICE		\$ 435,735	\$ 295,312	\$ 295,312	\$ 394,830

OVERVIEW: WATER IMPACT FEE AND SEWER IMPACT FEE FUNDS

Each of these funds, Water Impact (61) and Sewer Impact (62), receives revenue from fees associated with new development. Expenditures are tied to projects within the scope of each fund and can be used to pay related debt through a transfer to the appropriate fund, typically the Water/Sewer Fund (10).

FUND 61 - WATER IMPACT FUND					
Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
61-4201-00-00	IMPACT FEES	15,228	56,252	19,004	20,000
61-4401-00-00	INVESTMENT INCOME	3,620	2,500	4,019	4,100
TOTAL REVENUES		\$ 18,848	\$ 58,752	\$ 23,023	\$ 24,100

Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
61-5580-00-00	ENGINEERING SERVICES	-	-	-	-
TOTAL EXPENDITURES		\$ -	\$ -	\$ -	\$ -

REVENUES OVER (UNDER) EXPENDITURES		\$ 18,848	\$ 58,752	\$ 23,023	\$ 24,100
---	--	------------------	------------------	------------------	------------------

Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
61-5710-00-00	TRANSFER OUT - W/S FUND	(30,000)	(30,000)	(30,000)	(30,000)
TOTAL OTHER FINANCING SOURCES (USES)		\$ (30,000)	\$ (30,000)	\$ (30,000)	\$ (30,000)

NET CHANGE IN FUND BALANCE		\$ (11,152)	\$ 28,752	\$ (6,977)	\$ (5,900)
-----------------------------------	--	--------------------	------------------	-------------------	-------------------

BEGINNING FUND BALANCE — OCT 1		\$ 109,672	\$ 98,520	\$ 98,520	\$ 91,543
ENDING FUND BALANCE — SEPT 30		\$ 98,520	\$ 127,272	\$ 91,543	\$ 85,643

FUND 62 - SEWER IMPACT FUND					
Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
62-4201-00-00	IMPACT FEES	13,806	107,748	22,013	25,000
62-4201-00-00	INVESTMENT INCOME	5,482	3,600	5,626	5,700
TOTAL REVENUES		\$ 19,289	\$ 111,348	\$ 27,639	\$ 30,700

Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
62-5580-00-00	ENGINEERING SERVICES	-	-	-	-
TOTAL EXPENDITURES		\$ -	\$ -	\$ -	\$ -

REVENUES OVER (UNDER) EXPENDITURES		\$ 19,289	\$ 111,348	\$ 27,639	\$ 30,700
---	--	------------------	-------------------	------------------	------------------

Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
62-5710-00-00	TRANSFER OUT- W/S FUND	(60,000)	(60,000)	(60,000)	(60,000)
TOTAL OTHER FINANCING SOURCES (USES)		\$ (60,000)	\$ (60,000)	\$ (60,000)	\$ (60,000)

NET CHANGE IN FUND BALANCE		\$ (40,712)	\$ 51,348	\$ (32,361)	\$ (29,300)
-----------------------------------	--	--------------------	------------------	--------------------	--------------------

BEGINNING FUND BALANCE — OCT 1		\$ 184,924	\$ 144,213	\$ 144,213	\$ 111,852
ENDING FUND BALANCE — SEPT 30		\$ 144,213	\$ 195,561	\$ 111,852	\$ 82,552



Capital Project Funds

OVERVIEW: CAPITAL PROJECTS FUND

The Capital Projects Fund (04) receives revenues from the City’s waste collection contractor, Waste Connections, based on their overall landfill revenue. Funds are transferred to Debt Service (02) to pay for debt requirements related to improvements to Dick Price Road, the road that leads to the landfill.

Fund 04 CAPITAL PROJECTS					
Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
04-4401-00-00	INVESTMENT INCOME	7,556	5,700	8,164	8,200
04-4421-00-00	LANDFILL REVENUE-WASTE CONNECTIO	112,975	90,000	123,468	120,000
TOTAL FUND REVENUES		\$ 120,531	\$ 95,700	\$ 131,632	\$ 128,200

Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
		-	-	-	-
TOTAL EXPENDITURES		\$ -	\$ -	\$ -	\$ -
REVENUES OVER (UNDER) EXPENDITURES		\$ 120,531	\$ 95,700	\$ 131,632	\$ 128,200

Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
04-5702-00-00	TRANSFER OUT – DEBT SERVICE	(104,800)	(108,055)	(108,055)	(108,265)
TOTAL OTHER FINANCING SOURCES (USES)		\$ (104,800)	\$ (108,055)	\$ (108,055)	\$ (108,265)
NET CHANGE IN FUND BALANCE		\$ 15,731	\$ (12,355)	\$ 23,577	\$ 19,935
BEGINNING FUND BALANCE — OCT 1		\$ 174,591	\$ 190,322	\$ 190,322	\$ 213,899
ENDING FUND BALANCE — SEPT 30		\$ 190,322	\$ 177,967	\$ 213,899	\$ 233,834

OVERVIEW: CAPITAL BOND FUND

The Capital Bond Fund (13) receives proceeds from bonds and records the project expense associated with the bond proceeds. Projects in this fund are independent from those recorded in the Water/Sewer Fund (10). In August 2023, Certificates of Obligation were issued for projects related to water/sewer improvements and street improvements. From that, \$2.4 million has been allocated to this Fund related to upcoming street repairs. Expenses related to bond issuance and administration are included in the Debt Service Fund.

FUND 13 CAPITAL BOND					
Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
13-4401-00-00	INVESTMENT INCOME	241,125	173,250	356,559	356,600
13-4098-00-00	FIRE DEPARTMENT GRANT	165,000	-		-
13-4904-00-00	2021 CERTIFICATES OF		-		-
13-4905-00-00	2023 C/O Series A	2,400,000	-		-
TBD	2024 G/O			3,000,000	
TBD	2024 C/O			11,000,000	
TOTAL REVENUES		\$ 2,806,125	\$ 173,250	\$ 14,356,559	\$ 356,600

Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
13-5261-01-00	C.O. ISSUANCE COST		150,000	-	-
13-5550-46-09	STREET IMPROVEMENTS	622,386	5,400,000	42,553	1,500,000
13-5850-42-09	TXDOT BRIDGE PROJECT	179,919	-	38,906	-
13-5851-43-09	SAFE ROUTES TO SCHOOL		-	77,475	-
13-5854-44-09	COLLETT SUBLET	38,155	1,045,000	1,045,000	-
13-5859-11-09	VALLEY LANE	164,636	173,295	83,321	-
13-5910-11-00	FIRE & POLICE VEHICLES	780,032	-	-	-
13-5911-11-09	NEW HOPE ROAD	210,812	-	-	900,000
13-5912-11-09	WEST 3RD STREET RECO	45,500		87,521	-
TBD	PARKS				1,500,000
TBD	PUBLIC SAFETY REMODEL	-		-	8,379,097
TOTAL EXPENDITURES		\$ 2,041,439	\$ 6,768,295	\$ 1,374,776	\$ 12,279,097

REVENUES OVER (UNDER) EXPENDITURES	\$ 764,686	\$ (6,595,045)	\$ 12,981,783	\$ (11,922,497)
NET CHANGE IN FUND BALANCE	\$ 764,686	\$ (6,595,045)	\$ 12,981,783	\$ (11,922,497)
BEGINNING FUND BALANCE — OCT 1	\$ 8,057,939	\$ 8,822,625	\$ 8,822,625	\$ 21,804,408
ENDING FUND BALANCE — SEPT 30	\$ 8,822,625	\$ 2,227,580	\$ 21,804,408	\$ 9,881,911

OVERVIEW: PARK DEDICATION FUND

Revenue for the Park Dedication Fund (14) comes primarily from fees associated with certain residential developments within the City and proportionate interest income from pooled investments. Expenditures from this fund are tied to park maintenance and improvements.

FUND 14 PARK DEDICATION					
Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
14-4194-00-00	PARK DEDICATION FEES	13,200	12,000	12,457	12,000
14-4401-00-00	INVESTMENT INCOME	23,606	15,000	20,076	20,100
14-4409-00-00	MISCELLANEOUS INCOME	-	-		
TOTAL REVENUES		\$ 36,806	\$ 27,000	\$ 32,533	\$ 32,100

Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
14-5580-52-09	BRICK PAVERS	-	-		
14-5820-51-09	BUILDING IMPROVEMENTS	177,820	45,000	301,083	100,000
14-5875-51-09	CONSTRUCTION	-	-		
14-5955-51-09	SONORA PARK BALLFIELDS	-	-		
TOTAL EXPENDITURES		\$ 177,820	\$ 45,000	\$ 301,083	\$ 100,000

NET CHANGE IN FUND BALANCE	\$ (141,014)	\$ (18,000)	\$ (268,550)	\$ (67,900)
-----------------------------------	---------------------	--------------------	---------------------	--------------------

BEGINNING FUND BALANCE — OCT 1	\$ 699,736	\$ 558,722	\$ 558,722	\$ 290,172
ENDING FUND BALANCE — SEPT 30	\$ 558,722	\$ 540,722	\$ 290,172	\$ 222,272

OVERVIEW: LIBRARY BUILDING FUND

This Fund (32) has run a negative balance for several years. However, without expenditures, the revenue from library fees is slowly bringing the balance toward zero.

FUND 32 LIBRARY BUILDING FUND					
Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
32-4499-00-00	CASH OVER/UNDER	-	2	-	-
32-4406-00-00	LIBRARY FINES	213	200	308	200
32-4401-00-00	INVESTMENT INCOME	2		10	10
32-4501-00-00	CONTRIBUTION-LIBRARY		-		
TOTAL REVENUES		\$ 215	\$ 202	\$ 318	\$ 210

Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
		-	-	-	-
TOTAL EXPENDITURES		\$ -	\$ -	\$ -	\$ -

NET CHANGE IN FUND BALANCE		\$ 215	\$ 202	\$ 318	\$ 210
-----------------------------------	--	---------------	---------------	---------------	---------------

BEGINNING FUND BALANCE — OCT 1		\$ (1,868)	\$ (1,653)	\$ (1,653)	\$ (1,335)
ENDING FUND BALANCE — SEPT 30		\$ (1,653)	\$ (1,451)	\$ (1,335)	\$ (1,125)

OVERVIEW: ROADWAY IMPACT FEE FUND

Similar to other impact fee funds, the Roadway Impact Fee Fund (45) is funded primarily with new development fees and used to fund related projects. For FY24, transfers to cover a portion of Certificates of Obligation issued in 2007 (Fund 10) and TIRZ projects (Fund 21) are scheduled to continue in the same amounts as FY24.

FUND 45- ROADWAY IMPACT FUND					
Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
45-4215-00-00	IMPACT FEES	37,988	130,695	38,000	40,000
45-4401-00-00	INVESTMENT INCOME	15,687	11,000	16,143	16,200
TOTAL REVENUES		\$ 53,675	\$ 141,695	\$ 54,143	\$ 56,200
Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
45-5582-01-00	IMPACT FEE STUDY		-	111,077	-
TOTAL EXPENDITURES		\$ -	\$ -	\$ 111,077	\$ -
REVENUES OVER (UNDER) EXPENDITURES		\$ 53,675	\$ 141,695	\$ (56,934)	\$ 56,200
Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
45-5711-00-00	TRANSFER OUT - WATER	(97,525)	(97,525)	(97,525)	(97,525)
45-5798-00-00	TRANSFER OUT-TIF #1	(10,000)	(10,000)	(10,000)	(10,000)
TOTAL OTHER FINANCING SOURCES (USES)		\$ (107,525)	\$ (107,525)	\$ (107,525)	\$ (107,525)
NET CHANGE IN FUND BALANCE		\$ (53,850)	\$ 34,170	\$ (164,459)	\$ (51,325)
BEGINNING FUND BALANCE — OCT 1		\$ 623,604	\$ 569,754	\$ 569,754	\$ 405,295
ENDING FUND BALANCE — SEPT 30		\$ 569,754	\$ 603,924	\$ 405,295	\$ 353,970



Special Revenue Funds

OVERVIEW: TIF #1 NEW HOPE ROAD FUND

Tax Increment Financing (TIF), authorized by Texas Tax Code Chapter 311, states local governments can publicly finance needed structural improvements and enhanced infrastructure within a defined area – a **Tax Increment Reinvestment Zone (TIRZ)** – to encourage desired development. The tax increment is derived from the difference in appraised value between the year in which the reinvestment zone is established (base year) and each year the reinvestment zone is in existence.

An important element of the City's strategic plan - Imagine Kennedale 2015 - was to convert properties in the southwestern portion of the City to residential use. The City updated the Comprehensive Land Use Plan and created a Tax Increment Reinvestment Zone (TIRZ) to fund off-site infrastructure improvements, namely the extension of water and sewer service, reconstruction of New Hope Road, and the addition of hike and bike trails along Kennedale Branch. TIRZ participation agreements with Tarrant County, Tarrant County College District, and the Tarrant County Health District were completed in 2013. The City has not yet seen significant development in the TIRZ but continues to cooperate with owners and prospective developers to convert the racetrack properties. A water and sewer study to plan for the extension of the utility services is complete.

Participants

- City of Kennedale 100% -- \$2,481,849 Maximum
- Tarrant County 75% -- \$2,481,849 Maximum
- Tarrant County College District 50% -- \$939,000 Maximum
- Tarrant County Hospital District 50% -- \$1,427,690 Maximum

FUND 21 TIF NEW HOPE ROAD FUND					
Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
21-4401-00-00	INVESTMENT INCOME	5,438	2,200	9,794	9,800
21-4516-00-00	INTERGOV-TARRANT COUNTY	35,206	35,206	35,206	35,206
21-4517-00-00	INTERGOV-TARRANT HOSPITAL	23,971	21,000	21,000	21,000
21-4518-00-00	INTERGOV-TARRANT COLLEGE	14,650	14,000	14,000	14,000
TOTAL REVENUES		\$ 79,265	\$ 72,406	\$ 80,000	\$ 80,006
Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
21-5580-06-01	ENGINEERING SERVICES	48,848	150,000	100,388	150,000
TOTAL EXPENDITURES		\$ 48,848	\$ 150,000	\$ 100,388	\$ 150,000
REVENUES OVER (UNDER) EXPENDITURES		\$ 30,416	\$ (77,594)	\$ (20,388)	\$ (69,994)
Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
21-4519-00-00	INTERGOV-CITY OF KENNEDALE	157,883	160,000	160,000	160,000
21-4945-00-00	TRANSFER IN - ROADWAY IMPACT	10,000	10,000	10,000	10,000
21-5702-06-06	TRANSFER OUT - DEBT SERVICE		(228,229)	(228,229)	(228,229)
TOTAL OTHER FINANCING SOURCES (USES)		\$ 167,883	\$ (58,229)	\$ (58,229)	\$ (58,229)
NET CHANGE IN FUND BALANCE		\$ 198,299	\$ (135,823)	\$ (78,617)	\$ (128,223)
BEGINNING FUND BALANCE — OCT 1		\$ (21,022)	\$ 177,277	\$ 177,277	\$ 98,660
ENDING FUND BALANCE — SEPT 30		\$ 177,277	\$ 41,454	\$ 98,660	\$ (29,563)

OVERVIEW: HOTEL OCCUPANCY TAX FUND

Revenue for this Fund (30) comes primary from taxes related to overnight stays within the City. This is calculated as 7% of gross rents and remitted directly to the City each quarter. Presently, this tax comes exclusively from short-term rentals. A small portion of revenue (budgeted at 13% for FY25) comes from a proportionate amount of investment income. Per the State Comptroller, revenue may only be used to promote tourism and the convention and hotel industries.

FUND 30 HOTEL OCCUPANCY TAX FUND					
Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
30-4084-00-00	OCCUPANCY TAX	30,698	23,000	17,786	18,000
30-4085-00-00	SPECIAL EVENT REVENUE	6,275	-	3,950	-
30-4401-00-00	INVESTMENT INCOME	1,776	2,000	2,888	2,900
TOTAL REVENUES		\$ 38,749	\$ 25,000	\$ 24,624	\$ 20,900

Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
30-5561-06-01	RECREATION	13,258	12,000	11,000	15,000
30-5562-06-01	TOURISM	-			
TOTAL EXPENDITURES		\$ 13,258	\$ 12,000	\$ 11,000	\$ 15,000

NET CHANGE IN FUND BALANCE	\$ 25,491	\$ 13,000	\$ 13,624	\$ 5,900
-----------------------------------	------------------	------------------	------------------	-----------------

BEGINNING FUND BALANCE — OCT 1	\$ 41,927	\$ 67,418	\$ 67,418	\$ 81,042
ENDING FUND BALANCE — SEPT 30	\$ 67,418	\$ 80,418	\$ 81,042	\$ 86,942

OVERVIEW: PUBLIC SEIZURE FUND

Outside of the proportionate share of investment interest, revenue for the Public Seizure Fund (31) comes from property seizures related to law enforcement activity. Expenditures are confined to law enforcement uses.

FUND 31 PUBLIC SEIZURE FUND					
Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
31-4401-00-00	INVESTMENT INCOME	125	80	156	160
31-4409-00-00	MISCELLANEOUS INCOME				
TOTAL REVENUES		\$ 125	\$ 80	\$ 156	\$ 160
Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
31-5280-00-00	MINOR EQUIP/SMALL TOOLS<\$5K	-	3,810	-	-
31-5570-00-00	SPECIAL SERVICES	-			
TOTAL EXPENDITURES		\$ -	\$ 3,810	\$ -	\$ -
NET CHANGE IN FUND BALANCE		\$ 125	\$ (3,730)	\$ 156	\$ 160
BEGINNING FUND BALANCE — OCT 1		\$ 3,651	\$ 3,776	\$ 3,776	\$ 3,932
ENDING FUND BALANCE — SEPT 30		\$ 3,776	\$ 46	\$ 3,932	\$ 4,092

OVERVIEW: LEOSE FUND

The State Comptroller of Public Accounts collects and deposits proceeds from court costs into the Law Enforcement Officer Standards and Education (LEOSE) account of the state treasury, which is then distributed to local law enforcement agencies. Local agencies must use the funds to provide continuing education or necessary training for law enforcement officers. Under the Texas Occupations Code, twenty percent of the appropriated amount is distributed to all participating agencies in equal shares, and eighty percent is distributed based on the number of qualifying officers at each entity.

FUND 34 LEOSE FUND					
Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
34-4094-00-00	LEOSE POLICE TRAINING	1,408	1,400	3,696	3,700
34-4401-00-00	INVESTMENT INCOME	30	21	83	90
TOTAL REVENUES		\$ 1,438	\$ 1,421	\$ 3,778	\$ 3,790
Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
34-5515-09-01	TRAINING/SEMINARS-LEOSE	1,590	1,500	1,500	1,500
TOTAL EXPENDITURES		\$ 1,590	\$ 1,500	\$ 1,500	\$ 1,500
NET CHANGE IN FUND BALANCE		\$ (152)	\$ (79)	\$ 2,278	\$ 2,290
BEGINNING FUND BALANCE — OCT 1		\$ 1,001	\$ 849	\$ 849	\$ 3,128
ENDING FUND BALANCE — SEPT 30		\$ 849	\$ 770	\$ 3,128	\$ 5,418

OVERVIEW: DISASTER RECOVERY FUND

The Disaster Recovery Fund (35) tracks transactions related to the American Rescue Plan Act of 2021 (ARPA). All remaining funds are allocated for use in two water storage projects: an upgrade to the ground-level storage tank near Kennedale High School to 750,000 gallons (anticipated completion before 10/1/2025), and a renovation of the elevated storage tank near the intersection of Dick Price Road and Linda Road (anticipated completion before 10/1/2026).

FUND 35 DISASTER RECOVERY FUND					
Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
35-4085-00-00	CARES ACT FUNDING	190,983	1,950,000	71,283	1,250,000
35-4401-00-00	INVESTMENT INCOME	63,388	41,000	78,103	50,000
TOTAL REVENUES		\$ 254,371	\$ 1,991,000	\$ 149,386	\$ 1,300,000
Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
35-5241-06-01	PUBLIC SAFETY MEASURE	-	89,300	-	
35-5291-06-01	GRANT FUNDED SUPPLIES	-			
35-5292-06-01	MEDICAL SUPPLIES	-			
35-5441-06-01	OTHER ECONOMIC EXPENSE	658			
35-5443-06-01	TELEWORK	-			
35-5444-06-01	COMMUNICATION AND ENFORCEMENT	-			
35-5446-06-01	WATER/SEWER PROJECTS	190,984	1,950,000	71,283	1,250,000
35-5555-06-01	COVID PAYROLL EXPENS	-			
TOTAL EXPENDITURES		\$ 191,642	\$ 2,039,300	\$ 71,283	\$ 1,250,000
NET CHANGE IN FUND BALANCE		\$ 62,728	\$ (48,300)	\$ 78,103	\$ 50,000
BEGINNING FUND BALANCE — OCT 1		\$ 7,300	\$ 70,028	\$ 70,028	\$ 148,131
ENDING FUND BALANCE — SEPT 30		\$ 70,028	\$ 21,728	\$ 148,131	\$ 198,131



Other Funds

OVERVIEW: CAPITAL REPLACEMENT FUND

The Capital Replacement Fund (05) receives transfers from other funds that utilize vehicles. The fund pays for vehicles through a lease with Enterprise Lease. In December 2016, a lease was signed with Enterprise for a majority of its vehicles. In 2020, the City determined that the lease was not in the best interest and has been working on an exit strategy for the lease that includes purchasing vehicles and allowing vehicles under the lease to continue to be utilized at a small cost per month (\$30-\$50) until the full expiration of the lease. Under the terms of the lease, the vehicles remain the property of Enterprise and cannot be purchased by the City.

Fund 05 CAPITAL REPLACEMENT					
Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
05-4401-00-00	INVESTMENT INCOME	1,289	2,400.00	-	
05-4409-00-00	MISCELLANEOUS INCOME	89,820	25,000.00	15,020	15,000
05-4886-00-00	SALE OF PARTS/ASSETS	17,779	250.00	1,000	-
TOTAL REVENUES		\$ 108,888	\$ 27,650	\$ 16,020	\$ 15,000
Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
05-5601-30-17	ENTERPRISE LEASE POLICE	82,608	52,359	52,359	52,539.00
05-5602-30-17	ENTERPRISE LEASE STREETS	16,759	17,868	7,234	7,234.00
05-5603-30-17	ENTERPRISE LEASE SENIOR CENTER	3,722	-	-	-
05-5604-30-17	ENTERPRISE LEASE FIRE	13,896	14,126	11,000	11,000.00
05-5605-30-17	ENTERPRISE LEASE COMMDEV	4,698	5,497	5,497	5,497.00
05-5606-30-17	LEASE PRINCIPAL	-	7,253	-	-
05-5608-30-17	ENTERPRISE LEASE CITY MNGR	7,270	-	3,398	3,398.00
05-5636-30-17	LEASE INTEREST	-	-	-	-
05-5861-30-17	MOTOR VEHICLES	-	-	-	-
05-5910-30-17	VEHICLES-POLICE	113,207	-	-	-
05-5870-30-17	OTHER EQUIPMENT	-	-	-	-
TOTAL EXPENDITURES		\$ 242,160	\$ 97,103	\$ 79,488	\$ 79,668
REVENUES OVER (UNDER) EXPENDITURES		\$ (133,271)	\$ (69,453)	\$ (63,468)	\$ (64,668)
Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
05-4906-00-00	TRANSFER IN-GENERAL	233,207	120,000	120,000	139,200
05-4917-00-00	TRANSFER IN-STREET FUND	19,200	19,200	19,200	
TOTAL OTHER FINANCING SOURCES (USES)		\$ 252,407	\$ 139,200	\$ 139,200	\$ 139,200
NET CHANGE IN FUND BALANCE		\$ 119,136	\$ 69,747	\$ 75,732	\$ 74,532
BEGINNING FUND BALANCE — OCT 1		\$ (338,981)	\$ (219,845)	\$ (219,845)	\$ (144,113)
ENDING FUND BALANCE — SEPT 30		\$ (219,845)	\$ (150,098)	\$ (144,113)	\$ (69,581)

OVERVIEW: COURT SECURITY FUND

Revenue for the Court Security Fund (12) comes from a \$3 fee assessed to defendants convicted of misdemeanors as a cost of court. Expenditures may only be used for security personnel, services and items related to buildings that house the operations of our Municipal Court. These items include the purchase or repair of x-ray machines and conveying systems, hand-held metal detectors, walk-through metal detectors, identification cards and systems, electronic locking and surveillance equipment, bailiffs or security contract personnel during times when they are providing appropriate security services, signage, confiscated weapons inventory and tracking systems, locks, chains, or other security hardware, and other items or services permitted by law.

FUND 12 COURT SECURITY FUND					
Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
12-4249-00-00	COURT SECURITY FEE	4,409	3,200	7,915	7,915
12-4401-00-00	INVESTMENT INCOME	989	650	1,319	1,320
TOTAL REVENUES		\$ 5,398	\$ 3,850	\$ 9,234	\$ 9,235
Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
12-5107-00-00	OVERTIME	459			
12-5115-00-00	RETIREMENT	67			
12-5117-00-00	FICA	33			
12-5118-00-00	MEDICAL INSURANCE	37			
12-5121-00-00	DENTAL INSURANCE	1			
12-5122-00-00	VISION INSURANCE	0			
12-5303-00-01	BUILDING MAINTENANCE	4,494	10,000	250	26,570
TOTAL EXPENDITURES		\$ 5,092	\$ 10,000	\$ 250	\$ 26,570
NET CHANGE IN FUND BALANCE		\$ 305	\$ (6,150)	\$ 8,984	\$ (17,335)
BEGINNING FUND BALANCE — OCT 1		\$ 29,358	\$ 29,663	\$ 29,663	\$ 38,647
ENDING FUND BALANCE — SEPT 30		\$ 29,663	\$ 23,513	\$ 38,647	\$ 21,312

OVERVIEW: COURT TECHNOLOGY FUND

Revenue for the Court Technology Fund (16) comes from a \$4 fee assessed to defendants convicted of misdemeanors as a cost of court. Expenditures may only be used for technological enhancements for the Municipal Court, including computer systems, computer networks, computer hardware, computer software, imaging systems, electronic kiosks, electronic ticket writers, or docket management systems.

FUND 16 COURT TECHNOLOGY					
Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
16-4247-00-00	TECHNOLOGY FEES	4,513	3,600	6,468	6,500
16-4401-00-00	INVESTMENT INCOME	672	450	635	640
TOTAL REVENUES		\$ 5,185	\$ 4,050	\$ 7,103	\$ 7,140

Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
16-5440-00-00	OFFICE EQUIP	-	10,000	2,000	10,000
16-5280-00-00	MINOR EQUIP/SMALL TOOLS >5K	347		-	
16-5445-00-00	SOFTWARE	8,481		700	
TOTAL EXPENDITURES		\$ 8,828	\$ 10,000	\$ 2,700	\$ 10,000

NET CHANGE IN FUND BALANCE		\$ (3,643)	\$ (5,950)	\$ 4,403	\$ (2,860)
-----------------------------------	--	-------------------	-------------------	-----------------	-------------------

BEGINNING FUND BALANCE — OCT 1	\$ 17,769	\$ 14,126	\$ 14,126	\$ 18,529
ENDING FUND BALANCE — SEPT 30	\$ 14,126	\$ 8,176	\$ 18,529	\$ 15,669

OVERVIEW: LOCAL YOUTH DIVERSION FUND

Revenue for the Local Youth Diversion Fund (18) comes from a \$5 fee assessed to defendants convicted of a “fine only misdemeanor offense” as a cost of court. Expenditures may only finance the salary and benefits of a juvenile case manager that is employed by the Municipal Court of the City of Kennedale. At present, funds resulting from the \$5 fee are placed into the General Fund (01) as a reimbursement for the wages and benefits of the City’s Juvenile Case Manager.

FUND 18 LOCAL YOUTH DIVERSION FUND					
Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
18-4248-00-00	JUVENILE CASE MANAGEMENT FEE	257	300	250	300
18-4401-00-00	INVESTMENT INCOME	302	190	383	385
TOTAL REVENUES		\$ 560	\$ 490	\$ 633	\$ 685
Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
18-5570-00-00	SPECIAL SERVICES	-	7,000	-	-
TOTAL EXPENDITURES		\$ -	\$ 7,000	\$ -	\$ -
NET CHANGE IN FUND BALANCE		\$ 560	\$ (6,510)	\$ 633	\$ 685
BEGINNING FUND BALANCE — OCT 1		\$ 8,623	\$ 9,183	\$ 9,183	\$ 9,816
ENDING FUND BALANCE — SEPT 30		\$ 9,183	\$ 2,673	\$ 9,816	\$ 10,501

OVERVIEW: GRANTS FUND

The Grants Fund (40) will house funding and track expenditures for grants awarded to the City. As most grants function as cost reimbursable agreements (funding isn't received until an expenditure has taken place and proper documentation has been provided to the granting agency), this fund is expected to have a \$0 balance over time. Previously, grant revenues and expenditures were tracked in the General Fund (01).

FUND 40 GRANTS					
Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
40-4086-00-00	POLICE DEPARTMENT GRANTS	-	20,000	20,505	
40-4095-00-00	LIBRARY GRANTS	-		10,266	
40-4098-00-00	FIRE DEPARTMENT GRANTS		655,000	655,000	
40-4401-00-00	INVESTMENT INCOME	-	-	65	65
TOTAL REVENUES		\$ -	\$ 675,000	\$ 685,836	\$ 65

Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
40-5291-09-01	GRANT FUNDED SUPPLIES-POLICE	-	20,000	20,505	
40-5291-10-01	GRANT FUNDED SUPPLIES-FIRE	-	655,000	655,000	
40-5291-17-01	GRANT FUNDED SUPPLIES-LIBRARY	-		10,266	
TOTAL EXPENDITURES		\$ -	\$ 675,000	\$ 685,771	\$ -

NET CHANGE IN FUND BALANCE	\$ -	\$ -	\$ 65	\$ 65
-----------------------------------	-------------	-------------	--------------	--------------

BEGINNING FUND BALANCE — OCT 1	\$ -	\$ -	\$ -	\$ 65
ENDING FUND BALANCE — SEPT 30	\$ -	\$ -	\$ 65	\$ 130

OVERVIEW: PARK RECOVERY AND OTHER DONATIONS

Donations from the community, and their related expenditures, are tracked in the Park Recovery and Other Donations Fund (41). Similar to the Grant Fund (40), this fund is expected to have a \$0 balance over time.

FUND 41 PARK RECOVERY & OTHER DONATIONS					
Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
41-4401-00-00	INVESTMENT INCOME	1,036	625	1,683	1,683
41-4409-00-00	MISCELLANEOUS INCOME	4,300	5,000	4,712	5,000
41-4920-00-00	DONATIONS		-	30,012	
41-4521-00-00	DONATION DIAMOND JUB		-		
TOTAL REVENUES		\$ 5,336	\$ 5,625	\$ 36,407	\$ 6,683

Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
41-5518-00-00	YAC		6,800	-	
41-5519-00-00	MAYOR'S BACK TO SCHOOL	4,245		-	
41-5520-00-00	BARK IN THE PARK	1,191		-	
41-5518-10-01	FIRE DONATION USE	-		(200)	10,000
41-5526-09-01	POLICE DONATION USE			6,107	8,000
41-5527-15-01	BARK IN PARK	-	1,053	1,373	1,500
41-5522-00-00	KEEP KENNEDALE BEAUT	1,104	-	472	
41-5523-00-00	SECTION HOUSE / CHAMBER BUILDING	-			
41-5524-00-00	911 MEMORIAL	-			
41-5526-00-00	POLICE	-			
41-5528-00-00	COMMUNITY THEATRE	1,064			
41-5529-00-00	ARTS MARKET	-			
TOTAL EXPENDITURES		\$ 7,604	\$ 7,853	\$ 7,752	\$ 19,500

NET CHANGE IN FUND BALANCE	\$ (2,268)	\$ (2,228)	\$ 28,655	\$ (12,817)
-----------------------------------	-------------------	-------------------	------------------	--------------------

BEGINNING FUND BALANCE — OCT 1	\$ (67)	\$ (2,335)	\$ (2,335)	\$ 26,320
ENDING FUND BALANCE — SEPT 30	\$ (2,335)	\$ (4,563)	\$ 26,320	\$ 13,503

OVERVIEW: TREE REFORESTATION FUND

Funds collected by the City’s Community Development Department for tree removal permits, donations, and related development agreements are the primary source of revenue for the Tree Reforestation Fund (83). Expenditures are limited to planting trees within the City or acquiring wooded property to preserve its natural state.

FUND 83 TREE REFORESTATION					
Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
83-4197-00-00	TREE REFORESTATION	5,000	5,000		
83-4401-00-00	INVESTMENT INCOME	2,429	1,550	2,931	2,931
TOTAL REVENUES		\$ 7,429	\$ 6,550	\$ 2,931	\$ 2,931
Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
83-5290-01-00	EXPENDABLE SUPPLIES	-	-	-	
83-5570-01-00	SPECIAL SERVICES	-	-	-	
TOTAL EXPENDITURES		\$ -	\$ -	\$ -	\$ -
NET CHANGE IN FUND BALANCE		\$ 7,429	\$ 6,550	\$ 2,931	\$ 2,931
BEGINNING FUND BALANCE — OCT 1		\$ 71,535	\$ 78,964	\$ 78,964	\$ 81,895
ENDING FUND BALANCE — SEPT 30		\$ 78,964	\$ 85,514	\$ 81,895	\$ 84,826

OVERVIEW: UNCLAIMED PROPERTY FUND

The Unclaimed Property Fund (85) is used for holding property valued at \$100 or less that is presumed abandoned or unclaimed subject to Title VI, Chapter 76, of the Texas Property Code.

FUND 85 - UNCLAIMED PROPERTY					
Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
85-4401-00-00	INVESTMENT INCOME	18	20	-	-
TOTAL REVENUES		\$ 18	\$ 20	\$ -	\$ -
Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
85-5261-00-00	POSTAGE	-	-	-	-
TOTAL EXPENDITURES		\$ -	\$ -	\$ -	\$ -
REVENUES OVER (UNDER) EXPENDITURES		\$ 18	\$ 20	\$ -	\$ -
Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
85-5760-00-00	TRANSFER OUT	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)		\$ -	\$ -	\$ -	\$ -
NET CHANGE IN FUND BALANCE		\$ 18	\$ 20	\$ -	\$ -
BEGINNING FUND BALANCE — OCT 1		\$ 316	\$ 334	\$ 334	\$ 334
ENDING FUND BALANCE — SEPT 30		\$ 334	\$ 354	\$ 334	\$ 334



EDC Funds

OVERVIEW: ECONOMIC DEVELOPMENT CORPORATION

A component unit of the City of Kennedale, the Economic Development Corporation (EDC) is primarily funded by a .50% sales tax levied on items sold in the City of Kennedale. Revenue also comes in the form of rent paid by tenants of the TownCenter, the proportionate share of investment income, and other fees related to operating the TownCenter. For FY25, the EDC has budgeted \$250,000 in grants for entrepreneurs looking to establish, or further grow, their business in Kennedale.

FUND 15 ECONOMIC DEVELOPMENT CORPORATION					
Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
15-4002-00-00	MMD TAX-CURRENT YEAR	-	75,000		
15-4081-00-00	SALES TAX	708,972	613,500	738,973	988,973
15-4104-00-00	CHRISTMAS EVENT DONATION	787		5,000	5,000
15-4401-00-00	INVESTMENT INCOME	67,546	60,000	88,235	82,000
15-4402-00-00	INTEREST INCOME	-	-	-	-
15-4409-00-00	MISCELLANEOUS INCOME	36,412	34,500		30,000
15-4412-00-00	LAND PROCEEDS	365		287,398	-
15-4413-00-00	SIGN FOUNDATION REVENUE			12,000	-
15-4805-00-00	RENTAL FEES-SHOPPING CENTER	307,232	310,807		310,807
TOTAL REVENUES		\$ 1,121,314	\$ 1,093,807	\$ 1,131,606	\$ 1,416,780

Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
15-5240-06-01	PRINTED SUPPLIES				
15-5260-06-01	GENERAL OFFICE SUPPLIES				
15-5261-06-01	POSTAGE				
15-5280-06-01	MINOR EQUIP/SMALL TOOLS<\$5K	6,520			
15-5403-06-01	BUILDING MAINTENANCE			917	25,000
15-5501-06-01	ADVERTISING	6,123	7,000	3,352	7,000
15-5510-06-01	ASSOC DUES/PUBLICATIONS	2,500	1,500	1,500	1,500
15-5525-06-01	TRAINING/SEMINARS	270	2,000		
15-5565-06-01	LEGAL SERVICES	15,334	14,884	15,000	18,000
15-5567-06-01	AUDIT SERVICES				
15-5570-06-01	SPECIAL SERVICES	27,921	30,000	17,097	80,000
15-5571-06-01	SPECIAL EVENTS-CHRISTMAS EVENT	97,298	60,000	60,000	100,000
15-5578-06-01	TRAVEL		1,500	1,500	2,500
15-5580-06-01	ENGINEERING SERVICES	1,650		-	
15-5615-06-01	FUNCTIONAL GRANT	-	150,000	50,000	265,000
15-5800-06-01	LAND	-	-	187,449	-
TOTAL OPERATIONS		\$ 157,616	\$ 266,884	\$ 336,815	\$ 499,000

Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
15-5628-06-06	2007 \$1.2M TAX BOND-INTEREST	31,970	26,410	26,410	20,503
15-5629-06-06	2007 \$1.2M TAX BOND-PRINCIPAL	80,000	85,000	85,000	90,000
15-5645-06-06	2011 \$1.7M TX LEVERAGE – INT	12,785	10,492	10,492	4,062
15-5646-06-06	2011 \$1.7M TX LEVERAGE – PRIN	43,083	46,038	46,038	53,649
15-5667-06-06	2020 \$1.26M GO REFUNDING – PRINCIPA	120,000	125,000	125,000	
15-5668-06-06	2020 \$1.26M GO REFUNDING – INTEREST	18,625	16,260	16,260	
TOTAL DEBT SERVICE EXPENDITURES		\$ 306,463	\$ 309,201	\$ 309,201	\$ 168,213

Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
15-5403-53-00	BUILDING MAINTENANCE	38,823	57,000	52,292	50,000
15-5405-53-00	TOWN CENTER PLAZA	-	12,000	250	
15-5530-53-00	ELECTRIC SERVICES	5,404	7,000	6,600	7,000
15-5545-53-00	INSURANCE-PROPERTY	14,857	21,431	14,962	15,710
15-5570-53-00	SPECIAL SERVICES	14,008	13,000	13,000	13,000
15-5595-53-00	LANDSCAPING---CAM	-	9,000	20,800	21,000
15-5621-53-00	BANK FEES / PAYING AGENT FEES	-	30	30	30
15-5870-53-00	FOUNTAIN		85,000	20,000	80,000
15-5870-53-00	MONUMENTS FOR CITY ENTRANCES		80,000	-	84,000
15-5870-53-00	OTHER EQUIPMENT		219,000	45,000	
TOTAL TOWN SHOPPING CENTER EXPENDITURES		\$ 73,091	\$ 503,461	\$ 172,934	\$ 270,740

TOTAL EXPENDITURES		\$ 537,171	\$ 1,079,546	\$ 818,949	\$ 937,953
---------------------------	--	-------------------	---------------------	-------------------	-------------------

REVENUES OVER (UNDER) EXPENDITURES		\$ 584,144	\$ 14,261	\$ 312,656	\$ 478,827
---	--	-------------------	------------------	-------------------	-------------------

Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
15-5595-06-01	ADMIN CHARGE – GENERAL FUND	(397,791)	(447,522)	(447,522)	(462,705)
15-5702-06-01	TRANSFER OUT – DEBT SERVICE	-	-	-	(138,848)
15-5717-06-01	TRANSFER OUT - PUBLIC WORKS	(56,124)	(61,520)	(61,520)	(77,841)
TOTAL OTHER FINANCING SOURCES (USES)		\$ (453,915)	\$ (509,042)	\$ (509,042)	\$ (679,393)

NET CHANGE IN FUND BALANCE		\$ 130,229	\$ (494,781)	\$ (196,386)	\$ (200,566)
-----------------------------------	--	-------------------	---------------------	---------------------	---------------------

BEGINNING FUND BALANCE — OCT 1		\$ 2,005,520	\$ 2,135,749	\$ 2,135,749	\$ 1,939,363
ENDING FUND BALANCE — SEPT 30		\$ 2,135,749	\$ 1,640,968	\$ 1,939,363	\$ 1,738,797

FUND 95 ECONOMIC DEVELOPMENT CORPORATION BOND RESERVE FUND

Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
95-4401-00-00	INVESTMENT INCOME	4,350	2,800	5,457	5,457
TOTAL REVENUES		\$ 4,350	\$ 2,800	\$ 5,457	\$ 5,457

Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
TOTAL EXPENDITURES		\$ -	\$ -	\$ -	\$ -
REVENUES OVER (UNDER) EXPENDITURES		\$ 4,350	\$ 2,800	\$ 5,457	\$ 5,457

Account	Description	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget
TRANSFERS IN (OUT)		-	-	-	-
TOTAL OTHER		\$ -	\$ -	\$ -	\$ -
NET CHANGE IN FUND BALANCE		\$ 4,350	\$ 2,800	\$ 5,457	\$ 5,457

BEGINNING FUND BALANCE — OCT 1	\$ 126,575	\$ 130,925	\$ 130,925	\$ 136,382
ENDING FUND BALANCE — SEPT 30	\$ 130,925	\$ 133,725	\$ 136,382	\$ 141,839



Appendix

ORDINANCE NO. 773

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.

WHEREAS, the City of Kennedale, Texas (“City”), is a home rule city acting under its charter adopted by the electorate pursuant to Article XI, Section 5 of the Texas Constitution and Chapter 9 of the Local Government Code; and

WHEREAS, the City Manager of the City has filed with the City Secretary a budget outlining all proposed expenditures of the government of the City for the fiscal year beginning October 1, 2024, and ending September 30, 2025 (hereinafter referred as the “Budget”); and

WHEREAS, the Budget specifically sets forth each of the various projects for which appropriations are delineated, and the estimated amount of money carried in the Budget for each of such project; and

WHEREAS, the Budget has been filed with the City Secretary for at least thirty (30) days before the date the City Council will make its tax levy for the fiscal year, and such Budget has been available for inspection by any taxpayer; and

WHEREAS, notice of a public hearing on the proposed Budget, stating the date, time, place and subject matter of said public hearing, was given as required by the laws of the State of Texas; and

WHEREAS, such public hearing was held on August 20, 2024, prior approval of such date being ratified and confirmed by the City Council, and those wishing to speak on the Budget were heard; and

WHEREAS, the City Council has studied the Budget and listened to the comments of the taxpayers at the public hearing held thereon and has determined that the Budget, a copy of which is attached hereto as Exhibit “A” and incorporated herein for all purposes, is in the best interest of the City, and that same should be approved and adopted.

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

SECTION 1.

All of the above premises are found to be true and correct and are incorporated into the body of this Ordinance as if copied in their entirety.

SECTION 2.

The Budget of the revenue of the City and the expenses of conducting the affairs thereof for the ensuing fiscal year beginning October 1, 2024, and ending September 30, 2025, is hereby adopted and approved, and there is hereby appropriated from the funds indicated therein such sums for the projects, operations, activities, purchases, accounts and other expenditures proposed in the Budget, as set forth in Exhibit "A."

SECTION 3.

No expenditure of the funds of the City shall hereafter be made, except in compliance with the Budget and applicable state law; provided, however, that in case of grave public necessity to meet unusual and unforeseen conditions, which could not, by reasonable, diligent thought and attention, have been included in the original Budget, expenditures may from time to time be authorized by the City Council as amendments to the original Budget.

SECTION 4.

This Budget will raise more total property taxes than last year's budget by an amount of \$242,440.39, which is a 2.91% increase, and of that amount \$59,220.61 is tax revenue to be raised from new property added to the tax roll this year.

The municipal property tax rate for the preceding fiscal year was \$0.706190 per \$100.00.

The municipal property tax rates that have been adopted or calculated for the current fiscal year for which this Budget is adopted, are as follows:

- (A) the property tax rate is \$0.706190 per \$100.00;
- (B) the No-New Revenue tax rate is \$0.686241 per \$100.00;
- (C) the Voter-Approval tax rate is \$0.727523 per \$100.00;
- (D) the De Minimis Rate tax rate is \$0.735474 per \$100.00 taxable property value after exemptions;
- (E) the debt rate is \$0.195216 per \$100.00 taxable property value; and
- (F) the total amount of municipal debt obligations is \$2,372,470

SECTION 5.

A copy of the approved Budget, including the cover page, shall be posted on the City's website, along with the record vote of each member of the City Council, as required by law. In addition, the City Manager shall file or cause to be filed a true and correct copy of this Ordinance with the City Secretary, along with the approved Budget attached hereto. The City Manager shall file or cause to be filed a true and correct copy of this Ordinance, along with the approved Budget attached hereto, and any amendments thereto, in the office of the County Clerk of Tarrant County, Texas, as required by State law.

SECTION 6.

It is hereby declared to be the intention of the City Council that the phrases, clauses, sentences, paragraphs and sections of this Ordinance are severable, and if any phrase, clause, sentence, paragraph or section of this Ordinance shall be declared invalid or unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such invalidity or unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this Ordinance, since the same would have been enacted by the City Council without the incorporation in this Ordinance of any such invalid or unconstitutional phrase, clause, sentence, paragraph or section.

SECTION 7.

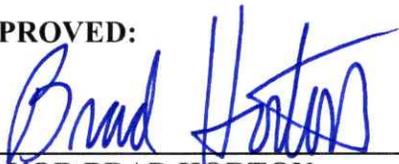
All rights and remedies of the City are expressly saved as to any and all violations of the provisions of any ordinance affecting the budget, which have secured at the time of the effective date of this Ordinance; and as to such accrued violations and all pending litigation, both civil and criminal, whether pending in court or not, under such ordinances same shall not be affected by this Ordinance, but may be prosecuted until final disposition by the courts.

SECTION 8.

This Ordinance shall be in full force and effect from and after its date of passage and it is so ordained.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF KENNEDALE, TEXAS, THIS THE 20TH DAY OF AUGUST, 2023.

APPROVED:


MAYOR BRAD HORTON

ATTEST:

10 11 2 4 11



CITY SECRETARY BOBBIE JO TAYLOR

APPROVED AS TO FORM AND LEGALITY:



CITY ATTORNEY CARVAN E. ADKINS



**CITY OF KENNEDALE
ORDINANCE NO. 774**

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.

WHEREAS, the City of Kennedale, Texas (“City”), is a home rule city acting under its charter adopted by the electorate pursuant to Article XI, Section 5 of the Texas Constitution and Chapter 9 of the Local Government Code; and

WHEREAS, the City Council of the City hereby finds that the tax for the fiscal year beginning October 1, 2024, and ending September 30, 2025, levied for current expenses of the City and the general improvements of the City and its property, must be levied to provide the revenue requirement for the budget for the ensuing year; and

WHEREAS, the City Council has approved by a separate Ordinance adopted on the 20th day of August, 2024, the budget for the fiscal year beginning October 1, 2024 and ending September 30, 2025; and

WHEREAS, the City has followed the procedures established by the law, including the publishing and posting of required notices and the holding of the required meeting to vote on the tax rate; and

WHEREAS, pursuant to Section 26.05 of the Texas Tax Code, the City Council held a public hearing concerning the proposed tax rate on August 20, 2024, and all statutory and constitutional requirements concerning the levying and assessing of ad valorem taxes have been completed in due and correct time; and

WHEREAS, the City Council has, by record vote, approved separately each of the two components of the tax rate set forth.

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

Ordinance 774 Levying 2024-2025 Fiscal Year Tax Rate

SECTION 1.

All of the above premises are found to be true and correct and are incorporated into the body of this Ordinance as if copied in their entirety.

SECTION 2.

The real and personal property tax appraisal rolls, as certified by the Chief Appraiser of the Tarrant County Appraisal District to the City Council for the 2024-2025 tax year are hereby accepted.

SECTION 3.

There is hereby levied and there shall be collected for the use and support of the municipal government of the City, and to provide an Interest and Sinking Fund for the 2024-2025 fiscal year, upon all property, real, personal, and mixed, within the corporate limits of said City subject to taxation, an ad valorem tax rate of \$0.706190 on each One Hundred Dollars (\$100.00) assessed valuation of property, said tax being so levied and apportioned to the specific purposes herein set forth:

1. For the purpose of defraying the current maintenance and operation expenses of the City (General Fund), a tax of \$0.510974 on each One Hundred Dollars (\$100.00) assessed value of all taxable property.
2. For the purpose of creating a Debt Service Fund to pay the interest and principle on all outstanding indebtedness, a tax of \$0.195216 on each One Hundred Dollars (\$100.00) assessed value of all taxable property within the City which shall be applied to the payment of such interest and maturities of all outstanding bonded indebtedness.

THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE.

THE TAX RATE WILL EFFECTIVELY BE RAISED BY 2.91% PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000.00 HOME BY APPROXIMATELY \$19.95.

3. TOTAL tax rate: \$0.706190.

SECTION 4.

The taxes levied under this Ordinance shall be due October 1, 2024 and, if not paid on or before January 31, 2025, shall immediately become delinquent. There shall be no discount for payment of taxes prior to January 31, 2025. Payment of such taxes shall be due in one full installment except as otherwise required by law. A delinquent tax shall incur all penalty and

interest authorized by State Law, Section 33.01 of the Texas Tax Code.

SECTION 5.

All taxes shall become a lien upon the property against which assessed, and the City tax collector is hereby authorized and empowered to enforce the collection of such taxes according to the Constitution and laws of the State of Texas and ordinances of the City and shall, by virtue of the tax rolls, fix and establish a lien by levying upon such property, whether real or personal, for the payment of said taxes penalty and interest. The interest and penalty collected from such delinquent taxes shall be apportioned to the general fund of the City. All delinquent taxes shall bear interest from the date of delinquency at the rate as prescribed by State law.

SECTION 6.

Taxes are payable at the offices of the Tarrant County Tax Assessor-Collector. The County shall have available all rights and remedies provided by law for the enforcement of the collection of taxes levied under this Ordinance.

SECTION 7.

Pursuant to the authority granted by Section 33.07 of the Texas Tax Code, in the event that taxes herein levied become delinquent on or after February 1st, but not later than May 31st of the year in which they become delinquent, and in the event such delinquent taxes are referred to an attorney for collection, an additional amount of twenty percent (20%) of the total amount of tax, penalty and interest then due shall be added as collection costs to be paid by the taxpayer, for all taxes delinquent on or after July 1, 2025.

SECTION 8.

Pursuant to the authority granted by Section 33.08 of the Texas Tax Code, the City further provides that all 2024 taxes and taxes for all subsequent years that become delinquent on or after June 1st of the year in which they become delinquent shall, in order to defray the costs of collection, incur an additional 20% of the delinquent tax, penalty and interest.

SECTION 9.

This Ordinance shall be cumulative of all provisions of ordinances of the City, except where the provisions of this Ordinance are in direct conflict with the provisions of such ordinances, in which event the conflicting provisions of such ordinances are hereby repealed.

SECTION 10.

In the event any section, subsection, paragraph, clause, phrase, or provision of this Ordinance shall be judged invalid or held unconstitutional, the same shall not affect the validity of

this Ordinance as a whole or any part thereof, other than the part so decided to be invalid or unconstitutional.

SECTION 11.

All rights and remedies of the City are expressly saved as to any and all violations of the provisions of any ordinance affecting the budget, which have secured at the time of the effective date of this Ordinance; and as to such accrued violations and all pending litigation, both civil and criminal, whether pending in court or not, under such ordinances, same shall not be affected by this Ordinance, but may be prosecuted until final disposition by the Courts.

SECTION 12.

The officers of the City are hereby directed to engross and enroll this Ordinance by copying the caption and the effective date clause in the City Council minutes and by filing this Ordinance in the ordinance records of the City.

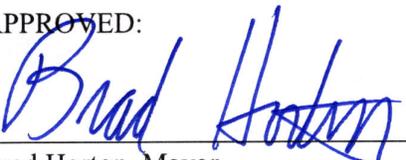
SECTION 13.

The necessity of fixing and levying municipal ad valorem taxes of the City for the next fiscal year is required by laws of the States of Texas, and requires that this Ordinance shall take effect immediately from and after its passage, and it is accordingly so ordained.

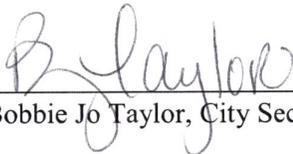
PASSED, APPROVED, AND ADOPTED this 20th day of August, 2024.

	<u>Aye</u>	<u>Nay</u>	<u>Abstention</u>
Brad Horton, Mayor	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
David Glover, Place 1	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Thelma Kobeck, Place 2	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Kenneth Michels, Place 3	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chris Gary, Place 4	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Jeff Nevarez, Place 5	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

APPROVED:


Brad Horton, Mayor

ATTEST:


Bobbie Jo Taylor, City Secretary



2024 Tax Rate Calculation Worksheet

Taxing Units Other Than School Districts or Water Districts

City of Kennedale
 Taxing Unit Name
 405 Municipal Drive, Kennedale, Texas 76060
 Taxing Unit's Address, City, State, ZIP Code

817-985-2105
 Phone (area code and number)
 cityofkennedale.com
 Taxing Unit's Website Address

GENERAL INFORMATION: Tax Code Section 26.04(c) requires an officer or employee designated by the governing body to calculate the no-new-revenue (NNR) tax rate and voter-approval tax rate for the taxing unit. These tax rates are expressed in dollars per \$100 of taxable value calculated. The calculation process starts after the chief appraiser delivers to the taxing unit the certified appraisal roll and the estimated values of properties under protest. The designated officer or employee shall certify that the officer or employee has accurately calculated the tax rates and used values shown for the certified appraisal roll or certified estimate. The officer or employee submits the rates to the governing body by Aug. 7 or as soon thereafter as practicable.

School districts do not use this form, but instead use Comptroller Form 50-859 *Tax Rate Calculation Worksheet, School District without Chapter 313 Agreements* or Comptroller Form 50-884 *Tax Rate Calculation Worksheet, School District with Chapter 313 Agreements*.

Water districts as defined under Water Code Section 49.001(1) do not use this form, but instead use Comptroller Form 50-858 *Water District Voter-Approval Tax Rate Worksheet for Low Tax Rate and Developing Districts* or Comptroller Form 50-860 *Developed Water District Voter-Approval Tax Rate Worksheet*.

The Comptroller's office provides this worksheet to assist taxing units in determining tax rates. The information provided in this worksheet is offered as technical assistance and not legal advice. Taxing units should consult legal counsel for interpretations of law regarding tax rate preparation and adoption.

SECTION 1: No-New-Revenue Tax Rate

The NNR tax rate enables the public to evaluate the relationship between taxes for the prior year and for the current year based on a tax rate that would produce the same amount of taxes (no new taxes) if applied to the same properties that are taxed in both years. When appraisal values increase, the NNR tax rate should decrease.

The NNR tax rate for a county is the sum of the NNR tax rates calculated for each type of tax the county levies.

While uncommon, it is possible for a taxing unit to provide an exemption for only maintenance and operations taxes. In this case, the taxing unit will need to calculate the NNR tax rate separately for the maintenance and operations tax and the debt tax, then add the two components together.

Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
1.	Prior year total taxable value. Enter the amount of the prior year taxable value on the prior year tax roll today. Include any adjustments since last year's certification; exclude Tax Code Section 25.25(d) one-fourth and one-third over-appraisal corrections from these adjustments. Exclude any property value subject to an appeal under Chapter 42 as of July 25 (will add undisputed value in Line 6). This total includes the taxable value of homesteads with tax ceilings (will deduct in Line 2) and the captured value for tax increment financing (adjustment is made by deducting TIF taxes, as reflected in Line 17). ¹	\$ 1,202,450,085
2.	Prior year tax ceilings. Counties, cities and junior college districts. Enter the prior year total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing unit adopted the tax ceiling provision last year or a prior year for homeowners age 65 or older or disabled, use this step. ²	\$ 0
3.	Preliminary prior year adjusted taxable value. Subtract Line 2 from Line 1.	\$ 1,202,450,085
4.	Prior year total adopted tax rate.	\$ 0.706190 /\$100
5.	Prior year taxable value lost because court appeals of ARB decisions reduced the prior year's appraised value. A. Original prior year ARB values: \$ 67,826,350 B. Prior year values resulting from final court decisions: - \$ 59,699,250 C. Prior year value loss. Subtract B from A. ³	\$ 8,127,100
6.	Prior year taxable value subject to an appeal under Chapter 42, as of July 25. A. Prior year ARB certified value: \$ 160,000 B. Prior year disputed value: - \$ 12,800 C. Prior year undisputed value. Subtract B from A. ⁴	\$ 147,200
7.	Prior year Chapter 42 related adjusted values. Add Line 5C and Line 6C.	\$ 8,274,300

¹ Tex. Tax Code §26.012(14)
² Tex. Tax Code §26.012(14)
³ Tex. Tax Code §26.012(13)
⁴ Tex. Tax Code §26.012(13)

Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
8.	Prior year taxable value, adjusted for actual and potential court-ordered adjustments. Add Line 3 and Line 7.	\$ 1,210,724,385
9.	Prior year taxable value of property in territory the taxing unit deannexed after Jan. 1, 2023. Enter the prior year value of property in deannexed territory. ⁵	\$ 0
10.	Prior year taxable value lost because property first qualified for an exemption in the current year. If the taxing unit increased an original exemption, use the difference between the original exempted amount and the increased exempted amount. Do not include value lost due to freeport, goods-in-transit, temporary disaster exemptions. Note that lowering the amount or percentage of an existing exemption in the current year does not create a new exemption or reduce taxable value. A. Absolute exemptions. Use prior year market value: \$ 0 B. Partial exemptions. Current year exemption amount or current year percentage exemption times prior year value: + \$ 2,007,999 C. Value loss. Add A and B. ⁶	\$ 2,007,999
11.	Prior year taxable value lost because property first qualified for agricultural appraisal (1-d or 1-d-1), timber appraisal, recreational/scenic appraisal or public access airport special appraisal in the current year. Use only properties that qualified for the first time in the current year; do not use properties that qualified in the prior year. A. Prior year market value: \$ 0 B. Current year productivity or special appraised value: - \$ 0 C. Value loss. Subtract B from A. ⁷	\$ 0
12.	Total adjustments for lost value. Add Lines 9, 10C and 11C.	\$ 2,007,999
13.	Prior year captured value of property in a TIF. Enter the total value of the prior year captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which the prior year taxes were deposited into the tax increment fund. ⁸ If the taxing unit has no captured appraised value in line 18D, enter 0.	\$ 45,044,896
14.	Prior year total value. Subtract Line 12 and Line 13 from Line 8.	\$ 1,163,671,490
15.	Adjusted prior year total levy. Multiply Line 4 by Line 14 and divide by \$100.	\$ 8,217,731
16.	Taxes refunded for years preceding the prior tax year. Enter the amount of taxes refunded by the taxing unit for tax years preceding the prior tax year. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for the prior tax year. This line applies only to tax years preceding the prior tax year. ⁹	\$ 78,690
17.	Adjusted prior year levy with refunds and TIF adjustment. Add Lines 15 and 16. ¹⁰	\$ 8,296,421
18.	Total current year taxable value on the current year certified appraisal roll today. This value includes only certified values or certified estimate of values and includes the total taxable value of homesteads with tax ceilings (will deduct in Line 20). These homesteads include homeowners age 65 or older or disabled. ¹¹ A. Certified values: \$ 1,200,147,583 B. Counties: Include railroad rolling stock values certified by the Comptroller's office: + \$ C. Pollution control and energy storage system exemption: Deduct the value of property exempted for the current tax year for the first time as pollution control or energy storage system property: - \$ 0 D. Tax increment financing: Deduct the current year captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which the current year taxes will be deposited into the tax increment fund. Do not include any new property value that will be included in Line 23 below. ¹² - \$ 30,868,612 E. Total current year value. Add A and B, then subtract C and D.	\$ 1,169,278,971

⁵ Tex. Tax Code §26.012(15)
⁶ Tex. Tax Code §26.012(15)
⁷ Tex. Tax Code §26.012(15)
⁸ Tex. Tax Code §26.03(c)
⁹ Tex. Tax Code §26.012(13)
¹⁰ Tex. Tax Code §26.012(13)
¹¹ Tex. Tax Code §26.012, 26.04(c-2)
¹² Tex. Tax Code §26.03(c)

Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
19.	<p>Total value of properties under protest or not included on certified appraisal roll. ¹³</p> <p>A. Current year taxable value of properties under protest. The chief appraiser certifies a list of properties still under ARB protest. The list shows the appraisal district's value and the taxpayer's claimed value, if any, or an estimate of the value if the taxpayer wins. For each of the properties under protest, use the lowest of these values. Enter the total value under protest. ¹⁴..... \$ 22,954,425</p> <p>B. Current year value of properties not under protest or included on certified appraisal roll. The chief appraiser gives taxing units a list of those taxable properties that the chief appraiser knows about but are not included in the appraisal roll certification. These properties also are not on the list of properties that are still under protest. On this list of properties, the chief appraiser includes the market value, appraised value and exemptions for the preceding year and a reasonable estimate of the market value, appraised value and exemptions for the current year. Use the lower market, appraised or taxable value (as appropriate). Enter the total value of property not on the certified roll. ¹⁵..... + \$ 23,067,561</p> <p>C. Total value under protest or not certified. Add A and B. \$ 46,021,986</p>	\$ 46,021,986
20.	Current year tax ceilings. Counties, cities and junior colleges enter current year total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing unit adopted the tax ceiling provision in the prior year or a previous year for homeowners age 65 or older or disabled, use this step. ¹⁶	\$ 0
21.	Current year total taxable value. Add Lines 18E and 19C. Subtract Line 20. ¹⁷	\$ 1,215,300,957
22.	Total current year taxable value of properties in territory annexed after Jan. 1, of the prior year. Include both real and personal property. Enter the current year value of property in territory annexed. ¹⁸	\$ 0
23.	Total current year taxable value of new improvements and new personal property located in new improvements. New means the item was not on the appraisal roll in the prior year. An improvement is a building, structure, fixture or fence erected on or affixed to land. New additions to existing improvements may be included if the appraised value can be determined. New personal property in a new improvement must have been brought into the taxing unit after Jan. 1, of the prior year and be located in a new improvement. New improvements do include property on which a tax abatement agreement has expired for the current year. ¹⁹	\$ 6,336,230
24.	Total adjustments to the current year taxable value. Add Lines 22 and 23.	\$ 6,336,230
25.	Adjusted current year taxable value. Subtract Line 24 from Line 21.	\$ 1,208,964,727
26.	Current year NNR tax rate. Divide Line 17 by Line 25 and multiply by \$100. ²⁰	\$ 0.686241 /\$100
27.	COUNTIES ONLY. Add together the NNR tax rates for each type of tax the county levies. The total is the current year county NNR tax rate. ²¹	\$ _____ /\$100

SECTION 2: Voter-Approval Tax Rate

The voter-approval tax rate is the highest tax rate that a taxing unit may adopt without holding an election to seek voter approval of the rate. The voter-approval tax rate is split into two separate rates:

- Maintenance and Operations (M&O) Tax Rate:** The M&O portion is the tax rate that is needed to raise the same amount of taxes that the taxing unit levied in the prior year plus the applicable percentage allowed by law. This rate accounts for such things as salaries, utilities and day-to-day operations.
- Debt Rate:** The debt rate includes the debt service necessary to pay the taxing unit's debt payments in the coming year. This rate accounts for principal and interest on bonds and other debt secured by property tax revenue.

The voter-approval tax rate for a county is the sum of the voter-approval tax rates calculated for each type of tax the county levies. In most cases the voter-approval tax rate exceeds the no-new-revenue tax rate, but occasionally decreases in a taxing unit's debt service will cause the NNR tax rate to be higher than the voter-approval tax rate.

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
28.	Prior year M&O tax rate. Enter the prior year M&O tax rate.	\$ 0.509273 /\$100
29.	Prior year taxable value, adjusted for actual and potential court-ordered adjustments. Enter the amount in Line 8 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 1,210,724,385

¹³ Tex. Tax Code §26.01(c) and (d)
¹⁴ Tex. Tax Code §26.01(c)
¹⁵ Tex. Tax Code §26.01(d)
¹⁶ Tex. Tax Code §26.012(6)(B)
¹⁷ Tex. Tax Code §26.012(6)
¹⁸ Tex. Tax Code §26.012(17)
¹⁹ Tex. Tax Code §26.012(17)
²⁰ Tex. Tax Code §26.04(c)
²¹ Tex. Tax Code §26.04(d)

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
30.	Total prior year M&O levy. Multiply Line 28 by Line 29 and divide by \$100.	\$ 6,165,892
31.	<p>Adjusted prior year levy for calculating NNR M&O rate.</p> <p>A. M&O taxes refunded for years preceding the prior tax year. Enter the amount of M&O taxes refunded in the preceding year for taxes before that year. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for tax year 2023. This line applies only to tax years preceding the prior tax year..... + \$ 61,669</p> <p>B. Prior year taxes in TIF. Enter the amount of taxes paid into the tax increment fund for a reinvestment zone as agreed by the taxing unit. If the taxing unit has no current year captured appraised value in Line 18D, enter 0..... - \$ 193,421</p> <p>C. Prior year transferred function. If discontinuing all of a department, function or activity and transferring it to another taxing unit by written contract, enter the amount spent by the taxing unit discontinuing the function in the 12 months preceding the month of this calculation. If the taxing unit did not operate this function for this 12-month period, use the amount spent in the last full fiscal year in which the taxing unit operated the function. The taxing unit discontinuing the function will subtract this amount in D below. The taxing unit receiving the function will add this amount in D below. Other taxing units enter 0. +/- \$ 0</p> <p>D. Prior year M&O levy adjustments. Subtract B from A. For taxing unit with C, subtract if discontinuing function and add if receiving function..... \$ -131,752</p> <p>E. Add Line 30 to 31D.</p>	\$ 6,034,140
32.	Adjusted current year taxable value. Enter the amount in Line 25 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 1,208,964,727
33.	Current year NNR M&O rate (unadjusted). Divide Line 31E by Line 32 and multiply by \$100.	\$ 0.499116 /\$100
34.	<p>Rate adjustment for state criminal justice mandate. ²³</p> <p>A. Current year state criminal justice mandate. Enter the amount spent by a county in the previous 12 months providing for the maintenance and operation cost of keeping inmates in county-paid facilities after they have been sentenced. Do not include any state reimbursement received by the county for the same purpose. \$ 0</p> <p>B. Prior year state criminal justice mandate. Enter the amount spent by a county in the 12 months prior to the previous 12 months providing for the maintenance and operation cost of keeping inmates in county-paid facilities after they have been sentenced. Do not include any state reimbursement received by the county for the same purpose. Enter zero if this is the first time the mandate applies..... - \$ 0</p> <p>C. Subtract B from A and divide by Line 32 and multiply by \$100..... \$ 0.000000 /\$100</p> <p>D. Enter the rate calculated in C. If not applicable, enter 0.</p>	\$ 0.000000 /\$100
35.	<p>Rate adjustment for indigent health care expenditures. ²⁴</p> <p>A. Current year indigent health care expenditures. Enter the amount paid by a taxing unit providing for the maintenance and operation cost of providing indigent health care for the period beginning on July 1, of the prior tax year and ending on June 30, of the current tax year, less any state assistance received for the same purpose..... \$ 0</p> <p>B. Prior year indigent health care expenditures. Enter the amount paid by a taxing unit providing for the maintenance and operation cost of providing indigent health care for the period beginning on July 1, 2022 and ending on June 30, 2023, less any state assistance received for the same purpose..... - \$ 0</p> <p>C. Subtract B from A and divide by Line 32 and multiply by \$100..... \$ 0.000000 /\$100</p> <p>D. Enter the rate calculated in C. If not applicable, enter 0.</p>	\$ 0.000000 /\$100

²² [Reserved for expansion]

²³ Tex. Tax Code §26.044

²⁴ Tex. Tax Code §26.0441

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
36.	<p>Rate adjustment for county indigent defense compensation. ²⁵</p> <p>A. Current year indigent defense compensation expenditures. Enter the amount paid by a county to provide appointed counsel for indigent individuals and fund the operations of a public defender's office under Article 26.044, Code of Criminal Procedure for the period beginning on July 1, of the prior tax year and ending on June 30, of the current tax year, less any state grants received by the county for the same purpose..... \$ 0</p> <p>B. Prior year indigent defense compensation expenditures. Enter the amount paid by a county to provide appointed counsel for indigent individuals and fund the operations of a public defender's office under Article 26.044, Code of Criminal Procedure for the period beginning on July 1, 2022 and ending on June 30, 2023, less any state grants received by the county for the same purpose..... \$ 0</p> <p>C. Subtract B from A and divide by Line 32 and multiply by \$100..... \$ 0.000000 /\$100</p> <p>D. Multiply B by 0.05 and divide by Line 32 and multiply by \$100..... \$ 0.000000 /\$100</p> <p>E. Enter the lesser of C and D. If not applicable, enter 0.</p>	\$ 0.000000 /\$100
37.	<p>Rate adjustment for county hospital expenditures. ²⁶</p> <p>A. Current year eligible county hospital expenditures. Enter the amount paid by the county or municipality to maintain and operate an eligible county hospital for the period beginning on July 1, of the prior tax year and ending on June 30, of the current tax year..... \$ 0</p> <p>B. Prior year eligible county hospital expenditures. Enter the amount paid by the county or municipality to maintain and operate an eligible county hospital for the period beginning on July 1, 2022 and ending on June 30, 2023. \$ 0</p> <p>C. Subtract B from A and divide by Line 32 and multiply by \$100..... \$ 0.000000 /\$100</p> <p>D. Multiply B by 0.08 and divide by Line 32 and multiply by \$100..... \$ 0.000000 /\$100</p> <p>E. Enter the lesser of C and D, if applicable. If not applicable, enter 0.</p>	\$ 0.000000 /\$100
38.	<p>Rate adjustment for defunding municipality. This adjustment only applies to a municipality that is considered to be a defunding municipality for the current tax year under Chapter 109, Local Government Code. Chapter 109, Local Government Code only applies to municipalities with a population of more than 250,000 and includes a written determination by the Office of the Governor. See Tax Code Section 26.0444 for more information.</p> <p>A. Amount appropriated for public safety in the prior year. Enter the amount of money appropriated for public safety in the budget adopted by the municipality for the preceding fiscal year..... \$ 0</p> <p>B. Expenditures for public safety in the prior year. Enter the amount of money spent by the municipality for public safety during the preceding fiscal year \$ 0</p> <p>C. Subtract B from A and divide by Line 32 and multiply by \$100 \$ 0.000000 /\$100</p> <p>D. Enter the rate calculated in C. If not applicable, enter 0.</p>	\$ 0.000000 /\$100
39.	<p>Adjusted current year NNR M&O rate. Add Lines 33, 34D, 35D, 36E, and 37E. Subtract Line 38D.</p>	\$ 0.499116 /\$100
40.	<p>Adjustment for prior year sales tax specifically to reduce property taxes. Cities, counties and hospital districts that collected and spent additional sales tax on M&O expenses in the prior year should complete this line. These entities will deduct the sales tax gain rate for the current year in Section 3. Other taxing units, enter zero.</p> <p>A. Enter the amount of additional sales tax collected and spent on M&O expenses in the prior year, if any. Counties must exclude any amount that was spent for economic development grants from the amount of sales tax spent..... \$ 738,973</p> <p>B. Divide Line 40A by Line 32 and multiply by \$100..... \$ 0.061124 /\$100</p> <p>C. Add Line 40B to Line 39.</p>	\$ 0.560240 /\$100
41.	<p>Current year voter-approval M&O rate. Enter the rate as calculated by the appropriate scenario below.</p> <p>Special Taxing Unit. If the taxing unit qualifies as a special taxing unit, multiply Line 40C by 1.08.</p> <p>- or -</p> <p>Other Taxing Unit. If the taxing unit does not qualify as a special taxing unit, multiply Line 40C by 1.035.</p>	\$ 0.579848 /\$100

²⁵ Tex. Tax Code §26.0442

²⁶ Tex. Tax Code §26.0443

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
D41.	<p>Disaster Line 41 (D41): Current year voter-approval M&O rate for taxing unit affected by disaster declaration. If the taxing unit is located in an area declared a disaster area and at least one person is granted an exemption under Tax Code Section 11.35 for property located in the taxing unit, the governing body may direct the person calculating the voter-approval tax rate to calculate in the manner provided for a special taxing unit. The taxing unit shall continue to calculate the voter-approval tax rate in this manner until the earlier of:</p> <p>1) the first year in which total taxable value on the certified appraisal roll exceeds the total taxable value of the tax year in which the disaster occurred; or</p> <p>2) the third tax year after the tax year in which the disaster occurred.</p> <p>If the taxing unit qualifies under this scenario, multiply Line 40C by 1.08.²⁷ If the taxing unit does not qualify, do not complete Disaster Line 41 (Line D41).</p>	\$ 0.000000 /\$100
42.	<p>Total current year debt to be paid with property taxes and additional sales tax revenue. Debt means the interest and principal that will be paid on debts that:</p> <p>(1) are paid by property taxes;</p> <p>(2) are secured by property taxes;</p> <p>(3) are scheduled for payment over a period longer than one year; and</p> <p>(4) are not classified in the taxing unit's budget as M&O expenses.</p> <p>A. Debt also includes contractual payments to other taxing units that have incurred debts on behalf of this taxing unit, if those debts meet the four conditions above. Include only amounts that will be paid from property tax revenue. Do not include appraisal district budget payments. If the governing body of a taxing unit authorized or agreed to authorize a bond, warrant, certificate of obligation, or other evidence of indebtedness on or after Sept. 1, 2021, verify if it meets the amended definition of debt before including it here.²⁸</p> <p>Enter debt amount \$ 2,600,769</p> <p>B. Subtract unencumbered fund amount used to reduce total debt. - \$ 0</p> <p>C. Subtract certified amount spent from sales tax to reduce debt (enter zero if none) - \$ 0</p> <p>D. Subtract amount paid from other resources - \$ 228,299</p> <p>E. Adjusted debt. Subtract B, C and D from A. \$ 2,372,470</p>	\$ 2,372,470
43.	Certified prior year excess debt collections. Enter the amount certified by the collector. ²⁹	\$ 0
44.	Adjusted current year debt. Subtract Line 43 from Line 42E.	\$ 2,372,470
45.	<p>Current year anticipated collection rate.</p> <p>A. Enter the current year anticipated collection rate certified by the collector.³⁰ 100.00 %</p> <p>B. Enter the prior year actual collection rate..... 99.29 %</p> <p>C. Enter the 2022 actual collection rate. 100.27 %</p> <p>D. Enter the 2021 actual collection rate. 100.40 %</p> <p>E. If the anticipated collection rate in A is lower than actual collection rates in B, C and D, enter the lowest collection rate from B, C and D. If the anticipated rate in A is higher than at least one of the rates in the prior three years, enter the rate from A. Note that the rate can be greater than 100%.³¹</p>	100.00 %
46.	Current year debt adjusted for collections. Divide Line 44 by Line 45E.	\$ 2,372,470
47.	Current year total taxable value. Enter the amount on Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 1,215,300,957
48.	Current year debt rate. Divide Line 46 by Line 47 and multiply by \$100.	\$ 0.195216 /\$100
49.	Current year voter-approval M&O rate plus current year debt rate. Add Lines 41 and 48.	\$ 0.775064 /\$100
D49.	<p>Disaster Line 49 (D49): Current year voter-approval tax rate for taxing unit affected by disaster declaration. Complete this line if the taxing unit calculated the voter-approval tax rate in the manner provided for a special taxing unit on Line D41. Add Line D41 and 48.</p>	\$ 0.000000 /\$100

²⁷ Tex. Tax Code §26.042(a)
²⁸ Tex. Tax Code §26.012(7)
²⁹ Tex. Tax Code §26.012(10) and 26.04(b)
³⁰ Tex. Tax Code §26.04(b)
³¹ Tex. Tax Code §26.04(h), (h-1) and (h-2)

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
50.	COUNTIES ONLY. Add together the voter-approval tax rates for each type of tax the county levies. The total is the current year county voter-approval tax rate.	\$ 0.000000 /\$100

SECTION 3: NNR Tax Rate and Voter-Approval Tax Rate Adjustments for Additional Sales Tax to Reduce Property Taxes

Cities, counties and hospital districts may levy a sales tax specifically to reduce property taxes. Local voters by election must approve imposing or abolishing the additional sales tax. If approved, the taxing unit must reduce its NNR and voter-approval tax rates to offset the expected sales tax revenue.

This section should only be completed by a county, city or hospital district that is required to adjust its NNR tax rate and/or voter-approval tax rate because it adopted the additional sales tax.

Line	Additional Sales and Use Tax Worksheet	Amount/Rate
51.	Taxable Sales. For taxing units that adopted the sales tax in November of the prior tax year or May of the current tax year, enter the Comptroller’s estimate of taxable sales for the previous four quarters. ³² Estimates of taxable sales may be obtained through the Comptroller’s Allocation Historical Summary webpage. Taxing units that adopted the sales tax before November of the prior year, enter 0.	\$ 0
52.	Estimated sales tax revenue. Counties exclude any amount that is or will be spent for economic development grants from the amount of estimated sales tax revenue. ³³ Taxing units that adopted the sales tax in November of the prior tax year or in May of the current tax year. Multiply the amount on Line 51 by the sales tax rate (.01, .005 or .0025, as applicable) and multiply the result by .95. ³⁴ - or - Taxing units that adopted the sales tax before November of the prior year. Enter the sales tax revenue for the previous four quarters. Do not multiply by .95.	\$ 738,973
53.	Current year total taxable value. Enter the amount from Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 1,215,300,957
54.	Sales tax adjustment rate. Divide Line 52 by Line 53 and multiply by \$100.	\$ 0.060805 /\$100
55.	Current year NNR tax rate, unadjusted for sales tax. ³⁵ Enter the rate from Line 26 or 27, as applicable, on the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 0.686241 /\$100
56.	Current year NNR tax rate, adjusted for sales tax. Taxing units that adopted the sales tax in November the prior tax year or in May of the current tax year. Subtract Line 54 from Line 55. Skip to Line 57 if you adopted the additional sales tax before November of the prior tax year.	\$ 0.686241 /\$100
57.	Current year voter-approval tax rate, unadjusted for sales tax. ³⁶ Enter the rate from Line 49, Line D49 (disaster) or Line 50 (counties) as applicable, of the <i>Voter-Approval Tax Rate Worksheet</i> .	\$ 0.775064 /\$100
58.	Current year voter-approval tax rate, adjusted for sales tax. Subtract Line 54 from Line 57.	\$ 0.714259 /\$100

SECTION 4: Voter-Approval Tax Rate Adjustment for Pollution Control

A taxing unit may raise its rate for M&O funds used to pay for a facility, device or method for the control of air, water or land pollution. This includes any land, structure, building, installation, excavation, machinery, equipment or device that is used, constructed, acquired or installed wholly or partly to meet or exceed pollution control requirements. The taxing unit’s expenses are those necessary to meet the requirements of a permit issued by the Texas Commission on Environmental Quality (TCEQ). The taxing unit must provide the tax assessor with a copy of the TCEQ letter of determination that states the portion of the cost of the installation for pollution control.

This section should only be completed by a taxing unit that uses M&O funds to pay for a facility, device or method for the control of air, water or land pollution.

Line	Voter-Approval Rate Adjustment for Pollution Control Requirements Worksheet	Amount/Rate
59.	Certified expenses from the Texas Commission on Environmental Quality (TCEQ). Enter the amount certified in the determination letter from TCEQ. ³⁷ The taxing unit shall provide its tax assessor-collector with a copy of the letter. ³⁸	\$ 0
60.	Current year total taxable value. Enter the amount from Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 1,215,300,957
61.	Additional rate for pollution control. Divide Line 59 by Line 60 and multiply by \$100.	\$ 0.000000 /\$100

³² Tex. Tax Code §26.041(d)

³³ Tex. Tax Code §26.041(f)

³⁴ Tex. Tax Code §26.041(d)

³⁵ Tex. Tax Code §26.04(c)

³⁶ Tex. Tax Code §26.04(c)

³⁷ Tex. Tax Code §26.045(d)

³⁸ Tex. Tax Code §26.045(i)

Line	Voter-Approval Rate Adjustment for Pollution Control Requirements Worksheet	Amount/Rate
62.	Current year voter-approval tax rate, adjusted for pollution control. Add Line 61 to one of the following lines (as applicable): Line 49, Line D49 (disaster), Line 50 (counties) or Line 58 (taxing units with the additional sales tax).	\$ 0.714259 /\$100

SECTION 5: Voter-Approval Tax Rate Adjustment for Unused Increment Rate

The unused increment rate is the rate equal to the sum of the prior 3 years Foregone Revenue Amounts divided by the current taxable value.³⁹ The Foregone Revenue Amount for each year is equal to that year's adopted tax rate subtracted from that year's voter-approval tax rate adjusted to remove the unused increment rate multiplied by that year's current total value.⁴⁰

The difference between the adopted tax rate and adjusted voter-approval tax rate is considered zero in the following scenarios:

- a tax year in which a taxing unit affected by a disaster declaration calculates the tax rate under Tax Code Section 26.042;⁴¹
- a tax year in which the municipality is a defunding municipality, as defined by Tax Code Section 26.0501(a);⁴² or
- after Jan. 1, 2022, a tax year in which the comptroller determines that the county implemented a budget reduction or reallocation described by Local Government Code Section 120.002(a) without the required voter approval.⁴³

This section should only be completed by a taxing unit that does not meet the definition of a special taxing unit.⁴⁴

Line	Unused Increment Rate Worksheet	Amount/Rate
63.	Year 3 Foregone Revenue Amount. Subtract the 2023 unused increment rate and 2023 actual tax rate from the 2023 voter-approval tax rate. Multiply the result by the 2023 current total value	
	A. Voter-approval tax rate (Line 67).....	\$ 0.706208 /\$100
	B. Unused increment rate (Line 66).....	\$ 0.000000 /\$100
	C. Subtract B from A.....	\$ 0.706208 /\$100
	D. Adopted Tax Rate.....	\$ 0.706190 /\$100
	E. Subtract D from C.....	\$ 0.000018 /\$100
	F. 2023 Total Taxable Value (Line 60).....	\$ 1,174,395,219
	G. Multiply E by F and divide the results by \$100. If the number is less than zero, enter zero.....	\$ 211
64.	Year 2 Foregone Revenue Amount. Subtract the 2022 unused increment rate and 2022 actual tax rate from the 2022 voter-approval tax rate. Multiply the result by the 2022 current total value	
	A. Voter-approval tax rate (Line 67).....	\$ 0.435275 /\$100
	B. Unused increment rate (Line 66).....	\$ 0.018972 /\$100
	C. Subtract B from A.....	\$ 0.416303 /\$100
	D. Adopted Tax Rate.....	\$ 0.706190 /\$100
	E. Subtract D from C.....	\$ -0.289887 /\$100
	F. 2022 Total Taxable Value (Line 60).....	\$ 974,064,272
	G. Multiply E by F and divide the results by \$100. If the number is less than zero, enter zero.....	\$ 0
65.	Year 1 Foregone Revenue Amount. Subtract the 2021 unused increment rate and 2021 actual tax rate from the 2021 voter-approval tax rate. Multiply the result by the 2021 current total value	
	A. Voter-approval tax rate (Line 67).....	\$ 0.783057 /\$100
	B. Unused increment rate (Line 66).....	\$ 0.000001 /\$100
	C. Subtract B from A.....	\$ 0.783056 /\$100
	D. Adopted Tax Rate.....	\$ 0.764085 /\$100
	E. Subtract D from C.....	\$ 0.018971 /\$100
	F. 2021 Total Taxable Value (Line 60).....	\$ 848,609,784
	G. Multiply E by F and divide the results by \$100. If the number is less than zero, enter zero.....	\$ 160,989
66.	Total Foregone Revenue Amount. Add Lines 63G, 64G and 65G	\$ 161,200 /\$100
67.	2024 Unused Increment Rate. Divide Line 66 by Line 21 of the No-New-Revenue Rate Worksheet. Multiply the result by 100	\$ 0.013264 /\$100
68.	Total 2024 voter-approval tax rate, including the unused increment rate. Add Line 67 to one of the following lines (as applicable): Line 49, Line 50 (counties), Line 58 (taxing units with additional sales tax) or Line 62 (taxing units with pollution)	\$ 0.727523 /\$100

³⁹ Tex. Tax Code §26.013(b)
⁴⁰ Tex. Tax Code §26.013(a)(1-a), (1-b), and (2)
⁴¹ Tex. Tax Code §526.04(c)(2)(A) and 26.042(a)
⁴² Tex. Tax Code §26.0501(a) and (c)
⁴³ Tex. Local Gov't Code §120.007(d)
⁴⁴ Tex. Local Gov't Code §120.007(d)

SECTION 6: De Minimis Rate

The de minimis rate is the rate equal to the sum of the no-new-revenue maintenance and operations rate, the rate that will raise \$500,000, and the current debt rate for a taxing unit.⁴⁴ This section should only be completed by a taxing unit that is a municipality of less than 30,000 or a taxing unit that does not meet the definition of a special taxing unit.⁴⁵

Line	De Minimis Rate Worksheet	Amount/Rate
69.	Adjusted current year NNR M&O tax rate. Enter the rate from Line 39 of the <i>Voter-Approval Tax Rate Worksheet</i> .	\$ 0.499116 /\$100
70.	Current year total taxable value. Enter the amount on Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 1,215,300,957
71.	Rate necessary to impose \$500,000 in taxes. Divide \$500,000 by Line 70 and multiply by \$100.	\$ 0.041142 /\$100
72.	Current year debt rate. Enter the rate from Line 48 of the <i>Voter-Approval Tax Rate Worksheet</i> .	\$ 0.195216 /\$100
73.	De minimis rate. Add Lines 69, 71 and 72.	\$ 0.735474 /\$100

SECTION 7: Voter-Approval Tax Rate Adjustment for Emergency Revenue Rate

In the tax year after the end of the disaster calculation time period detailed in Tax Code Section 26.042(a), a taxing unit that calculated its voter-approval tax rate in the manner provided for a special taxing unit due to a disaster must calculate its emergency revenue rate and reduce its voter-approval tax rate for that year.⁴⁸

Similarly, if a taxing unit adopted a tax rate that exceeded its voter-approval tax rate, calculated normally, without holding an election to respond to a disaster, as allowed by Tax Code Section 26.042(d), in the prior year, it must also reduce its voter-approval tax rate for the current tax year.⁴⁹

This section will apply to a taxing unit other than a special taxing unit that:

- directed the designated officer or employee to calculate the voter-approval tax rate of the taxing unit in the manner provided for a special taxing unit in the prior year; and
- the current year is the first tax year in which the total taxable value of property taxable by the taxing unit as shown on the appraisal roll for the taxing unit submitted by the assessor for the taxing unit to the governing body exceeds the total taxable value of property taxable by the taxing unit on January 1 of the tax year in which the disaster occurred or the disaster occurred four years ago. This section will apply to a taxing unit in a disaster area that adopted a tax rate greater than its voter-approval tax rate without holding an election in the prior year.

Note: This section does not apply if a taxing unit is continuing to calculate its voter-approval tax rate in the manner provided for a special taxing unit because it is still within the disaster calculation time period detailed in Tax Code Section 26.042(a) because it has not met the conditions in Tax Code Section 26.042(a)(1) or (2).

Line	Emergency Revenue Rate Worksheet	Amount/Rate
74.	2023 adopted tax rate. Enter the rate in Line 4 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 0.706190 /\$100
75.	Adjusted 2023 voter-approval tax rate. Use the taxing unit's Tax Rate Calculation Worksheets from the prior year(s) to complete this line. If a disaster occurred in 2023 and the taxing unit calculated its 2023 voter-approval tax rate using a multiplier of 1.08 on Disaster Line 41 (D41) of the 2023 worksheet due to a disaster, complete the applicable sections or lines of <i>Form 50-856-a, Adjusted Voter-Approval Tax Rate for Taxing Units in Disaster Area Calculation Worksheet</i> . - or - If a disaster occurred prior to 2023 for which the taxing unit continued to calculate its voter-approval tax rate using a multiplier of 1.08 on Disaster Line 41 (D41) in 2023, complete form 50-856-a, <i>Adjusted Voter-Approval Tax Rate for Taxing Units in Disaster Area Calculation Worksheet</i> to recalculate the voter-approval tax rate the taxing unit would have calculated in 2023 if it had generated revenue based on an adopted tax rate using a multiplier of 1.035 in the years following the disaster. ⁵⁰ Enter the final adjusted 2023 voter-approval tax rate from the worksheet. - or - If the taxing unit adopted a tax rate above the 2023 voter-approval tax rate without calculating a disaster tax rate or holding an election due to a disaster, no recalculation is necessary. Enter the voter-approval tax rate from the prior year's worksheet.	\$ 0.000000 /\$100
76.	Increase in 2023 tax rate due to disaster. Subtract Line 75 from Line 74.	\$ 0.000000 /\$100
77.	Adjusted 2023 taxable value. Enter the amount in Line 14 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ _____
78.	Emergency revenue. Multiply Line 76 by Line 77 and divide by \$100.	\$ _____
79.	Adjusted 2023 taxable value. Enter the amount in Line 25 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ _____
80.	Emergency revenue rate. Divide Line 78 by Line 79 and multiply by \$100. ⁵¹	\$ 0.000000 /\$100

⁴⁴ Tex. Tax Code §26.04(c)(2)(B)
⁴⁵ Tex. Tax Code §26.012(8-a)
⁴⁷ Tex. Tax Code §26.063(a)(1)
⁴⁸ Tex. Tax Code §26.042(b)
⁴⁹ Tex. Tax Code §26.042(f)
⁵⁰ Tex. Tax Code §26.042(c)
⁵¹ Tex. Tax Code §26.042(b)

Line	Emergency Revenue Rate Worksheet	Amount/Rate
81.	Current year voter-approval tax rate, adjusted for emergency revenue. Subtract Line 80 from one of the following lines (as applicable): Line 49, Line D49 (disaster), Line 50 (counties), Line 58 (taxing units with the additional sales tax), Line 62 (taxing units with pollution control) or Line 68 (taxing units with the unused increment rate).	\$ 0.727523 /\$100

SECTION 8: Total Tax Rate

Indicate the applicable total tax rates as calculated above.

- No-new-revenue tax rate.** \$ 0.686241 /\$100
As applicable, enter the current year NNR tax rate from: Line 26, Line 27 (counties), or Line 56 (adjusted for sales tax).
Indicate the line number used: 26

- Voter-approval tax rate.** \$ 0.727523 /\$100
As applicable, enter the current year voter-approval tax rate from: Line 49, Line D49 (disaster), Line 50 (counties), Line 58 (adjusted for sales tax), Line 62 (adjusted for pollution control), Line 68 (adjusted for unused increment), or Line 81 (adjusted for emergency revenue).
Indicate the line number used: 68

- De minimis rate.** \$ 0.735474 /\$100
If applicable, enter the current year de minimis rate from Line 73.

SECTION 9: Taxing Unit Representative Name and Signature

Enter the name of the person preparing the tax rate as authorized by the governing body of the taxing unit. By signing below, you certify that you are the designated officer or employee of the taxing unit and have accurately calculated the tax rates using values that are the same as the values shown in the taxing unit's certified appraisal roll or certified estimate of taxable value, in accordance with requirements in the Tax Code.⁵²

print here → Wendy Burgess

 Printed Name of Taxing Unit Representative

sign here → *Wendy Burgess*

 Taxing Unit Representative

8-8-2024

 Date

⁵² Tex. Tax Code §§26.04(c-2) and (d-2)

Statements required in notice if the proposed tax rate exceeds the no-new-revenue tax rate but does not exceed the voter-approval tax rate, as prescribed by Tax Code §§26.06(b-2).

NOTICE OF PUBLIC HEARING ON TAX INCREASE

This notice only applies to a taxing unit other than a special taxing unit or municipality with a population of less than 30,000, regardless of whether it is a special taxing unit.

PROPOSED TAX RATE	\$ <u>0.706190</u>	per \$100
NO-NEW-REVENUE TAX RATE	\$ <u>0.686241</u>	per \$100
VOTER-APPROVAL TAX RATE	\$ <u>0.727523</u>	per \$100

The no-new-revenue tax rate is the tax rate for the 2024 (current tax year) tax year that will raise the same amount of property tax revenue for the City of Kennedale (name of taxing unit) from the same properties in both the 2023 (preceding tax year) tax year and the 2024 (current tax year) tax year.

The voter-approval tax rate is the highest tax rate that the City of Kennedale (name of taxing unit) may adopt without holding an election to seek voter approval of the rate.

The proposed tax rate is greater than the no-new-revenue tax rate. This means that the City of Kennedale (name of taxing unit) is proposing to increase property taxes for the 2024 (current tax year) tax year.

A PUBLIC HEARING ON THE PROPOSED TAX RATE WILL BE HELD ON August 20, 2024 at 5:30pm (date and time) at 405 Municipal Drive, Kennedale, TX 76060 (meeting place).

The proposed tax rate is not greater than the voter-approval tax rate. As a result, the City of Kennedale (name of taxing unit) is not required to hold an election at which voters may accept or reject the proposed tax rate. However, you may express your support for or opposition to the proposed tax rate by contacting the members of the City Council (name of governing body) of the City of Kennedale (name of taxing unit) at their offices or by attending the public hearing mentioned above.

YOUR TAXES OWED UNDER ANY OF THE TAX RATES MENTIONED ABOVE CAN BE CALCULATED AS FOLLOWS:

$$\text{Property tax amount} = (\text{tax rate}) \times (\text{taxable value of your property}) / 100$$

(List names of all members of the governing body below, showing how each voted on the proposal to consider the tax increase or, if one or more were absent, indicating absences.)

FOR the proposal: _____
AGAINST the proposal: _____
PRESENT and not voting: _____
ABSENT: _____

Visit [Texas.gov/PropertyTaxes](https://www.texas.gov/PropertyTaxes) to find a link to your local property tax database on which you can easily access information regarding your property taxes, including information about proposed tax rates and scheduled public hearings of each entity that taxes your property.

The 86th Texas Legislature modified the manner in which the voter-approval tax rate is calculated to limit the rate of growth of property taxes in the state.

The following table compares the taxes imposed on the average residence homestead by the City of Kennedale last year
(name of taxing unit)
to the taxes proposed to be imposed on the average residence homestead by the City of Kennedale this year.
(name of taxing unit)

	2023	2024	Change
Total tax rate (per \$100 of value)	\$0.7062910	\$0.7062910	There is no change in tax rate from the previous year.
Average homestead taxable value	\$313,806	\$323,321	Increase of 3.03%, or \$9,515.
Tax on average homestead	\$2,216.07	\$2,283.26	Increase of \$67.19, or 3.03%.
Total tax levy on all properties	\$8,293,462	\$8,582,334	Increase of \$288,872 or 3.48%

For assistance with tax calculations, please contact the tax assessor for Tarrant County
(name of taxing unit)
at 817-884-1100 or taxoffice@tarrantcountytx.gov, or visit www.tarrantcountytx.gov/en/tax.html
(telephone number) *(email address)* *(internet website address)*
for more information.

MEETING DATE: AUGUST 12, 2024

AGENDA ITEM NUMBER: BUDGET WORKSESSION

SUBJECT

Changes to the General Fund of the Proposed Budget since the July 8th budget workshop.

ORIGINATED BY

Jon Horton, Director of Finance

SUMMARY

The proposed tax rate has changed to 0.706190, which is the same as our current rate

- The Voter Approval Rate has changed to 0.727523
- The No New Revenue Rate has changed to 0.686241

The following positions have been removed:

- Grant Writer (Finance)
- Full-time Clerk (Library)
- Captain (Police)

The following reductions have been made to operations, shown by department:

- City Manager
 - Removed the EDC Director and related supplies
- Mayor and Council
 - Assoc Dues/Publications to \$600
 - Training to \$3,500
 - Office Equipment to \$1,500
 - Legal Services to \$170,000
 - Travel to \$6,500
- Municipal Court
 - Training to \$3,000
- Human Resources
 - Special Events to \$12,000
 - Travel to \$1,500
 - Training to \$2,000
- Finance
 - Removed expenses related to the Grant Writer Position
 - Office Equipment to \$2,500
 - Assoc Dues/Publications to \$1,500
- Police
 - Removed one Ford Interceptor vehicle (\$72,800)
 - Removed two new radios (\$14,694)
 - Removed SUV storage vault (\$4,425)
 - Victuals to \$1,000
- Fire
 - Building Maintenance to \$30,000
- Community Development
 - Removed new Truck (\$40,000)

- Library
 - Removed RFID project (\$17,000 across two accounts)
- Communications
 - Removed new computer (\$2,000)
 - Community Relations to \$6,000
 - Special Events to \$6,000
 - Travel to \$900
- Non-Departmental
 - Removed the Cloud (\$30,000)

The following increases took place:

- Public Works
 - Park Maintenance to \$30,000
 - Sonora and Rodgers Farm Parks to \$30,000
 - Building Maintenance to \$14,350 (\$8k for a/c unit)

Adjustments to Water Service and Sewer Service revenue have been made to reflect upcoming water rates (Fund 10).

The Court Technology Fund has added \$10,000 to the Office Equipment account for upgrades and purchases related to the new clerk position.

Also of note: To be compliant with State law, the Juvenile Case Manager Fund has been changed to the Local Youth Diversion Fund.

RECOMMENDATION

ATTACHMENTS

MEETING DATE: AUGUST 20, 2024

AGENDA ITEM NUMBER:

SUBJECT

Fiscal Year 2025(FY25) Proposed Budget

ORIGINATED BY

Jon Horton, Director of Finance

SUMMARY

Since our meeting on August 12th the following changes were 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.

This FY25 Budget has been part of three Council work sessions: April 15, July 8th, and August 12th. Additional related work sessions were held regarding bonds that included budgetary elements. The budget before you now is a result of the guidance and recommendations provided during those sessions.

RECOMMENDATION

Approve an ordinance adopting the FY25 budget

ATTACHMENTS

Object	Account Name	Funds	Description
4001	PROPERTY TAX-CURRENT	All	Property tax collections for current taxes
4002	MMD TAX-CURRENT YEAR	All	Based on assessed value of \$2,783,693 and total tax rate of 2.880965 per \$100 (minus tract 1R for surplus); participants -- City of Kennedale, Kennedale ISD, Tarrant County, Tarrant Hospital, Tarrant College
4010	WATER SERVICE	All	Fees collected from residents for water service
4011	PROPERTY TAX-DELINQUENT	All	Property tax collections for past due taxes
4020	SEWER SERVICE	All	Fees collected from residents for sewer service
4041	PROPERTY TAX-PENALTY	All	Property tax collections for past due taxes
4060	WATER TAP FEES	All	Fees collected for water taps
4061	METER PURCHASE/INSTALATION	All	Fees collected for meter installation
4070	SEWER TAP FEES	All	Fees collected for sewer taps
4071	ENGINEER REVIEW FEES	10	Fees collected for engineer review of plats and plans
4071	FRANCHISE FEES – TELEPHONE	17	Right of way % of gross quarterly revenues for companies with landline sales, based on line rates adopted by Council and submitted to PUC, adjusted annually / midyear for CPI
4072	FRANCHISE FEES – GARBAGE	All	Right of way agreement with wast connections -- 10% of gross monthly revenues (6% gross billings in limites, 4% gross billing collection fees) adjusted annually in February for CPI
4073	FRANCHISE FEES – GAS	All	Right of way agreement with ATMOS, 5% of gross calendar year revenues, received in February
4074	FRANCHISE FEES – ELECTRICITY	17	Right of way agreement with ONCOR/GEXA based on 1998 revenue, received in March
4074	SANITATION BILLING FEES	10	Franchise fees from trash and recycling currently provided by Waste Connections
4075	FRANCHISE FEES-CABLE	All	Right of way agreement with Charter, 5% of gross quarterly revenues
4076	FRANCHISE FEES-WATER/SEWER	17	Right of way franchise fee for street repair for water sewer damages
4076	OTHER FEES-WATER/SEWER	10	Any fees related to water/sewer that do fall within any other category
4081	SALES TAX	All	2% sales tax allocated .015 General Fund and .005 EDC Fund, or said differently, 75% General Fund and 25% EDC Fund
4082	ARLINGTON OPERATOR COST	10	Arlington reimbursement for well electric and Fort Worth wholesale water purchases
4082	MIXED BEVERAGE TAX	1	Tax collected on mixed beverages
4083	SALES TAX-INTERLOCAL	All	Interlocal agreement with Arlington for sales tax related to Walmart. 1% total sales tax is split 75% Arlington and 25% Kennedale. Once received, funds are split 75% General Fund and 25% EDC fund
4084	OCCUPANCY TAX	30	Texas Tax Code Chapter 351 and Ordinance 666 for short-term rental (less than 30 days) establish a 7% city tax on gross rent for lodgings less any lawful exemptions
4085	CARES ACT FUNDING	35	Federal funds related to the Cares Act
4086	POLICE GRANT	All	Any grant that supports the police department
4087	AUTO TASK FORCE GRANT	All	Cost sharing from City of Mansfield for task force grant
4094	LEOSE POLICE TRAINING	All	Received from State Law Enforcement Officer Standards and Education (LEOSE) and based on total number of eligible law enforcement positions. Must be utilized for the continuing education of certified officers
4098	FIRE DEPARTMENT GRANT	All	Any grant that supports the fire department
4101	BUSINESS LICENSES	All	Permit per fee schedule
4120	CONTRACTOR LICENSES	All	Permit per fee schedule
4150	CERTIFICATE OF OCCUPANCY	All	Permit per fee schedule
4155	BUILDING PERMITS	All	Permit per fee schedule
4160	ELECTRICAL PERMITS	All	Permit per fee schedule
4165	PLUMBING PERMITS	All	Permit per fee schedule
4175	MECHANICAL PERMITS	All	Permit per fee schedule
4190	OTHER PERMITS/FEES	All	Permit per fee schedule
4191	PLAT FILING FEES	All	Permit per fee schedule
4192	ZONE CHANGE FEES	All	Permit per fee schedule
4193	PLAN REVIEW FEES	All	Permit per fee schedule
4194	PARK DEDICATION FEES	All	Developer generally donates land or pays equivalent funds per acre upon final plat
4195	ANIMAL IMPOUNDING FEE	All	Fee per schedule
4196	ANIMAL REGISTRATION	All	Permit per fee schedule
4198	MOWING/DEMOLITION CHARGE	All	Fee for noncompliance with City Ordinance
4199	REINSPECTION FEES	All	Permit per fee schedule
4201	DRAINAGE FEES	7	Monthly utility fee assessed on property and its corresponding impervious coverage
4201	IMPACT FEES	61 & 62	Impact fees based on fee study

Object	Account Name	Funds	Description
4215	IMPACT FEES	All	Based on impact fee study
4250	JUVENILE CASE MANAGEMENT FEE	18	Code of Criminal Procedure Article 102.0174 -- \$5 is set aside from defendants convicted of a fine-only misdemeanor to pay a case manager
4250	SECURITY FEES	12	Court cost based on State fee schedule
4250	TRUANCY & PREVENTION	1	Court cost based on State fee schedule
4251	CHILD SAFETY FINE	1	Court cost based on State fee schedule
4251	TECHNOLOGY FEES	16	Court cost based on State fee schedule
4252	LOCAL TRAFFIC FINE	All	Court cost based on State fee schedule
4253	MUNI COURT JURY FUND	All	Court cost based on State fee schedule
4255	WARRANT FEES	All	Court cost based on State fee schedule
4256	ARREST FEES	All	Court cost based on State fee schedule
4257	TRAFFIC CONVICTION FEE	All	Court cost based on State fee schedule
4258	TIME PYMT FEES-CITY	All	Court cost based on State fee schedule
4259	TIME PYMT FEES-JUDICIAL EFFCY	All	Court cost based on State fee schedule
4271	ADMIN FEES-DRIVER SAFETY	All	Court cost based on State fee schedule
4281	FINES/FORFEITS	All	Court cost based on State fee schedule
4282	COURT COSTS-CITY	All	Court cost based on State fee schedule
4380	POLICE COPY/REPORTS	All	Fee for copy of police report
4390	AMBULANCE FEES	All	Ambulance fees from users
4391	FIRE DEPARTMENT FEES	All	Permit per fee schedule
4392	FIRE BILLING FEES (EMERGIFIRE)	All	Fee received from Emergifire
4401	INVESTMENT INCOME	All	Interest earnings based on average cash balance during the month
4405	LIBRARY CARDS	All	Fees for library cards
4409	MISCELLANEOUS INCOME	All	Any revenues not covered elsewhere
4413	SCRAP RECYCLE REVENUE	All	Receipts related to scrap recycling
4415	INSURANCE REIMBURSEMENT	All	Insurance claim reimbursements
4416	RESTITUTION	All	Receipts related to court ordered restitution
4417	OPEN RECORD CHARGES	All	Fees per fee schedule for open records
4419	WORKERS COMPENSATION	All	Payments from employees related to workers compensation received from insurance carrier as related to City policy. Employees are paid full salary while on workers compensation in agreement that any funds received will be remitted back to the city.
4421	LANDFILL REVENUE-WAS	All	Landfill royalty
4505	COUNTY CONTRIBUTION-FIRE	All	County grant received for fire
4507	COUNTY CONTRIBUTION-AMBULANCE	All	County grant received for ambulance
4509	ADMIN CHARGE - STREET	All	Charge for services provided by General Fund resources
4510	ADMIN CHARGE-WATER/SEWER	All	Charge for services provided by General Fund resources
4511	ADMIN CHARGE -STORMWATER	All	Charge for services provided by General Fund resources
4512	ADMIN CHARGE-EDC	All	Charge for services provided by General Fund resources
4513	CONTRIBUTION-KISD SRO	All	KISD cost share of School Resource Officers
4514	ADMIN CHARGE STORM WATER	All	Charge for services provided by General Fund resources
4515	ADMIN CHARGE-EDC	All	Charge for Street Fund Resources
4516	INTERGOV-TARRANT COUNTY	All	County pays incremental portion of tax between 2012 base year (\$17,655,478) and current year; 75% participation rate, maximum participation is \$2,481,849
4517	INTERGOV-TARRANT HOSPITAL	All	Hospital district pays incremental portion of tax between 2012 base year (\$17,655,478) and current year; 50% participation rate, maximum participation is \$1,427,690
4518	INTERGOV-TARRANT COLLEGE	All	College pays incremental portion of tax between 2012 base year (\$17,655,478) and current year; 50% participation rate, maximum participation is \$939,000
4519	INTERGOV-CITY OF KENNEDALE	All	City pays incremental portion of tax between 2012 base year (\$17,655,478) and current year; 100% participation rate
4805	COMMUNITY CENTER RENTAL	1	Rental fees for Community Center use
4805	PARK PAVILLION RENTAL	17	Rental fees for Park Pavillion use
4805	RENTAL FEES-SHOPPING CENTER	15	Rental fees for shops in Town Center (Etron, City Electric, Iron Wheel Antiques, Dollar General)
4806	SENIOR CENTER BUILDING RENTAL	All	Rental fees for Senior Center use
4807	BALLFIELD RENTAL	All	Ballfield rental fees (except KYA)
4886	SALE OF PARTS/ASSETS	All	Receipts from the sale/auction of city property
4906	TRANSFER IN-GENERAL	All	Charge for services provided by General Fund resources
4917	TRANSFER IN-STREET FUND	All	Charge for services provided by Street Fund resources
4945	TRANSFER IN - ROADWAY IMPACT	All	Roadway impacts to the TIRZ
4960	TRANSFER IN-PROJECTS	All	Transfer from Capital Projects Fund to Debt Service Fund for debt service payment See 5702
4963	TRANSFER IN-WATER IMPACT	All	Charge for services provided by Water/Sewer Fund resources
4964	TRANSFER IN-SEWER IM	All	Charge for services provided by Water/Sewer Fund resources
4965	TRANSFER IN-ROADWAY	All	Charge for services provided by Water/Sewer Fund resources
5101	SALARIES	All	Wages paid to full time employees for time worked
5107	OVERTIME	All	Overtime payment for Fire > 106 hours in two week period; Police > 86 hours in two week period and all non exempt employees > 40 hours in a week

Object	Account Name	Funds	Description
5108	FLSA OVERTIME	All	Fire overtime for hours worked over 106 in a two week period
5109	TEMPORARY/PART-TIME	All	Wages paid to part time employees for time worked
5112	ASSIGNMENT PAY	All	Assignment pay as provided by City policy
5113	INCENTIVE PAY	All	Incentive pay as provided by City policy
5114	LONGEVITY PAY	All	Paid annually to employees with 12+ months of service prior to September 30. \$8, \$10, OR \$12 per month based on length of service
5115	RETIREMENT	All	Retirement for employees / Texas Municipal Retirement System is the 3rd Party Retirement provider
5116	UNEMPLOYMENT INSURANCE	All	Texas Workforce Commission required. Premium paid on the first \$9,000 in wages per employee.
5117	FICA	All	Required employment taxed based on 6.20% social security and 1.45% FICA for a total of 7.65% of employees pay. Remitted to IRS.
5118	MEDICAL INSURANCE	All	Medical insurance employer paid portion of premium
5119	WORKERS' COMPENSATION	All	TML Intergovernmental Risk Pool is the provider.
5120	LIFE INSURANCE	All	Life insurance employer paid at 2X annual salary
5121	DENTAL INSURANCE	All	Dental insurance employer paid portion of premium
5122	VISION INSURANCE	All	Vision Insurance employer paid portion of premium
5123	HEALTH ADMIN FEES	All	Benefit administrator fees, HRA administration fee, COBRA fee, Employee Assistance Program (EAP) fee, Telemedicine fee, FSA administration fee
5125	TUITION REIMBURSEMENT	All	Tuition reimbursement in accordance with City policy
5210	CHEMICAL SUPPLIES	All	Shop only solvents & cleaners, annual parts cleaner maintenance, pesticides and other chemicals
5220	UNIFORMS	All	Logoed shirts or uniforms purchased for employees to wear at work, bullet proof vests, name tags, holsters, badges, hats, jackets, coats, gloves, boots
5225	LIFE SAFETY EQUIPMENT	All	Personal protective for fire to include coat, pants, boots, hood, gloves, SCBA pack, bottles, and mask
5230	CLEANING SUPPLIES	All	Cleaning supplies, trash bags, mop heads, paper products, dish soap, laundry detergent, apparatus cleaning & polishing supplies, toilet paper, chemicals
5240	PRINTED SUPPLIES	All	Logoed or printed items such as stationary, business cards, envelopes, post cards, employee handbooks, forms, calendars, maps, signs, and crime prevention information
5241	PUBLIC SAFETY MEASURE	35	Public safety equipment purchases
5260	GENERAL OFFICE SUPPLIES	All	Ink, toner, pens, paper, tax forms, binders, dividers
5261	POSTAGE	All	Stamps and postage for mailed items
5280	MINOR EQUIP/SMALL TOOLS<\$5K	All	Small items less than \$5k, tasers, pepper guns, TVs, refrigerators, extractor/washer/dryer, lockers, desks, office chairs, hydraulic tools, saws, firefighting tools & equipment (hose, nozzles, hand tools, ropes, salvage equip), lawn equipment, weed eater, workout equipment, repair of such equipment NOTE: for printers, scanners see 5440
5285	FUEL	All	Purchase of gasoline for City vehicles and equipment
5288	EMS SUPPLIES	All	Oxygen, medication, dressings, EMS/IV Supplies, medical equipment batteries
5289	MEDICAL SUPPLY AND EQUIPMENT	All	Police patrol supplies (gloves, water, EMS, etc.)
5290	EXPENDABLE SUPPLIES	All	Bank supplies, deposit tickets, check stock, crime scene kits, evidence kits, sympathy flowers, greeting cards, batteries, fire station supplies (paper goods), library summer reading & other program supplies
5291	GRANT FUNDED SUPPLIES	35	Specific items identified in a grant
5292	MEDICAL SUPPLIES	35	Items required for ambulances to provide medical care
5292	LIBRARY PROCESSING SUPPLIES	1	Library inventory & replenishment supplies
5294	LIBRARY BOOK-CITY FUND	All	Library books, periodicals, DVDs, and databases
5297	FIRE OPERATIONS EXPENDABLE SUPPLIES	All	Foam, hydrant reflectors-rings, hazmat, tarps, shop supplies
5298	VICTUALS BEVERAGES & GROCERY	All	Coffee bar, water, meeting refreshments, and food items
5403	BUILDING MAINTENANCE	All	Janitorial and cleaning services, floor & carpet cleaning, flags, building security, fire inspections, pest control, keys, cleaning supplies, heating/AC service, building improvements, plumbing, electrical, lights, generator, paint, landscape materials, repairs
5404	PARK MAINTENANCE	All	Park maintenance supplies to include fountain repairs, signs, light sockets, cleaning supplies, chemicals, fertilizer, grass seed
5405	TOWN CENTER PLAZA	All	Mowing contract, chemicals, fertilizer, grass seed, repair and maintenance
5406	SONORA PARK	All	Cleaning supplies, chemicals, fertilizer, grass seed, park WIFI, repair and maintenance
5407	STREET MAINTENANCE	All	Concrete and asphalt street maintenance and repair, striping, pot holes, traffic buttons, etc.
5408	OTHER PARKS/MISC.	All	Cleaning supplies, chemicals, fertilizer, grass seed, park WIFI, repair and maintenance
5409	IRRIGATION MAINTENANCE	All	Irrigation repair and maintenance, sprinkler heads and lines

Object	Account Name	Funds	Description
5420	MACHINERY/TOOL MAINTENANCE	All	Stand alone generator maintenance, SCBA air compressor contract, SCBA flow/fit & cylinder hydrostrat testing, gas detector calibration, minor equipment maintenance, physio control contract, EKG maintenance, hydraulic extrication tools, ladder testing
5430	MOTOR VEHICLE MAINTENANCE	All	Brakes, tires, suspension work, engine repairs, body repairs, chasis, pump, water tank, ladders, tires, wheels, batteries, lubrication, electronics, lights, pump routine maintenance to include fluid changes, inspection, registration, to include all City vehicles
5440	OFFICE EQUIP	All	Scanners, printers, copiers, and maintenance of office equipment. Includes machine and copy usage. NOTE: Use 5445 for Software
5441	OTHER ECONOMIC EXPENSE	35	Other expenses related to Cares Act Funding
5444	COMMUNICATION AND ENFORCEMENT	35	Communication equipment related to Cares Act Funding
5445	SOFTWARE	All	Software licenses & maintenance, website domain
5446	WATER/SEWER PROJECTS	35	Water/sewer projects related to Cares Act Funding
5460	RADIO MAINTENANCE	All	Radio maintenance agreements, repairs, radio batteries
5480	SIGNS/FENCE/SIDEWALK MAINTENANCE	All	Street signs, sidewalk repairs, fence/deck repair
5501	ADVERTISING	All	Items published in newspaper such as legal notices (Council & Committee Meetings, Public Hearings), recruiting ads, abandoned property notice, zoning notices
5510	ASSOC DUES/PUBLICATIONS	All	Membership dues, renewals (Sam's Club, Cooperatives), notary applications and renewals, trade journals, periodicals, books
5511	VOLUNTEER MEETINGS	All	Expenses related to volunteer meetings
5515	TRAINING/SEMINARS-LEOSE	34	Training expense for State Law Enforcement Officer Standards and Education (LEOSE) as approved by the Chief of Police
5517	FIREARMS TRAINING	All	Firearms/Taser training (ammo, range, etc.)
5518	YAC	41	Expense related to Youth Advisory Committee donations
5519	FIRE	41	Expense related to fire donations
5520	BARK IN PARK	41	Expense related to Bark in the Park donations
5522	KEEP KENNEDALE BEAUT	41	Expense related to Keep Kennedale Beautiful donations
5523	SECTION HOUSE / CHAMBER BUILDING	41	Expense related to Section House / Chamber building donations
5524	911 MEMORIAL	41	Expense related to 911 Memorial donations
5525	TRAINING/SEMINARS	All	Training, seminars, conferences, testing, certification fees
5526	POLICE	41	Expense related to Police donations
5527	PUBLIC SAFETY EDUCATION	All	CPR/AED education materials, public safety open house supplies
5528	COMMUNITY THEATRE	41	Expense related to Community Theatre donations
5529	ARTS MARKET	41	Expense related to Arts Market donations
5530	ELECTRIC SERVICES	All	Electricity as provided by GEXA Energy
5535	GAS SERVICES	All	Gas as provided by ATMOS Energy
5540	INSURANCE-AUTO	All	TML Intergovernmental Risk Pool is the provider.
5545	INSURANCE-PROPERTY	All	TML Intergovernmental Risk Pool is the provider.
5550	INSURANCE-GENERAL LIABILITY	1 & 10	TML Intergovernmental Risk Pool is the provider. Person/Property coverage for public to which the city may cause damage to include errors & omissions, public employee dishonesty, theft and fraud
5550	STREET IMPROVEMENTS	13	Street improvements related to 2021 Bond Issue
5560	INSURANCE-LAW ENFORCEMENT	All	TML Intergovernmental Risk Pool is the provider. Covers law enforcement capabilities regarding crime fidelity, jails, traffic stops, etc.
5561	RECREATION	30	Expenses related hotel occupancy tax uses as defined in Texas Tax Code Chapter 352
5562	TOURISM	30	Expenses related hotel occupancy tax uses as defined in Texas Tax Code Chapter 352
5564	COMMUNITY RELATIONS	All	Items necessary to build relationships in the community
5565	LEGAL SERVICES	All	City attorney, prosecutor services for monthly court hearings and plea dockets, specialized attorney's as needed
5567	AUDIT SERVICES	All	Annual independent audit of financial statements for City and EDC to include a single audit for Federal funds
5569	IT SUPPORT	All	Net Genius provided, on call fee for IT issues, troubleshooting, monitoring, assistance
5570	SPECIAL SERVICES	All	Record storage and destruction, printing, court reporter for appeal transcripts, language services, court interpreter, chaplain services, contracts for services, safety deposit box, evidence testing, crime scene evidence processing, One Safe Alliance, medical director contractor, fire cable TV/Internet, ambulance billing contract, medical waste service, inspection services, plan reviewer services, comprehensive plan updates, map updates, title reports, air monitoring, gas well safety inspections, storytellers & other library programs, Arlington Library partnership, fiber internet, bank charges, credit charge usage fees, Arlington UB customer service, water sampling/testing, every 5 years -- water/sewer/roadway impact fee study (beginning 2016)
5571	SPECIAL EVENTS	All	Special events of the city to include Christmas Tree Lighting, competitions, festivals, and clean-ups
5572	CODE ENFORCEMENT SERVICES	All	Mowing of properties, match for home program, demolition of substandard structures
5573	ELECTION SERVICES	All	Election expenses, ballot translation

Object	Account Name	Funds	Description
5574	FILING FEES	All	Notice of lien, mowing liens, plats, easements, TCEQ and other State fees (stormwater permit fee), court house filing fees to include real estate documents, etc.
5575	EQUIPMENT RENTAL	All	Rental fees for copiers, scanners, shredders, plotters, backhoe, trenchers, pumps
5576	STRATEGIC PLANNING	All	Expenses related to long-term strategic planning
5578	TRAVEL	All	Association travel, YAC Summit, hotel, meals, mileage, luncheons
5580	BRICK PAVERS	14	Brick pavers for Town Center Park
5580	ENGINEERING SERVICES	All Other	Engineering services, DRC meetings, annual TCEQ stormwater report, drainage review, zoning/utility maps
5581	JUDGE SERVICES	All	Contract with Judge to include any conferences or training
5583	ANIMAL CONTROL	All	Shelter charges, license tags, vet supplies, traps, food, toys
5585	TELEPHONE SERVICES	All	Land lines, long distance, cell phones, air cards, hot spots, Mansfield fiber optic, SCADA fax/phone service, Logix digital phone service, and fax services
5587	APPRAISAL SERVICES	All	Contract with Tarrant County Appraisal District
5588	HR RELATED TESTS	All	Employee tests to include drug, medical, evaluations, DOT, physicals
5589	JANITORIAL SERVICES	All	Contract with M&R Cleaning and other cleaning contracts (windows, sidewalks, fences)
5590	WATER/SEWER SERVICES	All	Water usage
5591	TRASH/DISPOSAL/DUMP SERVICES	All	Hazardous household waste drop off, tire disposal from bi-annual clean-up, annual clean up event, spoil to IESI/wastewater sludge disposal to cold springs, haul off brush/spoil/asphalt/concrete
5592	INTERGOV-FORT WORTH SEWER	All	Charges for Fort Worth provided wastewater services to include volume, BOD, TSS, and administrative charges
5594	INTERGOV-ARLINGTON SEWER	All	Charges for Arlington provided wastewater
5595	ADMIN CHARGE – GENERAL FUND	All Funds	Charge for services provided by General Fund resources
5593	LANDSCAPING -- CAM	15 / Dept 2	Economic Development Corporation landscaping
5596	FRANCHISE FEE – STREET FUND	All	Right of way franchise fee for street repair for water sewer damages
5597	INTERGOV-FORT WORTH WATER	All	Charges for Fort Worth provided wholesale water to include consumption, meter, max peak charges
5598	ADMIN CHARGE-STREET FUND	7	Charge for services provided by Street Fund resources
5598	INTERGOV- ARLINGTON WATER	10	Charges for Arlington provided wholesale water
5598	INTERGOV-CITY OF MANSFIELD	1	Dispatch, jail, connectivity software
5599	INTERLOCAL-CITY OF ARLINGTON	All	Interlocal agreement with Arlington for the operation and maintenance of the water/sewer system. Subject to an annual true-up.
5601	ENTERPRISE LEASE POLICE	All	Enterprise lease payment for vehicle lease
5602	ENTERPRISE LEASE STREETS	All	Enterprise lease payment for vehicle lease
5603	2007 \$4.365M GO RFND – PRINCIPAL	2	Bond Principal Payment
5603	ENTERPRISE LEASE SENIOR CENTER	5	Enterprise lease payment for vehicle lease
5604	ENTERPRISE LEASE FIRE	All	Enterprise lease payment for vehicle lease
5605	ENTERPRISE LEASE COMMDEV	All	Enterprise lease payment for vehicle lease
5606	2016 3.72M REFUNDING	All	Bond Principal Payment
5607	2016 3.72M REFUNDING	All	Bond Interest Payment
5608	ENTERPRISE LEASE CITY MANAGER	All	Enterprise lease payment for vehicle lease
5612	2007 \$4.365M GO RFND	All	Bond Principal Payment
5613	2007 \$4.365M GO RFND INTEREST	All	Bond Interest Payment
5615	FUNCTIONAL GRANT	All	H20 380 sales tax agreement and Watson Glass 380 property tax agreement (May 2019)
5621	BANK FEES / PAYING AGENT FEES	All	Bank fees related to bond amortization
5622	ARBITRAGE/DISCLOSURE	All	Payment to Financial Advisor for annual continuing disclosure posting on Electronic Market Municipal Access
5643	2007 \$1.2M TAX BOND-INTEREST	15	Bond Interest Payment
5643	2007 \$2.735M CO-INTEREST	2	Bond Interest Payment
5643	2007 \$2.9M CO-INTEREST	10	Bond Interest Payment
5644	2007 \$1.2M TAX BOND-PRINCIPAL	15	Bond Principal Payment
5644	2007 \$2.735M CO-PRINCIPAL	2	Bond Principal Payment
5644	2007 \$2.9M CO-PRINCIPAL	10	Bond Principal Payment
5645	2011 \$1.7M TX LEVERAGE – INT	All	Note Interest Payment
5646	2011 \$1.7M TX LEVERAGE – PRIN	All	Note Principal Payment
5653	2019 \$2.0M TAX NOTES	All	Note Principal Payment
5654	2019 \$2.0M TAX NOTES	All	Note Interest Payment
5655	2020A \$1.54M GO RFND	All	Bond Principal Payment
5656	2020A \$1.54M GO RFND	All	Bond Interest Payment
5657	2021 \$6.0M CO-PRINCIPAL	All	Bond Principal Payment
5658	2021 \$6.0M CO - INTEREST	All	Bond Interest Payment
5667	2020 \$1.26M GO REFUNDING – PRINCIPAL	All	Bond Principal Payment
5668	2020 \$1.26M GO REFUNDING – INTEREST	All	Bond Interest Payment
5701	TRANSFER OUT - GENERAL FUND	All	Charge for use of General Fund resources
5702	TRANSFER OUT – DEBT SERVICE	All	Transfer to cover debt service requirements See 4960
5705	TRANSFER OUT-CAP REPLACE FUND	All	Transfer to Capital Replacement fund for Enterprise Lease

Object	Account Name	Funds	Description
5710	TRANSER OUT – W/S FUND	All	Partial funding of \$2.9M 2007 CO Bond for 16" water line (based on impact fee revenue and available fund balance)
5711	TRANSFER OUT - WATER/SEWER FUND	All	Charge for services provided by Water Sewer Fund resources
5717	TRANSFER OUT - STREETS FUND	All	Charge for services provided by Street Fund resources
5760	TRANSFER OUT	85	Transfer siezed property
5798	INCREMENTAL PROP TAX to TIF	All	Portion of property taxes due to the TIF from the General Fund
5820	BUILDING IMPROVEMENTS	All	Improvements to Sonora Park
5833	CDBG SEWER PROJECT	All	Completion of CDBG sewer project
5834	WATER LINE INSTALLATION	All	Water infrastructure projects
5835	SEWER LINE INSTALLATION	All	Sewer infrastructure projects
5839	COA WATER CONNECTION LINE	All	Water infrastructure projects
5861	MOTOR VEHICLES	1	Brush Truck for Fire Department
5867	AMBULANCE SUPPLIES/EQUIPMENT	13	Supplies and equipment related for the City's ambulance(s)
5870	OTHER EQUIPMENT	All	Equipment not covered in other line items
5875	CONSTRUCTION	All	Capital Improvements
5910	FIRE & POLICE VEHICLES	All	Cost of vehilces and upfitting to match specific department needs.
5955	SONORA PARK BALLFIELDS	14	Repair and maintenance of Sonora Park ballfields

August 13, 2024

City of Kennedale
405 Municipal Drive
Kennedale, TX 76060
Attention: John Horton, Director of Finance

Re: *Kennedale, Texas; Combination Tax & Revenue Certificates of Obligation*

Dear John Horton

S&P Global Ratings hereby affirms its rating of "AA-" for the above-referenced obligations and changed the outlook to positive from stable. A copy of the rationale supporting the rating and outlook is enclosed.

This letter constitutes S&P Global Ratings' permission for you to disseminate the above-assigned ratings to interested parties in accordance with applicable laws and regulations. However, permission for such dissemination (other than to professional advisors bound by appropriate confidentiality arrangements or to allow the Issuer to comply with its regulatory obligations) will become effective only after we have released the ratings on standardandpoors.com. Any dissemination on any Website by you or your agents shall include the full analysis for the rating, including any updates, where applicable. Any such dissemination shall not be done in a manner that would serve as a substitute for any products and services containing S&P Global Ratings' intellectual property for which a fee is charged.

To maintain the rating, S&P Global Ratings must receive all relevant financial and other information, including notice of material changes to financial and other information provided to us and in relevant documents, as soon as such information is available. Relevant financial and other information includes, but is not limited to, information about direct bank loans and debt and debt-like instruments issued to, or entered into with, financial institutions, insurance companies and/or other entities, whether or not disclosure of such information would be required under S.E.C. Rule 15c2-12. You understand that S&P Global Ratings relies on you and your agents and advisors for the accuracy, timeliness and completeness of the information submitted in connection with the rating and the continued flow of material information as part of the surveillance process. Please send all information via electronic delivery to pubfin_statelocalgovt@spglobal.com. If SEC rule 17g-5 is applicable, you may post such information on the appropriate website. For any information not available in electronic format or posted on the applicable website,

Please send hard copies to:

S&P Global Ratings
Public Finance Department
55 Water Street
New York, NY 10041-0003

The rating is subject to the Terms and Conditions, if any, attached to the Engagement Letter applicable to the rating. In the absence of such Engagement Letter and Terms and Conditions, the rating is subject to the attached Terms and Conditions. The applicable Terms and Conditions are incorporated herein by reference.

S&P Global Ratings is pleased to have the opportunity to provide its rating opinion. For more information please visit our website at www.standardandpoors.com. If you have any questions, please contact us. Thank you for choosing S&P Global Ratings.

Sincerely yours,

S&P Global Ratings
a division of Standard & Poor's Financial Services LLC

jc
enclosure

S&P Global Ratings
Terms and Conditions Applicable To Public Finance Credit Ratings

General. The credit ratings and other views of S&P Global Ratings are statements of opinion and not statements of fact. Credit ratings and other views of S&P Global Ratings are not recommendations to purchase, hold, or sell any securities and do not comment on market price, marketability, investor preference or suitability of any security. While S&P Global Ratings bases its credit ratings and other views on information provided by issuers and their agents and advisors, and other information from sources it believes to be reliable, S&P Global Ratings does not perform an audit, and undertakes no duty of due diligence or independent verification, of any information it receives. Such information and S&P Global Ratings' opinions should not be relied upon in making any investment decision. S&P Global Ratings does not act as a "fiduciary" or an investment advisor. S&P Global Ratings neither recommends nor will recommend how an issuer can or should achieve a particular credit rating outcome nor provides or will provide consulting, advisory, financial or structuring advice. Unless otherwise indicated, the term "issuer" means both the issuer and the obligor if the obligor is not the issuer.

All Credit Rating Actions in S&P Global Ratings' Sole Discretion. S&P Global Ratings may assign, raise, lower, suspend, place on CreditWatch, or withdraw a credit rating, and assign or revise an Outlook, at any time, in S&P Global Ratings' sole discretion. S&P Global Ratings may take any of the foregoing actions notwithstanding any request for a confidential or private credit rating or a withdrawal of a credit rating, or termination of a credit rating engagement. S&P Global Ratings will not convert a public credit rating to a confidential or private credit rating, or a private credit rating to a confidential credit rating.

Publication. S&P Global Ratings reserves the right to use, publish, disseminate, or license others to use, publish or disseminate a credit rating and any related analytical reports, including the rationale for the credit rating, unless the issuer specifically requests in connection with the initial credit rating that the credit rating be assigned and maintained on a confidential or private

. If, however, a confidential or private credit rating or the existence of a confidential or private credit rating subsequently becomes public through disclosure other than by an act of S&P Global Ratings or its affiliates, S&P Global Ratings reserves the right to treat the credit rating as a public credit rating, including, without limitation, publishing the credit rating and any related analytical reports. Any analytical reports published by S&P Global Ratings are not issued by or on behalf of the issuer or at the issuer's request. S&P Global Ratings reserves the right to use, publish, disseminate or license others to use, publish or disseminate analytical reports with respect to public credit ratings that have been withdrawn, regardless of the reason for such withdrawal. S&P Global Ratings may publish explanations of S&P Global Ratings' credit ratings criteria from time to time and S&P Global Ratings may modify or refine its credit ratings criteria at any time as S&P Global Ratings deems appropriate.

Reliance on Information. S&P Global Ratings relies on issuers and their agents and advisors for the accuracy and completeness of the information submitted in connection with credit ratings and the surveillance of credit ratings including, without limitation, information on material changes to information previously provided by issuers, their agents or advisors. Credit ratings, and the maintenance of credit ratings, may be affected by S&P Global Ratings' opinion of the information received from issuers, their agents or advisors.

Confidential Information. S&P Global Ratings has established policies and procedures to maintain the confidentiality of certain non-public information received from issuers, their agents or advisors. For these purposes, "Confidential Information" shall mean verbal or written information that the issuer or its agents or advisors have provided to S&P Global Ratings and, in a specific and particularized manner, have marked or otherwise indicated in writing (either prior to or promptly following such disclosure) that such information is "Confidential."

S&P Global Ratings Not an Expert, Underwriter or Seller under Securities Laws. S&P Global Ratings has not consented to and will not consent to being named an "expert" or any similar designation under any applicable securities laws or other regulatory guidance, rules or recommendations, including without limitation, Section 7 of the U.S. Securities Act of 1933. S&P Global Ratings has not performed and will not perform the role or tasks associated with an "underwriter" or "seller" under the United States federal securities laws or other regulatory guidance, rules or recommendations in connection with a credit rating engagement.

Disclaimer of Liability. S&P Global Ratings does not and cannot guarantee the accuracy, completeness, or timeliness of the information relied on in connection with a credit rating or the results obtained from the use of such information. S&P GLOBAL RATINGS GIVES NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. S&P Global Ratings, its affiliates or third party providers, or any of their officers, directors, shareholders, employees or agents shall not be liable to any person for any inaccuracies, errors, or omissions, in each case regardless of cause, actions, damages (consequential, special, indirect, incidental, punitive, compensatory, exemplary or otherwise), claims, liabilities, costs, expenses, legal fees or losses (including, without limitation, lost income or lost profits and opportunity costs) in any way arising out of or relating to a credit rating or the related analytic services even if advised of the possibility of such damages or other amounts.

No Third Party Beneficiaries. Nothing in any credit rating engagement, or a credit rating when issued, is intended or should be construed as creating any rights on behalf of any third parties, including, without limitation, any recipient of a credit rating. No person is intended as a third party beneficiary of any credit rating engagement or of a credit rating when issued.

Kennedale, City of



Debt Model

Updated: September 6, 2024

Presented by:
SAMCO Capital Markets, Inc.
Mark McLiney
Andrew Friedman
Ryan Cunningham
(210) 832-9760



Debt Model

City of Kennedale, Texas Summary of Debt Outstanding

Updated: September 6, 2024

FYE (9/30)	\$2,900,000 Comb Tax & Rev C/O Series 2007		\$1,200,000 Sales Tax Rev Bonds Taxable Series 2007		\$3,720,000 GO Refunding Bond Series 2016		\$2,000,000 Tax Notes Series 2019		\$1,260,000 GO Refunding Bonds Series 2020		\$1,540,000 GO Refunding Bonds Series 2020A		\$5,735,000 Comb Tax and Rev C/O Series 2021		\$17,065,000 Comb Tax and Rev C/O Series 2023		\$2,980,000 General Obligation Bonds Series 2024		\$10,810,000 Comb Tax and Rev C/O Series 2024	
	Principal	Coupon	Principal	Coupon	Principal	Coupon	Principal	Coupon	Principal	Coupon	Principal	Coupon	Principal	Coupon	Principal	Coupon	Principal	Coupon	Principal	Coupon
2025	\$ 190,000	4.10%	\$ 90,000	6.95%	\$ 375,000	1.79%	\$ 385,000	1.90%	\$ 125,000	1.93%	\$ 150,000	1.22%	\$ 240,000	4.00%	\$ 180,000	5.000%	\$ 110,000	5.00%	\$ 395,000	5.000%
2026	200,000	4.10%	100,000	6.95%	385,000	1.79%	395,000	1.90%	125,000	1.93%	155,000	1.22%	265,000	4.00%	330,000	5.000%	95,000	5.00%	410,000	5.000%
2027	210,000	4.10%	105,000	6.95%	315,000	1.79%	-	-	130,000	1.93%	155,000	1.22%	275,000	4.00%	435,000	5.000%	100,000	5.00%	365,000	5.000%
2028	-	-	-	-	325,000	1.79%	-	-	130,000	1.93%	155,000	1.22%	285,000	4.00%	685,000	5.000%	105,000	5.00%	385,000	5.000%
2029	-	-	-	-	-	-	-	-	135,000	1.93%	155,000	1.22%	300,000	4.00%	720,000	4.000%	110,000	5.00%	405,000	5.000%
2030	-	-	-	-	-	-	-	-	135,000	1.93%	165,000	1.22%	310,000	4.00%	750,000	5.000%	115,000	5.00%	425,000	5.000%
2031	-	-	-	-	-	-	-	-	-	-	165,000	1.22%	320,000	1.50%	790,000	5.000%	125,000	5.00%	450,000	5.000%
2032	-	-	-	-	-	-	-	-	-	-	-	-	280,000	1.50%	830,000	5.000%	130,000	5.00%	470,000	5.000%
2033	-	-	-	-	-	-	-	-	-	-	-	-	285,000	1.50%	875,000	5.000%	135,000	5.00%	495,000	5.000%
2034	-	-	-	-	-	-	-	-	-	-	-	-	290,000	1.75%	915,000	5.000%	145,000	5.00%	520,000	4.000%
2035	-	-	-	-	-	-	-	-	-	-	-	-	295,000	2.00%	965,000	5.000%	150,000	4.00%	540,000	4.000%
2036	-	-	-	-	-	-	-	-	-	-	-	-	300,000	2.00%	1,015,000	5.000%	155,000	4.00%	560,000	4.000%
2037	-	-	-	-	-	-	-	-	-	-	-	-	305,000	2.00%	1,060,000	4.000%	165,000	4.00%	585,000	4.000%
2038	-	-	-	-	-	-	-	-	-	-	-	-	310,000	2.00%	1,105,000	4.000%	170,000	4.00%	605,000	4.000%
2039	-	-	-	-	-	-	-	-	-	-	-	-	315,000	2.00%	1,145,000	4.000%	175,000	4.00%	630,000	4.000%
2040	-	-	-	-	-	-	-	-	-	-	-	-	325,000	2.00%	1,200,000	4.125%	185,000	4.00%	660,000	4.000%
2041	-	-	-	-	-	-	-	-	-	-	-	-	325,000	2.00%	1,245,000	4.000%	190,000	4.00%	685,000	4.000%
2042	-	-	-	-	-	-	-	-	-	-	-	-	-	1,295,000	4.000%	200,000	4.125%	715,000	4.000%	
2043	-	-	-	-	-	-	-	-	-	-	-	-	-	1,355,000	4.125%	205,000	4.125%	740,000	4.000%	
2044	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	215,000	4.125%	770,000	4.125%	
Total	\$ 600,000		\$ 295,000		\$ 1,400,000		\$ 780,000		\$ 780,000		\$ 1,100,000		\$ 5,025,000		\$ 16,895,000		\$ 2,980,000		\$ 10,810,000	
Call Option	Any Date + Prepayment		Any Date + Prepayment		Not Callable		Not Callable		Not Callable		Callable Anytime		Callable 2/1/2030		Callable 2/1/2032		Callable 2/1/2033		Callable 2/1/2033	
Dated Date	2/1/2007		5/1/2007		9/15/2016		9/1/2019		2/1/2020		12/30/2020		9/15/2021		8/1/2023		8/1/2024		8/1/2024	
Coupon Dates	2/15 and 8/15		5/1 and 11/1		2/15 and 8/15		2/1 and 8/1		2/15/ and 8/15		2/1 and 8/1		2/1 and 8/1		2/1 and 8/1		2/1 and 8/1		2/1 and 8/1	
Maturity Dates	2/15		5/1		2/15		2/1		2/15		2/1		2/1		2/1		2/1		2/1	
Insurer	None		None		None		None		None		None		None		None		AG Bond Insurance		AG Bond Insurance	
Paying Agent	Bank of America		Bank of America		First Ntnl Bank of Texas		First Ntnl Bank of Texas		JPMorgan Chase Bank		Alliance Bank		BOKF		BOKF		BOKF		BOKF	
Purpose	New Money		New Money		Refunding		New Money		Refunding		Refunding		Streets, Fire Truck and Ambulance		Streets and Utility System		Parks		Streets and Public Safety	
Source of Repayment	100% Utility Fund		100% Sales Tax		26.61% Dick Price & 73.39% General Fund		100% General Fund		100% Sales Tax		100% General Fund		100% General Fund		13.8% General Fund & 86.2% Utility Fund		100% General Fund		100% General Fund	

City of Kennedale, Texas

Debt Model

Updated: September 6, 2024

General Fund Supported Debt									Utility Fund Supported Debt			
Fiscal Year Ending 9/30	GO Refunding Series 2016	Tax Notes Series 2019	GO Refunding Series 2020A	CO's Series 2021	CO's Series 2023	GO's Series 2024	CO's Series 2024	Total General Fund Debt	Fiscal Year Ending 9/30	CO's Series 2007	CO's Series 2023	Total Utility System Debt
2025	\$ 396,704	\$ 396,163	\$ 162,505	\$ 364,050	\$ 184,125	\$ 238,925	\$ 856,488	\$ 2,598,959	2025	\$ 210,705	\$ 748,069	\$ 958,774
2026	399,902	398,753	165,645	378,950	180,125	218,800	851,363	2,593,536	2026	212,710	889,319	1,102,029
2027	323,637	-	163,754	378,150	181,000	218,925	786,988	2,052,453	2027	214,305	974,319	1,188,624
2028	327,909	-	161,863	376,950	181,625	218,800	788,238	2,055,384	2028	-	1,195,694	1,195,694
2029	-	-	159,972	380,250	182,475	218,425	788,488	1,729,609	2029	-	1,198,319	1,198,319
2030	-	-	168,020	378,050	183,075	217,800	787,738	1,734,682	2030	-	1,194,569	1,194,569
2031	-	-	166,007	379,450	182,950	221,800	790,863	1,741,069	2031	-	1,196,194	1,196,194
2032	-	-	-	334,950	182,575	220,425	787,863	1,525,813	2032	-	1,196,069	1,196,069
2033	-	-	-	335,713	181,950	218,800	788,738	1,525,200	2033	-	1,199,069	1,199,069
2034	-	-	-	336,038	181,075	221,800	790,963	1,529,875	2034	-	1,195,194	1,195,194
2035	-	-	-	335,550	184,825	220,175	789,763	1,530,313	2035	-	1,194,444	1,194,444
2036	-	-	-	334,600	183,200	219,075	787,763	1,524,638	2036	-	1,196,569	1,196,569
2037	-	-	-	333,550	182,025	222,675	789,863	1,528,113	2037	-	1,196,169	1,196,169
2038	-	-	-	332,400	181,325	220,975	786,063	1,520,763	2038	-	1,198,569	1,198,569
2039	-	-	-	331,150	180,425	219,075	786,363	1,517,013	2039	-	1,194,469	1,194,469
2040	-	-	-	334,750	184,125	221,875	790,563	1,531,313	2040	-	1,198,119	1,198,119
2041	-	-	-	328,250	182,525	219,375	788,663	1,518,813	2041	-	1,195,069	1,195,069
2042	-	-	-	-	180,825	221,450	790,663	1,192,938	2042	-	1,195,969	1,195,969
2043	-	-	-	-	183,713	218,097	786,563	1,188,372	2043	-	1,199,234	1,199,234
2044	-	-	-	-	-	219,434	785,881	1,005,316	2044	-	-	-
Totals	\$ 1,448,151	\$ 794,915	\$ 1,147,763	\$ 5,972,800	\$ 3,463,963	\$ 4,416,706	\$ 15,899,869	\$ 33,144,167	Totals	\$ 637,720	\$ 21,755,422	\$ 22,393,142

EDC Supported Debt			
Fiscal Year Ending 9/30	S T Rev Bonds Series 2007	GO Refunding Series 2020	Total EDC Debt
2025	\$ 110,503	\$ 138,848	\$ 249,350
2026	114,248	136,435	250,683
2027	112,298	138,975	251,272
2028	-	136,466	136,466
2029	-	138,908	138,908
2030	-	136,303	136,303
Totals	\$ 337,048	\$ 825,934	\$ 1,162,982

Debt Service Schedules

BOND DEBT SERVICE

City of Kennedale, Texas
\$2,900,000 Combination Tax and Revenue Certificates of Obligation, Series 2007
Callable on any date at Par + Prepayment Fee

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>	<i>Annual Debt Service</i>
02/15/2025	190,000	4.100%	12,300	202,300	
08/15/2025			8,405	8,405	
09/30/2025					210,705
02/15/2026	200,000	4.100%	8,405	208,405	
08/15/2026			4,305	4,305	
09/30/2026					212,710
02/15/2027	210,000	4.100%	4,305	214,305	
09/30/2027					214,305
	600,000		37,720	637,720	637,720

BOND DEBT SERVICE

City of Kennedale, Texas
\$1,200,000 Sales Tax Revenue Bonds, Taxable Series 2007
Callable on any date at Par + Prepayment Fee

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>	<i>Annual Debt Service</i>
11/01/2024			10,251.25	10,251.25	
05/01/2025	90,000	6.950%	10,251.25	100,251.25	
09/30/2025					110,502.50
11/01/2025			7,123.75	7,123.75	
05/01/2026	100,000	6.950%	7,123.75	107,123.75	
09/30/2026					114,247.50
11/01/2026			3,648.75	3,648.75	
05/01/2027	105,000	6.950%	3,648.75	108,648.75	
09/30/2027					112,297.50
	295,000		42,047.50	337,047.50	337,047.50

BOND DEBT SERVICE

City of Kennedale, Texas \$3,720,000 General Obligation Refunding Bonds, Series 2016

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>	<i>Annual Debt Service</i>
02/15/2025	375,000	1.790%	12,530.00	387,530.00	
08/15/2025			9,173.75	9,173.75	
09/30/2025					396,703.75
02/15/2026	385,000	1.790%	9,173.75	394,173.75	
08/15/2026			5,728.00	5,728.00	
09/30/2026					399,901.75
02/15/2027	315,000	1.790%	5,728.00	320,728.00	
08/15/2027			2,908.75	2,908.75	
09/30/2027					323,636.75
02/15/2028	325,000	1.790%	2,908.75	327,908.75	
09/30/2028					327,908.75
	1,400,000		48,151.00	1,448,151.00	1,448,151.00

BOND DEBT SERVICE

**City of Kennedale, Texas
\$2,000,000 Tax Notes, Series 2019
Non Callable**

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>	<i>Annual Debt Service</i>
02/01/2025	385,000	1.900%	7,410.00	392,410.00	
08/01/2025			3,752.50	3,752.50	
09/30/2025					396,162.50
02/01/2026	395,000	1.900%	3,752.50	398,752.50	
09/30/2026					398,752.50
	780,000		14,915.00	794,915.00	794,915.00

BOND DEBT SERVICE

City of Kennedale, Texas
\$1,260,000 General Obligation Refunding Bonds, Series 2020
Non Callable

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>	<i>Annual Debt Service</i>
02/15/2025	125,000	1.930%	7,527.00	132,527.00	
08/15/2025			6,320.75	6,320.75	
09/30/2025					138,847.75
02/15/2026	125,000	1.930%	6,320.75	131,320.75	
08/15/2026			5,114.50	5,114.50	
09/30/2026					136,435.25
02/15/2027	130,000	1.930%	5,114.50	135,114.50	
08/15/2027			3,860.00	3,860.00	
09/30/2027					138,974.50
02/15/2028	130,000	1.930%	3,860.00	133,860.00	
08/15/2028			2,605.50	2,605.50	
09/30/2028					136,465.50
02/15/2029	135,000	1.930%	2,605.50	137,605.50	
08/15/2029			1,302.75	1,302.75	
09/30/2029					138,908.25
02/15/2030	135,000	1.930%	1,302.75	136,302.75	
09/30/2030					136,302.75
	780,000		45,934.00	825,934.00	825,934.00

BOND DEBT SERVICE

City of Kennedale, Texas
\$1,540,000 General Obligation Refunding Bonds, Series 2020A
Callable Anytime

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>	<i>Annual Debt Service</i>
02/01/2025	150,000	1.220%	6,710.00	156,710.00	
08/01/2025			5,795.00	5,795.00	
09/30/2025					162,505.00
02/01/2026	155,000	1.220%	5,795.00	160,795.00	
08/01/2026			4,849.50	4,849.50	
09/30/2026					165,644.50
02/01/2027	155,000	1.220%	4,849.50	159,849.50	
08/01/2027			3,904.00	3,904.00	
09/30/2027					163,753.50
02/01/2028	155,000	1.220%	3,904.00	158,904.00	
08/01/2028			2,958.50	2,958.50	
09/30/2028					161,862.50
02/01/2029	155,000	1.220%	2,958.50	157,958.50	
08/01/2029			2,013.00	2,013.00	
09/30/2029					159,971.50
02/01/2030	165,000	1.220%	2,013.00	167,013.00	
08/01/2030			1,006.50	1,006.50	
09/30/2030					168,019.50
02/01/2031	165,000	1.220%	1,006.50	166,006.50	
09/30/2031					166,006.50
	1,100,000		47,763.00	1,147,763.00	1,147,763.00

BOND DEBT SERVICE

City of Kennedale, Texas
\$5,735,000 Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2021
Callable 2/1/2030 at Par

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>	<i>Annual Debt Service</i>
02/01/2025	240,000	4.000%	64,425.00	304,425.00	
08/01/2025			59,625.00	59,625.00	
09/30/2025					364,050.00
02/01/2026	265,000	4.000%	59,625.00	324,625.00	
08/01/2026			54,325.00	54,325.00	
09/30/2026					378,950.00
02/01/2027	275,000	4.000%	54,325.00	329,325.00	
08/01/2027			48,825.00	48,825.00	
09/30/2027					378,150.00
02/01/2028	285,000	4.000%	48,825.00	333,825.00	
08/01/2028			43,125.00	43,125.00	
09/30/2028					376,950.00
02/01/2029	300,000	4.000%	43,125.00	343,125.00	
08/01/2029			37,125.00	37,125.00	
09/30/2029					380,250.00
02/01/2030	310,000	4.000%	37,125.00	347,125.00	
08/01/2030			30,925.00	30,925.00	
09/30/2030					378,050.00
02/01/2031	320,000	1.500%	30,925.00	350,925.00	
08/01/2031			28,525.00	28,525.00	
09/30/2031					379,450.00
02/01/2032	280,000	1.500%	28,525.00	308,525.00	
08/01/2032			26,425.00	26,425.00	
09/30/2032					334,950.00
02/01/2033	285,000	1.500%	26,425.00	311,425.00	
08/01/2033			24,287.50	24,287.50	
09/30/2033					335,712.50
02/01/2034	290,000	1.750%	24,287.50	314,287.50	
08/01/2034			21,750.00	21,750.00	
09/30/2034					336,037.50
02/01/2035	295,000	2.000%	21,750.00	316,750.00	
08/01/2035			18,800.00	18,800.00	
09/30/2035					335,550.00
02/01/2036	300,000	2.000%	18,800.00	318,800.00	
08/01/2036			15,800.00	15,800.00	
09/30/2036					334,600.00
02/01/2037	305,000	2.000%	15,800.00	320,800.00	
08/01/2037			12,750.00	12,750.00	
09/30/2037					333,550.00
02/01/2038	310,000	2.000%	12,750.00	322,750.00	
08/01/2038			9,650.00	9,650.00	
09/30/2038					332,400.00
02/01/2039	315,000	2.000%	9,650.00	324,650.00	
08/01/2039			6,500.00	6,500.00	
09/30/2039					331,150.00
02/01/2040	325,000	2.000%	6,500.00	331,500.00	
08/01/2040			3,250.00	3,250.00	
09/30/2040					334,750.00
02/01/2041	325,000	2.000%	3,250.00	328,250.00	
09/30/2041					328,250.00
	5,025,000		947,800.00	5,972,800.00	5,972,800.00

BOND DEBT SERVICE

City of Kennedale, Texas
\$17,065,000 Combination Tax and Revenue Certificates of Obligation, Series 2023
Callable 2/1/32 at Par

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>	<i>Annual Debt Service</i>
02/01/2025	180,000	5.000%	378,346.88	558,346.88	
08/01/2025			373,846.88	373,846.88	
09/30/2025					932,193.76
02/01/2026	330,000	5.000%	373,846.88	703,846.88	
08/01/2026			365,596.88	365,596.88	
09/30/2026					1,069,443.76
02/01/2027	435,000	5.000%	365,596.88	800,596.88	
08/01/2027			354,721.88	354,721.88	
09/30/2027					1,155,318.76
02/01/2028	685,000	5.000%	354,721.88	1,039,721.88	
08/01/2028			337,596.88	337,596.88	
09/30/2028					1,377,318.76
02/01/2029	720,000	4.000%	337,596.88	1,057,596.88	
08/01/2029			323,196.88	323,196.88	
09/30/2029					1,380,793.76
02/01/2030	750,000	5.000%	323,196.88	1,073,196.88	
08/01/2030			304,446.88	304,446.88	
09/30/2030					1,377,643.76
02/01/2031	790,000	5.000%	304,446.88	1,094,446.88	
08/01/2031			284,696.88	284,696.88	
09/30/2031					1,379,143.76
02/01/2032	830,000	5.000%	284,696.88	1,114,696.88	
08/01/2032			263,946.88	263,946.88	
09/30/2032					1,378,643.76
02/01/2033	875,000	5.000%	263,946.88	1,138,946.88	
08/01/2033			242,071.88	242,071.88	
09/30/2033					1,381,018.76
02/01/2034	915,000	5.000%	242,071.88	1,157,071.88	
08/01/2034			219,196.88	219,196.88	
09/30/2034					1,376,268.76
02/01/2035	965,000	5.000%	219,196.88	1,184,196.88	
08/01/2035			195,071.88	195,071.88	
09/30/2035					1,379,268.76
02/01/2036	1,015,000	5.000%	195,071.88	1,210,071.88	
08/01/2036			169,696.88	169,696.88	
09/30/2036					1,379,768.76
02/01/2037	1,060,000	4.000%	169,696.88	1,229,696.88	
08/01/2037			148,496.88	148,496.88	
09/30/2037					1,378,193.76
02/01/2038	1,105,000	4.000%	148,496.88	1,253,496.88	
08/01/2038			126,396.88	126,396.88	
09/30/2038					1,379,893.76
02/01/2039	1,145,000	4.000%	126,396.88	1,271,396.88	
08/01/2039			103,496.88	103,496.88	
09/30/2039					1,374,893.76
02/01/2040	1,200,000	4.125%	103,496.88	1,303,496.88	
08/01/2040			78,746.88	78,746.88	
09/30/2040					1,382,243.76
02/01/2041	1,245,000	4.000%	78,746.88	1,323,746.88	
08/01/2041			53,846.88	53,846.88	
09/30/2041					1,377,593.76
02/01/2042	1,295,000	4.000%	53,846.88	1,348,846.88	
08/01/2042			27,946.88	27,946.88	
09/30/2042					1,376,793.76
02/01/2043	1,355,000	4.125%	27,946.88	1,382,946.88	
09/30/2043					1,382,946.88
	16,895,000		8,324,384.56	25,219,384.56	25,219,384.56

BOND DEBT SERVICE

City of Kennedale, Texas

\$17,065,000 Combination Tax and Revenue Certificates of Obligation, Series 2023

General Fund

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>	<i>Annual Debt Service</i>
02/01/2025	80,000	5.000%	53,062.50	133,062.50	
08/01/2025			51,062.50	51,062.50	
09/30/2025					184,125.00
02/01/2026	80,000	5.000%	51,062.50	131,062.50	
08/01/2026			49,062.50	49,062.50	
09/30/2026					180,125.00
02/01/2027	85,000	5.000%	49,062.50	134,062.50	
08/01/2027			46,937.50	46,937.50	
09/30/2027					181,000.00
02/01/2028	90,000	5.000%	46,937.50	136,937.50	
08/01/2028			44,687.50	44,687.50	
09/30/2028					181,625.00
02/01/2029	95,000	4.000%	44,687.50	139,687.50	
08/01/2029			42,787.50	42,787.50	
09/30/2029					182,475.00
02/01/2030	100,000	5.000%	42,787.50	142,787.50	
08/01/2030			40,287.50	40,287.50	
09/30/2030					183,075.00
02/01/2031	105,000	5.000%	40,287.50	145,287.50	
08/01/2031			37,662.50	37,662.50	
09/30/2031					182,950.00
02/01/2032	110,000	5.000%	37,662.50	147,662.50	
08/01/2032			34,912.50	34,912.50	
09/30/2032					182,575.00
02/01/2033	115,000	5.000%	34,912.50	149,912.50	
08/01/2033			32,037.50	32,037.50	
09/30/2033					181,950.00
02/01/2034	120,000	5.000%	32,037.50	152,037.50	
08/01/2034			29,037.50	29,037.50	
09/30/2034					181,075.00
02/01/2035	130,000	5.000%	29,037.50	159,037.50	
08/01/2035			25,787.50	25,787.50	
09/30/2035					184,825.00
02/01/2036	135,000	5.000%	25,787.50	160,787.50	
08/01/2036			22,412.50	22,412.50	
09/30/2036					183,200.00
02/01/2037	140,000	4.000%	22,412.50	162,412.50	
08/01/2037			19,612.50	19,612.50	
09/30/2037					182,025.00
02/01/2038	145,000	4.000%	19,612.50	164,612.50	
08/01/2038			16,712.50	16,712.50	
09/30/2038					181,325.00
02/01/2039	150,000	4.000%	16,712.50	166,712.50	
08/01/2039			13,712.50	13,712.50	
09/30/2039					180,425.00
02/01/2040	160,000	4.125%	13,712.50	173,712.50	
08/01/2040			10,412.50	10,412.50	
09/30/2040					184,125.00
02/01/2041	165,000	4.000%	10,412.50	175,412.50	
08/01/2041			7,112.50	7,112.50	
09/30/2041					182,525.00
02/01/2042	170,000	4.000%	7,112.50	177,112.50	
08/01/2042			3,712.50	3,712.50	
09/30/2042					180,825.00
02/01/2043	180,000	4.125%	3,712.50	183,712.50	
09/30/2043					183,712.50
	2,355,000		1,108,962.50	3,463,962.50	3,463,962.50

BOND DEBT SERVICE

City of Kennedale, Texas

\$17,065,000 Combination Tax and Revenue Certificates of Obligation, Series 2023

Utility Fund

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>	<i>Annual Debt Service</i>
02/01/2025	100,000	5.000%	325,284.38	425,284.38	
08/01/2025			322,784.38	322,784.38	
09/30/2025					748,068.76
02/01/2026	250,000	5.000%	322,784.38	572,784.38	
08/01/2026			316,534.38	316,534.38	
09/30/2026					889,318.76
02/01/2027	350,000	5.000%	316,534.38	666,534.38	
08/01/2027			307,784.38	307,784.38	
09/30/2027					974,318.76
02/01/2028	595,000	5.000%	307,784.38	902,784.38	
08/01/2028			292,909.38	292,909.38	
09/30/2028					1,195,693.76
02/01/2029	625,000	4.000%	292,909.38	917,909.38	
08/01/2029			280,409.38	280,409.38	
09/30/2029					1,198,318.76
02/01/2030	650,000	5.000%	280,409.38	930,409.38	
08/01/2030			264,159.38	264,159.38	
09/30/2030					1,194,568.76
02/01/2031	685,000	5.000%	264,159.38	949,159.38	
08/01/2031			247,034.38	247,034.38	
09/30/2031					1,196,193.76
02/01/2032	720,000	5.000%	247,034.38	967,034.38	
08/01/2032			229,034.38	229,034.38	
09/30/2032					1,196,068.76
02/01/2033	760,000	5.000%	229,034.38	989,034.38	
08/01/2033			210,034.38	210,034.38	
09/30/2033					1,199,068.76
02/01/2034	795,000	5.000%	210,034.38	1,005,034.38	
08/01/2034			190,159.38	190,159.38	
09/30/2034					1,195,193.76
02/01/2035	835,000	5.000%	190,159.38	1,025,159.38	
08/01/2035			169,284.38	169,284.38	
09/30/2035					1,194,443.76
02/01/2036	880,000	5.000%	169,284.38	1,049,284.38	
08/01/2036			147,284.38	147,284.38	
09/30/2036					1,196,568.76
02/01/2037	920,000	4.000%	147,284.38	1,067,284.38	
08/01/2037			128,884.38	128,884.38	
09/30/2037					1,196,168.76
02/01/2038	960,000	4.000%	128,884.38	1,088,884.38	
08/01/2038			109,684.38	109,684.38	
09/30/2038					1,198,568.76
02/01/2039	995,000	4.000%	109,684.38	1,104,684.38	
08/01/2039			89,784.38	89,784.38	
09/30/2039					1,194,468.76
02/01/2040	1,040,000	4.125%	89,784.38	1,129,784.38	
08/01/2040			68,334.38	68,334.38	
09/30/2040					1,198,118.76
02/01/2041	1,080,000	4.000%	68,334.38	1,148,334.38	
08/01/2041			46,734.38	46,734.38	
09/30/2041					1,195,068.76
02/01/2042	1,125,000	4.000%	46,734.38	1,171,734.38	
08/01/2042			24,234.38	24,234.38	
09/30/2042					1,195,968.76
02/01/2043	1,175,000	4.125%	24,234.38	1,199,234.38	
09/30/2043					1,199,234.38
	14,540,000		7,215,422.06	21,755,422.06	21,755,422.06

BOND DEBT SERVICE

City of Kennedale, Texas
\$2,980,000 General Obligation Bonds, Series 2024
Callable February 1, 2033 at Par

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>	<i>Annual Debt Service</i>
02/01/2025	110,000	5.000%	65,837.50	175,837.50	
08/01/2025			63,087.50	63,087.50	
09/30/2025					238,925.00
02/01/2026	95,000	5.000%	63,087.50	158,087.50	
08/01/2026			60,712.50	60,712.50	
09/30/2026					218,800.00
02/01/2027	100,000	5.000%	60,712.50	160,712.50	
08/01/2027			58,212.50	58,212.50	
09/30/2027					218,925.00
02/01/2028	105,000	5.000%	58,212.50	163,212.50	
08/01/2028			55,587.50	55,587.50	
09/30/2028					218,800.00
02/01/2029	110,000	5.000%	55,587.50	165,587.50	
08/01/2029			52,837.50	52,837.50	
09/30/2029					218,425.00
02/01/2030	115,000	5.000%	52,837.50	167,837.50	
08/01/2030			49,962.50	49,962.50	
09/30/2030					217,800.00
02/01/2031	125,000	5.000%	49,962.50	174,962.50	
08/01/2031			46,837.50	46,837.50	
09/30/2031					221,800.00
02/01/2032	130,000	5.000%	46,837.50	176,837.50	
08/01/2032			43,587.50	43,587.50	
09/30/2032					220,425.00
02/01/2033	135,000	5.000%	43,587.50	178,587.50	
08/01/2033			40,212.50	40,212.50	
09/30/2033					218,800.00
02/01/2034	145,000	5.000%	40,212.50	185,212.50	
08/01/2034			36,587.50	36,587.50	
09/30/2034					221,800.00
02/01/2035	150,000	4.000%	36,587.50	186,587.50	
08/01/2035			33,587.50	33,587.50	
09/30/2035					220,175.00
02/01/2036	155,000	4.000%	33,587.50	188,587.50	
08/01/2036			30,487.50	30,487.50	
09/30/2036					219,075.00
02/01/2037	165,000	4.000%	30,487.50	195,487.50	
08/01/2037			27,187.50	27,187.50	
09/30/2037					222,675.00
02/01/2038	170,000	4.000%	27,187.50	197,187.50	
08/01/2038			23,787.50	23,787.50	
09/30/2038					220,975.00
02/01/2039	175,000	4.000%	23,787.50	198,787.50	
08/01/2039			20,287.50	20,287.50	
09/30/2039					219,075.00
02/01/2040	185,000	4.000%	20,287.50	205,287.50	
08/01/2040			16,587.50	16,587.50	
09/30/2040					221,875.00
02/01/2041	190,000	4.000%	16,587.50	206,587.50	
08/01/2041			12,787.50	12,787.50	
09/30/2041					219,375.00
02/01/2042	200,000	4.125%	12,787.50	212,787.50	
08/01/2042			8,662.50	8,662.50	
09/30/2042					221,450.00
02/01/2043	205,000	4.125%	8,662.50	213,662.50	
08/01/2043			4,434.38	4,434.38	
09/30/2043					218,096.88
02/01/2044	215,000	4.125%	4,434.38	219,434.38	
09/30/2044					219,434.38
	2,980,000		1,436,706.26	4,416,706.26	4,416,706.26

BOND DEBT SERVICE

City of Kennedale, Texas \$10,810,000 Combination Tax and Revenue Certificates of Obligation, Series 2024 Callable February 1, 2033 at Par

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>	<i>Annual Debt Service</i>
02/01/2025	395,000	5.000%	235,681.25	630,681.25	
08/01/2025			225,806.25	225,806.25	
09/30/2025					856,487.50
02/01/2026	410,000	5.000%	225,806.25	635,806.25	
08/01/2026			215,556.25	215,556.25	
09/30/2026					851,362.50
02/01/2027	365,000	5.000%	215,556.25	580,556.25	
08/01/2027			206,431.25	206,431.25	
09/30/2027					786,987.50
02/01/2028	385,000	5.000%	206,431.25	591,431.25	
08/01/2028			196,806.25	196,806.25	
09/30/2028					788,237.50
02/01/2029	405,000	5.000%	196,806.25	601,806.25	
08/01/2029			186,681.25	186,681.25	
09/30/2029					788,487.50
02/01/2030	425,000	5.000%	186,681.25	611,681.25	
08/01/2030			176,056.25	176,056.25	
09/30/2030					787,737.50
02/01/2031	450,000	5.000%	176,056.25	626,056.25	
08/01/2031			164,806.25	164,806.25	
09/30/2031					790,862.50
02/01/2032	470,000	5.000%	164,806.25	634,806.25	
08/01/2032			153,056.25	153,056.25	
09/30/2032					787,862.50
02/01/2033	495,000	5.000%	153,056.25	648,056.25	
08/01/2033			140,681.25	140,681.25	
09/30/2033					788,737.50
02/01/2034	520,000	4.000%	140,681.25	660,681.25	
08/01/2034			130,281.25	130,281.25	
09/30/2034					790,962.50
02/01/2035	540,000	4.000%	130,281.25	670,281.25	
08/01/2035			119,481.25	119,481.25	
09/30/2035					789,762.50
02/01/2036	560,000	4.000%	119,481.25	679,481.25	
08/01/2036			108,281.25	108,281.25	
09/30/2036					787,762.50
02/01/2037	585,000	4.000%	108,281.25	693,281.25	
08/01/2037			96,581.25	96,581.25	
09/30/2037					789,862.50
02/01/2038	605,000	4.000%	96,581.25	701,581.25	
08/01/2038			84,481.25	84,481.25	
09/30/2038					786,062.50
02/01/2039	630,000	4.000%	84,481.25	714,481.25	
08/01/2039			71,881.25	71,881.25	
09/30/2039					786,362.50
02/01/2040	660,000	4.000%	71,881.25	731,881.25	
08/01/2040			58,681.25	58,681.25	
09/30/2040					790,562.50
02/01/2041	685,000	4.000%	58,681.25	743,681.25	
08/01/2041			44,981.25	44,981.25	
09/30/2041					788,662.50
02/01/2042	715,000	4.000%	44,981.25	759,981.25	
08/01/2042			30,681.25	30,681.25	
09/30/2042					790,662.50
02/01/2043	740,000	4.000%	30,681.25	770,681.25	
08/01/2043			15,881.25	15,881.25	
09/30/2043					786,562.50
02/01/2044	770,000	4.125%	15,881.25	785,881.25	
09/30/2044					785,881.25
	10,810,000		5,089,868.75	15,899,868.75	15,899,868.75

RESOLUTION NO. 628

**A RESOLUTION ADOPTING AN AMENDED CITY OF KENNEDALE
FINANCIAL MANAGEMENT POLICY**

WHEREAS, on June 10, 2004, City Council adopted the document entitled, “Financial Management Policy,” a framework for fiscal decision-making to ensure that financial resources are available to meet the present and future needs of the citizens of Kennedale; and

WHEREAS, the benefits of financial management policies are to improve and streamline the decision-making process, enhance credibility, provide a sense of continuity, and provide a means for dealing with fiscal emergencies; and

WHEREAS, the City Council has reviewed the City’s Financial Management Policy.

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

The City Council of the City of Kennedale, Texas hereby approves the amended Financial Management Policy dated December 19, 2023 attached hereto as “Exhibit A.”

PASSED, ADOPTED AND APPROVED by the City Council of the City of Kennedale, Texas, this the 19th day of December, 2023.

APPROVED:



Mayor Jan Joplin

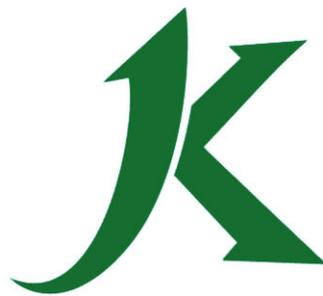
ATTEST:



City Secretary Raeanne Byington



CITY OF KENNEDALE



KENNEDALE
Finance Department

FINANCIAL MANAGMENT POLICY

ORIGINALLY ADOPTED BY CITY COUNCIL: JUNE 10, 2004

PREFACE

A Financial Management Policy provides guidelines to enable the City staff to achieve a long-term, stable financial condition, while conducting daily operations and providing services that are consistent with the Council-Manager form of government established in the City Charter.

SUBSEQUENT REVIEW & ADOPTION

DECEMBER 11, 2008
NOVEMBER 5, 2009
OCTOBER 14, 2010
NOVEMBER 17, 2011
OCTOBER 3, 2012
OCTOBER 1, 2013
OCTOBER 13, 2014
OCTOBER 19, 2015
OCTOBER 17, 2016
JUNE 18, 2018
DECEMBER 19, 2023

I. PURPOSE

The City of Kennedale's financial policies set forth the basic framework for the fiscal management of the City. These policies were developed within the parameters established by applicable provisions of the Texas Local Government Code and the City of Kennedale Charter. The policies are intended to assist the City Council and City staff in evaluating current activities and proposals for future programs. The policies are to be reviewed on an annual basis and modified to accommodate changing circumstances or conditions.

II. ANNUAL BUDGET (CHARTER REQUIREMENTS)

- A. Fiscal Year – The fiscal year shall begin on the first day of October (1st) and end on the last day of the following September (30th). The fiscal year will also be established as both the accounting and budget year.
- B. Submission – The City Manager, within two weeks of receiving July Certified Roll (around August (7th) of each year), shall prepare and submit to the City Council an annual proposed budget (generally during an workshop or retreat) for the ensuing fiscal year designed to meet the goals and objectives of the City Council. It must contain the following:
 - 1) Budget Message shall explain the budget both in fiscal terms and in terms of work programs for the ensuing fiscal year. It shall outline the proposed financial policies of the City and shall include a forecast of a five-year estimate of revenues and expenditures, as well as an effect on taxation;
 - 2) Comparative figures for the estimated income and expenditures for the ensuing fiscal year compared to the combination of: actual income and expenditures through, the latest complete accounting period that information is available for at the commencement of budget preparation, and the estimated income and expenditures for the incomplete portion of the current fiscal year. FOR EXAMPLE: for upcoming FY16/17 budget, comparative should display FY14/15 actual, FY15/16 through May (assuming budget is prepared at this time), FY15/16 year-end estimate, and FY16/17 proposed budget;
 - 3) Proposed Expenditures of each office, department or function;
 - 4) Schedule of debt service requirements due on all outstanding indebtedness and on any proposed debt;
 - 5) Source or basis of the estimates;
 - 6) Balanced budget in which the total of the proposed expenditures shall not exceed the total estimated income and the balance of available funds; and

- 7) Other information as may be required by the Council or deemed desirable by the City Manager.
- C. Public Hearing – Shall be conducted by the Council, allowing interested citizens to express their opinions concerning items of expenditures and/or revenues. The notice of hearing shall be published in the official newspaper of the City of Kennedale not less than ten (10) or more than 30 days before the hearing.
 - D. Adoption – Following the public hearing, the Council shall further analyze the proposed budget, making any additions or deletions which it feels appropriate, and shall by ordinance, with or without amendment; adopt the budget before the first (Oct 1st) day of the ensuing fiscal year by a majority vote. On final adoption, the budget shall be in effect for the budget year and shall constitute the official appropriations for the current year and the basis of the official levy of the property tax. Should the Council take no final action before the first (1st) day of the ensuing fiscal year, the amounts appropriated for the current fiscal year shall be deemed adopted on a month to month basis.

III. BASIS OF ACCOUNTING & BUDGETING

- A. Accounting – The City of Kennedale finances shall be accounted for in accordance with generally accepted accounting principles as established by industry practice and applicable governing Accounting Standards Boards.
 - 1) The financial transactions of the City of Kennedale are accounted for and recorded in individual funds. These funds account for revenues and expenditures according to their intended purpose and are used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. Governmental funds are used to account for the City's general government activities and include the General, Special Revenue, Internal, Debt Service and Capital Project funds.
 - 2) Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectable within the current period or soon enough thereafter to pay liabilities of the current period. Substantially all material revenues are considered to be susceptible to accrual. A thirty-day availability period is used for revenue recognition for all governmental fund type revenues, to include fines and forfeitures. Expenditures are recognized when the related fund liability is incurred, if measurable, except for un-matured principal and interest on general long-term debt, which are recorded when due.

Compensated absences, claims, and judgments are recorded when the obligations are expected to be paid with current available financial resources.

- 3) The City of Kennedale does not utilize encumbrance accounting for operating use at year-end.
 - 4) The Proprietary fund types are accounted for on a flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.
- B. The budgets shall be prepared and adopted on a cash basis for all governmental funds and proprietary funds. The capital projects funds adopt project-length budgets at the time of their presentation. Annual appropriations lapse at fiscal year-end for operating and debt service funds.

IV. BUDGET ADMINISTRATION

- A. All expenditures of the City of Kennedale shall be made in accordance with the annual budget. Budgetary control is maintained at the individual expenditure account level by each department head through the review of all requisitions.
- B. The following represents the City of Kennedale budget amendment policy delineating responsibility and authority for the amendment process. Transfers between expenditure accounts in one department may occur with the approval of the Department Head and Director of Finance. Transfers between operating departments may occur with the approval of the City Manager's Office. Transfers between funds must be accomplished by budget amendment approved by the City Council. Budget amendments calling for new fund appropriations must also be approved by the City Council. Should the City Council decide a budget amendment is necessary, the amendment is adopted in ordinance format, and the necessary budgetary changes are then made.
- C. As a matter of course, continuous budget monitoring requires that deviations from expected amounts of revenue and/or expenditures be noted and estimates revised, if necessary, to avoid financial distress. Budget amendments are thus considered prudent financial management techniques and are deemed to fulfill the requirements of City Charter.

V. FINANCIAL REPORTING

- A. Following the conclusion of the fiscal year, the Director of Finance shall cause to be prepared An Annual Comprehensive Financial Report (ACFR) in accordance with generally accepted accounting and financial reporting principles established by industry practice and statements issued by the Governmental Accounting Standards Board (GASB). The

document shall also satisfy all criteria of the Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting Program.

- B. The ACFR shall show the status of the city's finances on the basis of generally accepted accounting principles (GAAP). The ACFR shall show fund revenues and expenditures on both a GAAP basis and budget basis for comparison purposes. In most cases, this reporting conforms to the way the city prepares its budget. Differences in format are acknowledged through reconciliations. Liabilities for post-employment benefits and compensated absences (accrued but unused sick and vacation leave) are not reflected in the budget, but are accounted for in the ACFR's government-wide financial statements. The government-wide financial statements modify the presentation of the governmental funds by presenting their results in the same manner as proprietary funds.
- C. Included as part of the ACFR shall be the results of the annual audit prepared by independent certified public accountants designated by the City Council.
- D. Each fiscal year, the Director of Finance will analyze accounts receivable balances and, if necessary, write off uncollectible accounts in accordance with applicable statutes after review by the City Manager or his designee.
- E. The City Manager shall present a monthly financial report and such additional information as may be required by the City Council. All income and expenses for the preceding month and for the year to date shall be shown and compared to the fiscal budget. These reports will be prepared by the Finance Department and distributed to and reviewed by each department head. Information obtained from financial reports and other operating reports is to be used by department heads to monitor and control the budget as authorized by the City Manager.
- F. The auditor's report on City's financial statements shall be completed and submitted to the City Council prior to Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting Program submission.

VI. REVENUES

- A. To protect the City of Kennedale's financial integrity, the City will maintain a diversified and stable revenue system to shelter it from fluctuations in any particular revenue source.
 - 1) The City will strive to keep the revenue system simple, which will result in a decrease of compliance costs for the taxpayer or service recipient and a corresponding decrease in avoidance to pay.
 - 2) The City will strive to understand its revenue sources and predict the reliability of revenue streams. City will enact consistent collection policies so that management

may reasonably rely upon the certainty that revenues will materialize according to budgets, plans, and programs.

- B. For every annual budget, the City of Kennedale shall levy two property tax rates: operation/maintenance and debt service. The debt service levy shall be sufficient for meeting all principal and interest payments associated with the City's outstanding debt for that budget year. The debt service levy and related debt service expenditures shall be accounted for in the General Debt Service fund. The operation and maintenance levy shall be accounted for in the General Fund.
- 1) The City of Kennedale will maintain a policy of levying the lowest tax rate on the broadest tax base. Mandated exemptions will be provided to home owners, senior citizens and disabled citizens. On an annual basis during the budget process, City Council will review the exemption for senior citizens and disabled persons with a goal to maintain a tax benefit of approximately 30% of the average home value.
 - 2) Property shall be assessed at 100% of the fair market value as appraised by Tarrant Central Appraisal District. Reappraisal and reassessment will be done regularly as required by State law. A 99% collection rate on current assessments and a 1% collection rate on delinquent assessments and penalties will serve as "the goal" for tax collections.
- C. The City of Kennedale will establish user charges and fees at a level that attempts to recover the full cost of providing the service.
- 1) User fees, particularly utility rates, should identify the relative costs of serving different classes of customers.
 - 2) The City will make every reasonable attempt to ensure accurate measurement of variables impacting taxes and fees (e.g. verification of business sales tax payments, verification of appraisal district property values, accuracy of water meters, etc.)
 - 3) The City will strive to maintain equity in the revenue system structure. That is, the City will seek to minimize or eliminate all forms of subsidization among entities, funds, services, utilities, and customers.
- D. The City of Kennedale will attempt to maximize the application of its financial resources by obtaining supplementary funding through agreements with other public and private agencies for the provision of public services or the construction of capital improvements. The City of Kennedale will consider market rates and charges levied by other public and private organizations for similar services in establishing tax rates, fees and charges.

- E. When developing the annual budget, the City Manager shall project revenues from every source based on actual collections from the preceding year and estimated collections of the current fiscal year, while considering known circumstances, which will impact revenues for the new fiscal year. The revenue projections for each fund should be made conservatively so that total actual fund revenues exceed budgeted projections.

VII. OPERATING EXPENDITURES

- A. Operating expenditures shall be accounted, reported, and budgeted for in the following major categories:
 - 1) Personnel
 - 2) Supplies
 - 3) Maintenance
 - 4) Special Services
 - 5) Debt
 - 6) Transfers
 - 7) Capital
 - 8) Grants
- B. The annual budget shall appropriate sufficient funds for operating, recurring expenditures necessary to maintain established quality and scope of city services.
- C. The City of Kennedale will constantly examine the methods for providing public services in order to reduce operating, recurring expenditures and/or enhance quality and scope of public services with no increase to cost.
- D. Personnel expenditures will reflect the minimum staffing needed to provide established quality and scope of city services. To attract and retain employees necessary for providing high-quality service, the City shall maintain a compensation and benefit package competitive with the public and, when quantifiable, private service industries.
- E. Supplies expenditures shall be sufficient for ensuring the optimal productivity of City employees.
- F. Maintenance expenditures shall be sufficient for addressing the deterioration of the City's capital assets to ensure the optimal productivity of the capital assets. Maintenance should be conducted to ensure a relatively stable level of maintenance expenditures for every budget year.
- G. Special Services expenditures include fees for attorneys, auditors, consultants and other services that require specialized expertise.

- H. The City of Kennedale will utilize contracted labor for the provision of city services whenever private contractors can perform the established level of service at less expense to the City. The City will regularly evaluate its agreements with private contractors to ensure the established levels of service are performed at the lowest possible cost.
- I. Existing capital equipment shall be replaced when needed to ensure the optimal productivity of City of Kennedale employees. New capital purchases shall be made only to enhance employee productivity, improve quality of service, or expand scope of service.
- J. To assist in controlling the growth of operating expenditures, operating departments will submit their annual budgets to the City Manager within fiscal parameters provided by the City Manager's Office.
- K. All purchases shall be in accordance with City's Purchasing Policy and in accordance with State law.
- L. All invoices will be paid within thirty (30) days of receipt in accordance with State law. Procedures will be used to take advantage of all purchase discounts where considered cost effective. Payments will be processed in order to maximize the city's investable cash.
- M. The City will pursue every opportunity to provide for the public's and City employees' safety. Health insurance coverage and property and casualty insurance coverage will be reviewed annually as to amount of coverage provided and cost effectiveness.
- N. The City will maintain property, liability and workman's compensation coverage through participation in the Texas Municipal League's (TML) Intergovernmental Risk Pool. The Pool maintains reinsurance coverage to protect the Pool in the event of excessive losses.

XIII. DEBT EXPENDITURES

- A. The City of Kennedale will issue debt only to fund capital projects, which cannot be supported by current, annual revenues.
- B. The City will strive to maintain a bond coverage ratio of 1.50 times in the Water/Sewer Fund.
- C. To minimize interest payments on issued debt, the City will maintain a rapid debt retirement policy by issuing debt with maximum maturities not exceeding 20 years (i.e., the life of the bonds will not exceed the useful life of the projects financed). Retirement of debt principal will be structured to ensure constant annual debt payments.
- D. The City of Kennedale will attempt to maintain unenhanced, underlying base bond ratings (prior to insurance) of A+ (Standard & Poor's) on its general obligation debt. The City shall

continue to seek to enhance its credit quality by frequent contact and visits with the rating agencies and monitoring the current trends and guidance from the agencies.

- E. When needed to minimize annual debt payments, the City of Kennedale will obtain insurance for new debt issues.
- F. In order to minimize the impact of debt issuance on the property tax rate and to assist the City in meeting its arbitrage requirements, the City will consider the sequential sale of bonds for the purpose of financing capital projects.
- G. The City will maintain procedures that comply with arbitrage rebate and other federal requirements. City will attempt, within legal bounds, to adopt strategies, which will minimize the arbitrage rebate of interest earnings on unspent bond proceeds it must pay to the federal government.

IX. CAPITAL EXPENDITURES

- A. The City of Kennedale will develop a multi-year plan for capital projects, which identifies all projects likely to be constructed within a five-year horizon. The multi-year plan will reflect for each project the likely source of funding and attempt to quantify the project's impact to future operating expenditures.
- B. Capital projects will be constructed to:
 - a. Protect or improve the community's quality of life;
 - b. Protect or enhance the community's economic vitality;
 - c. Support new development; and/or
 - d. Provide significant rehabilitation of City infrastructure for sustained service.
- C. Capital project expenditures will not be authorized by the City Council without identification and commitment of revenue sources sufficient to fund the improvement. Potential funding sources include, but are not limited to, reserve funds, debt issuances, matching fund revenues, user fees, grants, or reallocation of existing capital funds with the recognition that construction of previously authorized capital projects may be delayed or postponed.
- D. Capital Improvement Planning and Programming shall include the following categories for the determination of funding for individual projects: design costs, right-of-way costs, utility construction/adjustment costs, construction costs, appropriate contingency funds, furnishings and equipment, and direct project administration services provided by City employees or outside forces.

- E. Cost incurred for advanced planning of capital projects may be funded from reimbursement of appropriate debt or operating funds.
- F. The City will intend to maintain adequate funding levels in the developer participation fund to ensure that no City obligation for participation goes unfunded for a period of more than one (1) year.
- G. The City will utilize \$5,000 as its threshold for capital purchases.
- H. To minimize the issuance of debt, the City of Kennedale will attempt to support capital projects with appropriations from operating revenues or excess fund balances (i.e. "pay-as-you-go").

X. UTILITY CAPITAL EXPENDITURES

- A. The City of Kennedale uses three funding sources for Utility Capital expenditures.
 - 1) Utility rates are designed to provide for a depreciation reserve, which accumulates resources to replace or rehabilitate aging infrastructure.
 - 2) The multi-year financial plan provides debt strategies to finance needed capital items.
 - 3) Annual transfers may be made from utility operations to maintain adequate funding for capital items.

XI. FUND TRANSFERS

- A. Fund transfers may occur when surplus fund balances are used to support non-recurring capital expenses or when needed to satisfy debt service obligations.
- B. Fund transfers are used to pay for the following types of costs:
 - 1) Administrative – Transfer from Water/Sewer Fund (Proprietary Fund) and Economic Development Corporation Fund (Component Unit) to reimburse the General Fund for recurring support costs, such as personnel, materials, etc.
 - 2) Franchise Fees – Transfer from Water/Sewer Fund (Proprietary Fund) to the Street Improvement Fund (General Fund) to pay franchise fees. These are otherwise known as right-of-way fees.

XII. LONG-TERM FINANCIAL PLAN

The City of Kennedale will adopt the annual budget in the context of a long-term financial plan, or other multi-year budget analysis. The long-term financial plans will establish assumptions for revenues, expenditures and changes to fund balances over a five year horizon. The assumptions will be evaluated periodically as part of the budget development process.

CITY OF KENNEDALE



FRAUD POLICY

ORIGINALLY ADOPTED BY CITY COUNCIL: JANUARY 13, 2005

PREFACE

The aim of the Fraud Policy is to safeguard the reputation and financial viability of the City of Kennedale through improved management of fraud risk.

The fraud policy is established to facilitate the development of controls that will aid in the prevention, deterrence and detection of fraud against City of Kennedale. It is the intent of City of Kennedale to promote consistent organizational behavior by providing guidelines and assigning responsibility of the development of controls and conduct of investigations.

SUBSEQUENT REVIEW & ADOPTION

DECEMBER 11, 2008
NOVEMBER 5, 2009
OCTOBER 14, 2010
OCTOBER 13, 2011
OCTOBER 3, 2012
OCTOBER 1, 2013
OCTOBER 13, 2014
OCTOBER 19, 2015
OCTOBER 17, 2016
JUNE 18, 2018

I. BACKGROUND

The City of Kennedale fraud policy is established to facilitate the development of controls that will aid in the detection, deterrence and prevention of fraud against City of Kennedale. It is the intent of City of Kennedale to promote consistent organizational behavior by providing guidelines and assigning responsibility of the development of controls and conduct of investigations.

II. SCOPE OF POLICY

This policy applies to any irregularity, or suspected irregularity, involving employees as well as consultants, vendors, contractors, outside agencies doing business with employees of such agencies, and/or any other parties with a business relationship with City of Kennedale.

Any investigative activity required will be conducted with regard to the suspected wrongdoer's length of service, position/title, or relationship to the City of Kennedale.

III. POLICY

Management is responsible for the detection and prevention of fraud, misappropriations, and other irregularities. Fraud is defined as the intentional, false representation or concealment of a material fact for the purpose of inducing another to act upon it to his or her inquiry. Each member of the management team will be familiar with the types of improprieties that might occur within his or her area of responsibility, and be alert for any indication of irregularity.

Any irregularity that is detected or suspected must be confidentially reported immediately to the City Manager, who coordinates all investigations with the legal counsel and other affected areas both internal and external. If the City Manager is a subject of the irregularity, the investigation shall be reported to the City Attorney. In the event multiple parties are subject to the irregularity, it should be reported to the highest non-implicated person in the following order:

- A. City Manager
- B. City Attorney
- C. Mayor
- D. Chief of Police
- E. Director of Human Resources
- F. Director of Finance
- G. City Secretary
- H. District Attorney

IV. ACTIONS CONSTITUTING FRAUD

The terms defalcation, misappropriation, and other fiscal irregularities refer to, but are not limited to:

- A. Any dishonest or fraudulent act;
- B. Misappropriation of funds, securities, supplies, or other assets;
- C. Impropriety in the handling or reporting of money or financial transactions;
- D. Profiteering as a result of insider knowledge of City activities;
- E. Disclosing confidential and proprietary information to outside parties;
- F. Disclosing to other persons activities engaged in contemplated by the City of Kennedale;
- G. Accepting or seeking anything of material value from contractors, vendors, or persons providing services/materials to the City of Kennedale. Exception: Gifts less than \$25 in value;
- H. Destruction, removal, or inappropriate use of records, furniture, fixtures, and equipment; and /or
- I. Any similar or related irregularity.

V. OTHER IRREGULARITIES

Irregularities concerning an employee’s moral, ethical, or behavioral conduct should be resolved by departmental management and Human Resources.

If there is any question as to whether an action constitutes fraud, contact the appropriate department head for guidance.

VI. INVESTIGATION RESPONSIBILITIES

City Manager has the primary responsibility for the investigation of all suspected fraudulent acts as defined in the policy. Should an investigation substantiates that fraudulent activities have occurred, the City Manager will issue reports to appropriate designated personnel, and if appropriate, to the City Council.

Decisions to prosecute or refer the examination results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made in conjunction with legal counsel and senior management, as will final decisions on disposition of the case.

VII. CONFIDENTIALITY

All parties involved will treat all information received confidentially. Any employee who suspects dishonest or fraudulent activity will notify the City Manager Office immediately, and **should not attempt to personally conduct investigations or interview/interrogations** related to any suspected fraudulent act (see REPORTING PROCEDURE section below).

Investigation results **will not be disclosed or discussed** with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect the City of Kennedale from potential civil liability.

VIII. AUTHORIZATION FOR INVESTIGATING SUSPECTED FRAUD

All searches must be authorized in advance by the City Manager and conducted under the direction of the Department Head and/or City Manager. The City Manager or designee will have:

- A. Free and unrestricted access to all City of Kennedale records and premises at any time, whether owned or rented; and
- B. The authority to conduct unannounced searches or inspections of the worksite, including, but not limited to, City property used by employees such as lockers, file cabinets, desks, vehicles and offices, whether secured, unsecured or secured by a lock provided by the employee; and
- C. If reasonable suspicion exists, the authority to conduct unannounced searches or inspection of the employee's personal property located on City premises, included purses, lunch boxes, brief cases and private vehicles or vehicles used to conduct City business located on City property; and
- D. **Employees are not entitled to any expectation of privacy with respect to such or similar items. Employee refusal to cooperate with a search will likely be subject to disciplinary action, up to and including termination.**

IX. REPORTING PROCEDURES

Great care must be taken in the investigation of suspected improprieties or irregularities so as to avoid mistaken accusations or alerting suspected individuals that an investigation is under way.

An employee who discovers or suspects fraudulent activity will **contact his or her department head immediately**. The employee or other complainant may remain anonymous. All inquiries concerning the activity under investigation from the suspected individual, his or her attorney or

representative, or any other inquirer should be directed to the City Manager or his designee or the legal counsel. No information concerning the status of an investigation will be given out. The proper response to any inquiries is: **“I am not at liberty to discuss this matter.” Under no circumstances should any reference be made to “the allegation,” “the crime,” “the fraud,” “the forgery,” “the misappropriation” or any other specific reference.**

The reporting individual should be informed of the following:

- A. Do not contact the suspected individual in an effort to determine facts or demand restitution.
- B. Do not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by the legal counsel or the investigating agency.

X. TERMINATION

If an investigation results in a recommendation to terminate an individual, the recommendation will be reviewed for approval by the designated representatives from Human Resources and the legal counsel before any such action is taken. Should the employee believe the management decision inappropriate for the facts presented, the facts will be presented to executive level management for a decision through the appropriate appeals process in personnel policy.

XI. ADMINISTRATION

City Management is responsible for the administration, revision, interpretation, and application of this policy.

RESOLUTION NO. 627

**A RESOLUTION ADOPTING AN AMENDED CITY OF KENNEDALE FUND
BALANCE POLICY**

WHEREAS, on September 22, 2011, City Council adopted the document entitled, “Fund Balance Policy,” a framework for fiscal decision-making to ensure that financial resources are available to meet the present and future needs of the citizens of Kennedale; and

WHEREAS, the Governmental Accounting Standards Board ("GASB") has adopted Statement 54 ("GASB 54"), a new standard for governmental fund balance reporting and governmental fund type definitions that became effective in governmental fiscal years starting after June 15, 2010, and

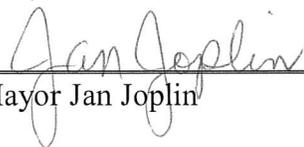
WHEREAS, the City of Kennedale, Texas (“City”) elects to implement GASB 54 requirements, and to apply such requirements to its financial statements beginning with the current October 1, 2010 – September 30, 2011 fiscal year.

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

The City Council of the City of Kennedale, Texas hereby approves the amended Fund Balance Policy dated December 19, 2023, attached hereto as “Exhibit A.”

PASSED, ADOPTED AND APPROVED by the City Council of the City of Kennedale, Texas, this the 19th day of December, 2023.

APPROVED:



Mayor Jan Joplin

ATTEST:



City Secretary Raeanne Byington



CITY OF KENNEDALE



FUND BALANCE POLICY

ORIGINALLY ADOPTED BY CITY COUNCIL: SEPTEMBER 22, 2011

PREFACE

The purpose of this policy is to establish guidelines for fund balance levels within each of City of Kennedale's funds. It is essential that the City maintain adequate levels of fund balance to mitigate financial risk that can occur from unforeseen revenue fluctuations, unanticipated expenditures, or adverse circumstances. The fund balance level is also designed to provide an appropriate amount of working capital for the City's general operations. In general, the City of Kennedale should strive to avoid appropriating fund balance for recurring expenses. However, in the event that fund balance is used to support recurring expenses, the budget should clearly identify the uses of fund balance and provide an explanation of the circumstances requiring the use of fund balance. In addition, the budget should also address the future potential uses of fund balance for operating expenditures.

SUBSEQUENT REVIEW & ADOPTION

OCTOBER 3, 2012
OCTOBER 1, 2013
OCTOBER 13, 2014
OCTOBER 19, 2015
OCTOBER 17, 2016
JUNE 18, 2018
DECEMBER 19, 2023

I. BACKGROUND

The Governmental Accounting Standards Board (GASB) has adopted Statement 54 (GASB 54), a new standard for governmental fund balance reporting and governmental fund type definitions that became effective in governmental fiscal years starting after June 15, 2010.

The City of Kennedale elects to implement GASB 54 requirements, and to apply such requirements to its financial statements beginning with the current October 1, 2010 – September 3, 2011 fiscal year.

II. DEFINITIONS & CATEGORIES

Fund Balance is defined as the difference between a fund's assets and liabilities. According to the GASB 54, fund balance must be allocated into one the following five categories:

Nonspendable Fund Balance - Includes amounts that are not in a spendable form or are legally or contractually required to be maintained intact. Examples include inventory or endowments.

Restricted Fund Balance - Includes amounts that can be spent only for the specific purposes stipulated by external resource providers either constitutionally or through enabling legislation. Examples include grants and hotel occupancy taxes.

Committed Fund Balance - Includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.

Assigned Fund Balance - Comprises amounts intended to be used by the government for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

Unassigned Fund Balance - Is the residual classification of the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose.

Note: The above fund balance categories only apply to governmental funds.

III. POLICY

Committed Fund Balance

The City Council is the City's highest level of decision-making authority and the formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is an ordinance adopted by the City Council. The ordinance must either adopt or rescind the commitment, as applicable, prior to the last day of the fiscal year for which the commitment is made. The amount subject to the constraint may be determined in the subsequent period.

Assigned Fund Balance

The City Council authorizes the City Manager, Director of Finance or their designee as the official authorized person to assign fund balance to a specific purpose approved by this fund balance policy.

Order of Expenditure of Fund Balance

When multiple categories of fund balance are available for expenditure (for example, a construction project is being funded partly by a grant, funds set aside by the City Council, and unassigned fund balance), the City will start with the most restricted category and spend those funds first before moving down to the next category with available funds. Normally, this would result in the use of restricted, then committed, then assigned, and lastly, unassigned fund balance.

Minimum Unassigned Fund Balance

It is the goal of the City to achieve and maintain an unassigned fund balance in the general fund and all operating funds equal to eighteen percent (18%) with a goal of twenty-five percent (25%) of budgeted expenditures for unanticipated expenditures, unforeseen revenue fluctuations, or other adverse circumstances. The fund balance level, however, may be reduced to the equivalent of twelve percent (12%) of budgeted expenditures in unusual financial circumstances. However, if such a situation occurs, the City will implement necessary corrective action within a five-year plan to restore the unassigned fund balance to eighteen percent (18%) to twenty-five percent (25%) of budgeted expenditures.

As for the General Fund Debt Service Fund, it is the goal of the City to achieve and maintain an unassigned fund balance equal to seven percent (7%) with a goal of ten percent (10%). Should the fund balance level be reduced to five percent (5%) in unusual financial circumstances, the City will implement necessary corrective action within a five-year plan to restore the unassigned fund balance to seven percent (7%) to ten percent (10%) of budgeted expenditures. If restoring the General Fund Balance and General Fund Debt Service Fund balance are in conflict, restoring the General Fund Balance takes priority.

Non-Governmental Fund Balance

The fund balance categories discussed above do not apply to proprietary funds according to GASB 54. While not required by the GASB, the City recognizes the need to apply a minimum balance policy to the proprietary funds maintained by the City. Therefore, the City shall maintain a minimum ending working capital balance (current assets minus current liabilities) of eighteen percent (18%) with a goal of twenty-five percent (25%) of budgeted expenditures for the Water/Sewer Fund. If the working capital level should fall below the desired minimum, the City will implement necessary corrective action within a five-year plan to restore the working capital balance to eighteen percent (18%) to twenty percent (25%) of budgeted expenditures.

CITY OF KENNEDALE



GRANT SUBMISSION & ACCEPTANCE POLICY

ORIGINALLY ADOPTED BY CITY COUNCIL: MARCH 11, 2010

PREFACE

From time to time, various city departments have the opportunity to seek, apply for and receive grant funding for, but not limited to federal, state and local sources. In an effort to support and advance the mission, goals and objectives of the City of Kennedale, this policy establishes standard practices and procedures to create uniformity, economy, efficiency and effectiveness in the proper management and accounting of such grants.

It is the recommendation of our independent auditors that our main policies be reviewed by the Director of Finance for updates in relation to our internal control practices.

SUBSEQUENT REVIEW & ADOPTION

OCTOBER 14, 2010
OCTOBER 13, 2011
OCTOBER 3, 2012
OCTOBER 1, 2013
OCTOBER 13, 2014
OCTOBER 19, 2015
OCTOBER 17, 2016
JUNE 18, 2018
DECEMBER 19, 2023

I. PURPOSE

To establish standard practices and procedures to create uniformity, economy, efficiency and effectiveness in the proper management and accounting of grants including, but not limited to federal, state and local sources.

II. POLICY

In an effort to support and advance the missions, goals and objectives of the City of Kennedale, city departments shall from time to time have the opportunity to seek, apply for and receive grant funding.

All solicitations for external funding, whether they require or make promise of matching funds from the City, must receive the appropriate Department Director, City Manager and/or City Council, and then Finance Department approval prior to application submission.

III. GRANT OFFICIALS

It is the policy of each Department Director to designate a Project Manager to maintain stringent control over all monies administered by their department and to ensure that all funds are used only for authorized purposes and managed in accordance with the City's budget and Finance Department. It is also the responsibility of the Project Manager within each department to maintain control over all documentation necessary to facilitate and manage the awarded grant. All grants are required to have three different grant officials.

A. Authorized Official

- 1) Only the City Manager, or an authorized designee, shall be authorized to sign all grant documents and be listed as the authorized official on behalf of the City of Kennedale.

B. Project Manager

- 1) The Project Manager shall be responsible for the day-to-day operations of the project. Each department within the city may have a different project manager per grant. The Project Manager must be a city employee and will have sole responsibility for program reporting.

C. Financial Officer

- 1) The Financial Officer is required to be the Chief Financial Officer (CFO) or Director of Finance for the City of Kennedale. This person shall be responsible for maintaining financial records, account for all grant funds, supplying required

financial reports as deemed necessary and providing all information during any and all grant funding audits.

III. GRANT SEARCH

- A. Each department within the city is responsible for monitoring grant announcements to identify new grant opportunities and actively pursue specific grants for existing or potential projects and/or programs and disseminating that information throughout the department.
- B. Each department shall be responsible in developing its project, program and research ideas.
- C. Each department shall be responsible to review funding agencies, compare the types of proposals and the amount of funding awarded with the goals of your project.
- D. Departments should weigh the reporting and compliance costs when searching for grants. Not all grants are worth the added staff time in maintaining the grant.

IV. GRANT SUBMISSION

- A. There may be several application processes each year depending on funding. When grant opportunities are discovered, each department shall be responsible for preparing a calendar for the grant application process. Special attention should be made to application deadlines.
- B. Once grant opportunities are identified, project managers must obtain the appropriate Department Director, City Manager and/or City Council, and then Finance Department approval prior to application submission. In the event that the City Manager deems it necessary to seek City Council approval, each department is responsible for the preparation and submission of a Staff Report and supporting resolution to Council for the consideration of funding.
- C. The Finance Department aids Project Managers in the financial structure of the proposed projects. In order to successfully do such, the Project Manager must be knowledgeable of the financial and administrative requirements of the grantor agency, application instruction, and all other financial aspects of the proposed grant. Project managers and/or grant writers may submit applications to the Finance Department for review and analysis for accuracy and compliance with all applicable financial rules and regulations, including any applicable cash match requirement. The applications may be returned to the Project Manager as necessary for any revisions.
- D. The Project Manager will obtain all appropriate signatures and submit the grant applications, as well as any supporting documentation to the grantor agency by the

submission deadline. The Project Manager shall also coordinate with other city departments should their involvement be required upon grant award and acceptance.

V. GRANT ACCEPTANCE

- A. Should funds be awarded, each grant must be scheduled for City Council acceptance and/or acknowledgement. In the event the City Manager deems acceptance necessary, the Project Manager shall prepare a packet and place the grant on the appropriate City Council agenda. The city shall officially accept each grant by completing all administrative requirements and obtaining appropriate signatures as specified in the Statement of Award. Each grant awarded outlines acceptance deadlines. Special care must be met to meet these deadlines.
- B. In cases where a local or other match is required by the city, the City Manager and Finance Department must work closely together with the Project Manager in order to meet the financial requirements of the grant.

VI. ESTABLISHING & MAINTAINING BUDGETS

- A. Once grants have been accepted and/or acknowledged by the City Council, the Finance Department shall set up the appropriate accounting/budget requirements, which will allow the City department to properly manage grant funds. Special care must be taken in that each grant has its own specific terms and conditions of expending funds.
- B. Expenditure and revenue reports shall be monitored by the Project Manager and Finance Department on a monthly basis for problems or errors. Necessary adjustments to the accounting system should be made at that time by the appropriate personnel.

VII. PAYMENT AUTHORIZATIONS

- A. All expensed funds, to include invoices, travel requests, purchase requests, etc., will be reviewed by the Project Manager to ensure that the appropriate line items are utilized according to grant application budget.
- B. The Finance Department shall have exclusive authority to deposit all grant funding received into appropriate accounts designated by Finance Department personnel.
- C. The Finance Department shall ensure that appropriate accounting measures are met to provide payments for each expense within the grant process and according to the city's Purchasing Policy.
- D. The Finance Department will assign general ledger numbers to segregate revenues and expenses unique to each project and budget category.

- E. As deemed necessary, the Finance Department shall produce monthly accounting reports in accordance with grant requirements.
- F. The Finance Department shall have exclusive authority to schedule, attend and monitor outside auditing of grant funds. All appropriate financial documents will be produced by Finance Department for audits.

VIII. GRANT REIMBURSEMENT

Grant funds cannot be obligated before the beginning or after the end of the grant period. Furthermore, each granting authority will provide specific requirements for the entity requesting reimbursement of funds. However, in an effort to ensure funds are reimbursed and received in a timely manner, please note the items below in reference to the following areas:

- A. Travel Costs
 - 1) Reimbursement is based on a cost for reasonable and allowable expenditures. Special attention should be made to the terms and conditions of your grant. Travel expenses to include mileage, per diem and lodging must comply with state and Internal Revenue Service (IRS) travel requirements, unless otherwise stated in your grant requirements.
 - 2) Should travel be required for training, proof of attendance and/or training certificates must be maintained.
 - 3) Records and supporting data must be documented for travel expenditures.
- B. Salaries
 - 1) Contact the Finance Department in order to calculate appropriate salary and/or benefits for the grant budget.
 - 2) Maintain accurate record of timecards, including name of personnel, hours worked, assignments processed and signature of personnel and supervisor for each grant funding expended.
 - 3) Maintain accurate records for volunteers, including name of volunteer, hours worked, assignments processed and signature of volunteer and supervisor for each grant project.
 - 4) Maintain log of daily activities performed for all hours worked.

- 5) Clear distinction must be made for all personnel to accurately differentiate between time spent on grant activities and time spent on other activities.
 - 6) Overtime compensation to any personnel must be budgeted and/or approved prior to payment.
- C. Purchasing
- 1) While each grant may have specific guidelines, any and all purchases must also comply with the City's Purchasing Policy.
 - 2) An inventory of all items purchased through external funding must be updated and maintained by the Finance Department, with particular attention paid to the categorization of fixed assets.

IX. GRANT REPORTING

- A. Project Managers must report their progress in meeting goals, objectives and measures stated in their application. These progress reports are used to comply with local, state and federal requirements.
- B. Each grant will outline the necessary reporting requirements. The Project Manager will take every precaution to meet these deadlines.
- C. The Project Manager will prepare and provide the necessary reports to each department in order to obtain the appropriate information and signatures as required by the grant.

X. GRANT CLOSING

- A. Closure is initiated by the Project Manager as outlined by the grant. The following steps shall be monitored by the Project Manager:
 - 1) Ensure that all grant funds have been properly recorded and a final Financial Status Report submitted.
 - 2) Ensure that all grant funds have been properly recorded and any other reports submitted as required.
 - 3) Demonstrate that all budgeted expenditures have been captured and grant funds have been used appropriately.
 - 4) Ensure that the grantor has accepted all required reports. This includes completion of final expenditure report and inventory reports for any equipment

purchased with grant funds. The inventory total must equal the total equipment as reported on the final expenditure report. Any unused funds disbursed from the grantor agency must be returned with the final report.

- 5) All expenditure reports for the granting agency have been reconciled to the city's accounting system.
 - 6) Request disposition of equipment purchased with grant funds, following grant requirements and city's disposition policy.
- B. Once these items are complete, the Project Manager should notify the Finance Department that the grant should be closed within the City's accounting system. It is also the Finance Department's responsibility to closely monitor the overall status of all grants and work with each city department to ensure appropriate closure.

XI. RECORDKEEPING

- A. Each department must maintain all grant records, supporting documents, statistical records, and all other records pertinent to your grant per the current edition of the Texas State Records Retention Schedule or, if applicable, Texas Government Code Section 441.1855.
- B. While each department is responsible for maintaining the aforementioned items, the Finance Department will maintain any and all grant documents related to the reimbursement of funds, as well as other basic documentation for auditing purposes (e.g., copy of grant application, award letter, other supporting documentation, etc.).
- C. If any litigation, claim, negotiation, audit, or other action involving grant records has been started before the expiration of three years, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular three (3) year period, whichever is later.
- D. Departments must ensure they comply with retention requirements specified by each grantor if those requirements exceed the applicable Texas State Records Retention Schedule or Texas Government Code period.
- E. Retention requirements extend to books of original entry, source documents supporting accounting transactions, the general ledger, subsidiary ledgers, personnel and payroll records, cancelled checks, and related documents and records.

CITY OF KENNEDALE



IDENTITY THEFT PREVENTION PROGRAM POLICY

ORIGINALLY ADOPTED BY CITY COUNCIL: NOVEMBER 13, 2008

PREFACE

The Federal Trade Commission (FTC) recently adopted rules on identity theft “red flags” (i.e., warning signs) pursuant to the Fair and Accurate Credit Transactions (FACT) Act of 2003. The new rules, which mandate action by November 1, 2008 (recently extended to May 1, 2009), require any business with a “covered account” to adopt and implement an identity theft program. Most cities that operate a municipal utility will be affected by these new rules.

A covered account is one where an entity (such as a municipal utility) provides a service or good before the consumer pays for it. For example, most municipal water utilities provide water to the customer, then the utility bills the customer later based on consumption.

A city with such accounts must adopt and implement a written program that: (1) identifies relevant identity theft “red flags” to the utility or other covered entity; (2) provides for detection of those red flags; (3) provides for appropriate responses to any red flags that are detected; and (4) ensures that the program is updated periodically to address changing risks.

Red flags may include unusual account activity, altered identity documents that are used to apply for an account, and a variety of other signs. Appropriate action in response to a red flag might include, among other actions, verification of personal information, contacting the customer, or other action that would prevent identity theft.

SUBSEQUENT REVIEW & ADOPTION

NOVEMBER 5, 2009

OCTOBER 14, 2010

OCTOBER 13, 2011

OCTOBER 3, 2012

OCTOBER 1, 2013

OCTOBER 13, 2014

OCTOBER 19, 2015

OCTOBER 17, 2016

JUNE 18, 2018

I. PROGRAM ADOPTION

The City of Kennedale ("City") developed this Identity Theft Prevention Program ("Program") pursuant to the Federal Trade Commission's Red Flags Rule ("Rule"), which implements Section 114 of the Fair and Accurate Credit Transactions Act of 2003. 16 C. F. R. § 681.2. This Program was developed for the Utility Department of the City ("Utility") with oversight and approval of the City Council. After consideration of the size and complexity of the Utility's operations and account systems, and the nature and scope of the Utility's activities, the City Council determined that this Program was appropriate for the City's Utility, and therefore approved this Program on November 13, 2008.

II. PURPOSE AND DEFINITIONS

A. Establish an Identity Theft Prevention Program

To establish an Identity Theft Prevention Program designed to detect, prevent and mitigate identity theft in connection with the opening of a covered account or an existing covered account and to provide for continued administration of the Program in compliance with Part 681 of Title 16 of the Code of Federal Regulations implementing Sections 114 and 315 of the Fair and Accurate Credit Transactions Act (FACTA) of 2003

B. Establishing and Fulfilling Requirements of the Red Flags Rule

The Red Flags Rule ("Rule") defines "Identity Theft" as "fraud committed using the identifying information of another person" and a "Red Flag" ("Red Flag") as a pattern, practice, or specific activity that indicates the possible existence of Identity Theft.

Under the Rule, every financial institution and creditor is required to establish an "Identity Theft Prevention Program" tailored to its size, complexity and the nature of its operation. The Program must contain reasonable policies and procedures to:

- 1) Identify relevant Red Flags for new and existing covered accounts and incorporate those Red Flags into the Program;
- 2) Detect Red Flags that have been incorporated into the Program;
- 3) Respond appropriately to any Red Flags that are detected to prevent and mitigate Identity Theft; and
- 4) Ensure the Program is updated periodically, to reflect changes in risks to customers or to the safety and soundness of the creditor from Identity Theft.

C. Red Flags Rule Definitions Used In This Program

- 1) City: The City of Kennedale, Texas.
- 2) Covered Account: Under the Rule, a "covered account" is:

- a) Any account the Utility offers or maintains primarily for personal, family or household purposes, that involves multiple payments or transactions; or
 - b) Any other account the Utility offers or maintains for which there is a reasonably foreseeable risk to customers or to the safety and soundness of the Utility from Identity Theft.
- 3) Creditors: The Rule defines creditors “to include finance companies, automobile dealers, mortgage brokers, utility companies, and telecommunications companies. Where non-profit and government entities defer payment for goods or services, they, too, are to be considered creditors.”
 - 4) Identifying Information is defined under the Rule as “any name or number that may be used, alone or in conjunction with any other information, to identify a specific person,” including: name, address, telephone number, social security number, date of birth, government issued driver’s license or identification number, alien registration number, government passport number, employer or taxpayer identification number, unique electronic identification number, computer’s Internet Protocol address, or routing code.
 - 5) Program: The Identity Theft Prevention Program for the City.
 - 6) Program Administrator: The Director of Finance is the Program Administrator for the Program.
 - 7) Utility: The Utility is the Utility Department for the City.

III. IDENTIFICATION OF RED FLAGS

In order to identify relevant Red Flags, the Utility considers the types of accounts that it offers and maintains, the methods it provides to open its accounts, the methods it provides to access its accounts, and its previous experiences with Identity Theft. The Utility identifies the following red flags, in each of the listed categories:

A. Notifications and Warnings From Consumer Credit Reporting Agencies

- 1) Red Flags
 - a) Report of fraud accompanying a consumer credit report;
 - b) Notice or report from a consumer credit agency of a credit freeze on a customer or applicant;
 - c) Notice or report from a consumer credit agency of an active duty alert for an applicant; and
 - d) Indication from a consumer credit report of activity that is inconsistent with a customer’s usual pattern or activity, including but not limited to:
 - Recent and significant increase in volume of inquiries
 - Unusual number of recent credit applications
 - A material change in use of credit
 - Accounts closed for cause or abuse

B. Suspicious Documents

1) Red Flags

- a) Identification document or card that appears to be forged, altered or inauthentic;
- b) Identification document or card on which a person's photograph or physical description is not consistent with the person presenting the document;
- c) Other document with information that is not consistent with existing customer information (such as if a person's signature on a check appears forged); and
- d) Application for service that appears to have been altered or forged.

C. Suspicious Personal Identifying Information

1) Red Flags

- a) Identifying information presented that is inconsistent with other information the customer provides (example: inconsistent birth dates, lack of correlation between Social Security number range and date of birth);
- b) Identifying information presented that is inconsistent with other sources of information (for instance, Social Security number or an address not matching an address on a credit report);
- c) Identifying information presented that is the same as information shown on other applications that were found to be fraudulent;
- d) Identifying information presented that is consistent with fraudulent activity (such as an invalid phone number or fictitious billing address);
- e) Social Security number presented that is the same as one given by another customer;
- f) An address or phone number presented that is the same as that of another person;
- g) A person fails to provide complete personal identifying information on an application when reminded to do so (however, by law social security numbers must not be required) or an applicant cannot provide information requested beyond what could commonly be found in a purse or wallet; and
- h) A person's identifying information is not consistent with the information that is on file for the customer.

D. Suspicious Account Activity or Unusual Use of Account

1) Red Flags

- a) Change of address for an account followed by a request to change the account holder's name;
- b) Payments stop on an otherwise consistently up-to-date account;
- c) Account used in a way that is not consistent with prior use (example: very high activity);
- d) Mail sent to the account holder is repeatedly returned as undeliverable;
- e) Notice to the Utility that a customer is not receiving mail sent by the Utility;
- f) Notice to the Utility that an account has unauthorized activity;
- g) Breach in the Utility's computer system security; and
- h) Unauthorized access to or use of customer account information.

E. Alerts from Others

1) Red Flag

- a) Notice to the Utility from a customer, identity theft victim, fraud detection service, law enforcement or other person that it has opened or is maintaining a fraudulent account for a person engaged in Identity Theft.

IV. DETECTING RED FLAGS

A. New Accounts

In order to detect any of the Red Flags identified above associated with the opening of a new account, Utility personnel will take the following steps to obtain and verify the identity of the person opening the account:

1) Detect

- a) Require certain identifying information such as name, date of birth, residential or business address, principal place of business for an entity, driver's license or other identification;
- b) Verify the customer's identity (for instance, review a driver's license or other identification card);
- c) Review documentation showing the existence of a business entity;
- d) Request additional documentation to establish identity; and
- e) Independently contact the customer or business.

B. Existing Accounts

In order to detect any of the Red Flags identified above for an existing account, Utility personnel will take the following steps to monitor transactions with an account:

- 2) Detect
 - a) Verify the identification of customers if they request information (in person, via telephone, via facsimile, via email);
 - b) Verify the validity of requests to close accounts or change billing addresses; and
 - c) Verify changes in banking information given for billing and payment purposes.

V. PREVENTING AND MITIGATING IDENTITY THEFT

In the event Utility personnel detect any identified Red Flags, such personnel shall take one or more of the following steps, depending on the degree of risk posed by the Red Flag:

A. Prevent and Mitigate

- 1) Continue to monitor an account for evidence of Identity Theft;
- 2) Contact the customer, sometimes through multiple methods;
- 3) Change any passwords or other security devices that permit access to accounts;
- 4) Not open a new account;
- 5) Close an existing account;
- 6) Do not close the account, but monitor or contact authorities;
- 7) Reopen an account with a new number;
- 8) Notify the Program Administrator for determination of the appropriate step(s) to take;
- 9) Notify law enforcement; or
- 10) Determine that no response is warranted under the particular circumstances.

B. Protect Customer Identifying Information

In order to further prevent the likelihood of identity theft occurring with respect to Utility accounts, the Utility will take the following steps with respect to its internal operating procedures to protect customer identifying information:

- 1) Ensure that its website is secure or provide clear notice that the website is not secure;
- 2) Where and when allowed, ensure complete and secure destruction of paper documents and computer files containing customer information;

- 3) Ensure that office computers are password protected and that computer screens lock after a set period of time;
- 4) Change passwords on office computers on a regular basis;
- 5) Ensure all computers are backed up properly and any backup information is secured;
- 6) Keep offices clear of papers containing customer information;
- 7) Request only the last 4 digits of social security numbers (if any);
- 8) Ensure computer virus protection is up to date; and
- 9) Require and keep only the kinds of customer information that are necessary for utility purposes.

VI. PROGRAM UPDATES

This Program will be periodically reviewed and updated to reflect changes in risks to customers and the soundness of the Utility from Identity Theft. Periodically, the Program Administrator will consider the Utility's experiences with Identity Theft situation, changes in Identity Theft methods, changes in Identity Theft detection and prevention methods, changes in types of accounts the Utility maintains and changes in the Utility's business arrangements with other entities, consult with law enforcement authorities, and consult with other City personnel. After considering these factors, the Program Administrator will determine whether changes to the Program, including the listing of Red Flags, are warranted. If warranted, the Program Administrator will update the Program or present the City Council with his or her recommended changes and the City Council will make a determination of whether to accept, modify or reject those changes to the Program.

VII. PROGRAM ADMINISTRATION

A. Oversight

Responsibility for developing, implementing and updating this Program lies with an Identity Theft Committee for the Utility. The Committee is headed by a Program Administrator who may be the head of the Utility or his or her appointee. Two or more other individuals appointed by the head of the Utility or the Program Administrator comprise the remainder of the committee membership. The Program Administrator will be responsible for the Program administration, for ensuring appropriate training of Utility staff on the Program, for reviewing any staff reports regarding the detection of Red Flags and the steps for preventing and mitigating Identity Theft, determining which steps of prevention and mitigation should be taken in particular circumstances and considering periodic changes to the Program.

B. Staff Training and Reports

Initially, all Utility staff shall be trained either by or under the direction of the Program Administrator in the detection of Red Flags, and the responsive steps to be taken when a Red Flag is detected. Thereafter, all Utility staff shall undergo update training not less than annually. Additionally, all new Utility employees shall undergo training.

All Utility staff shall submit reports as needed concerning the Utility's compliance with the program, the training that has been given and the effectiveness of the policies and procedures in addressing the risk of Identity Theft, including recommendations for changes to the Program. While incidents of Identity Theft are to be reported immediately to the Program Administrator, the reports shall contain a recap of the incident and include the steps taken to assist with resolution of the incident.

C. Service Provider Arrangements

In the event the Utility engages a service provider to perform an activity in connection with one or more accounts, including but not limited to franchise utility providers, the Utility will take the following steps to ensure the service provider performs its activity in accordance with reasonable policies and procedures designed to detect, prevent, and mitigate the risk of Identity Theft.

- 1) Require, by contract or contract amendment, that service providers have such policies and procedures in place; and
- 2) Require, by contract or contract amendment, that service providers review the Utility's Program and report any Red Flags to the Program Administrator.

D. Specific Program Elements and Confidentiality

For the effectiveness of Identity Theft prevention Programs, the Red Flag Rule envisions a degree of confidentiality regarding the Utility's specific practices relating to Identity Theft detection, prevention and mitigation. Therefore, under this Program, knowledge of such specific practices is to be limited to the Identity Theft Committee and those employees who need to know them for purposes of preventing Identity Theft. Because this Program is to be adopted by a public body and thus publicly available, it would be counterproductive to list these specific practices here. Therefore, only the Program's general red flag detection, implementation and prevention practices are listed in this document.

CITY OF KENNEDALE



INTERNAL CONTROLS & CASH HANDLING POLICY

ORIGINALLY ADOPTED BY CITY COUNCIL: NOVEMBER 17, 2011

PREFACE

The intent of the City of Kennedale's Internal Controls & Cash Handling Policy is to provide management with reasonable, but not absolute, assurance that resources are being utilized and accounted for accurately, appropriately, consistently and completely. The reliability with which the city can place upon its financial records is further dependent upon the effectiveness of procedures and controls that must also ensure that transaction processes, in terms of cash, are not exposed to unauthorized access and use.

SUBSEQUENT REVIEW & ADOPTION

OCTOBER 3, 2012
OCTOBER 1, 2013
OCTOBER 13, 2014
OCTOBER 19, 2015
NOVEMBER 21, 2016
JUNE 18, 2018

I. PURPOSE

The goal of this Internal Controls & Cash Handling Policy is to ensure adequate internal controls by effectively safeguarding, depositing, and accounting for Cash on behalf of the City of Kennedale and to maintain public trust. Additionally, this policy will provide guidance to departments on improving cash handler (hereby referred to as “cashier/custodian”) skill and accountability, therefore limiting not only the City’s losses, but also the City’s involvement in investigations of losses of funds. The term “Cash” applies to currency, coin, check, money order, credit card, electronic funds, and other negotiable instruments payable in money to the City.

II. ADMINISTRATIVE PROCEDURES

Enforcement of the cash management program is included but limited to the following:

- A. A random drawer audit conducted under the direction of the Director of Finance.
- B. Any deficiencies in regard to the set procedures will be reported to the Director of Finance and the City Manager in the form of a memorandum outlining the deficiencies.
- C. The Director of Finance will notify the Department Head involved and explain these deficiencies, and the Department Head will be responsible for taking appropriate action to correct deficiencies.
- D. If in a subsequent audit these deficiencies still exist, the Director of Finance will advise the Department Head that the deficiencies still exist.
- E. The Director of Finance and the Department Head will notify the City Manager of the existing situation.
- F. The City Manager will review the existing situation and may take appropriate action to resolve deficiencies and ensure that the procedures as outlined are administered properly.

III. DELEGATION OF AUTHORITY

- A. The Director of Finance is authorized to promulgate rules for establishing procedures for the receipt, handling and deposit by City officers and employees of City Cash into the City Treasury for: the method of documentation on all such transactions; regular reporting to the Director of Finance; certifying and rescinding certification by the Director of Finance of all City officers and employees who are authorized to receive or handle City monies in the regular course of their employment or departmental activities; inspection of departmental cash records, including overages or shortages; inspection of departmental practices and procedures in handling City Cash; and

contracting with agents to collect City Cash and their collection procedures. The Director of Finance may enforce these rules through on-site inspections; by rescinding certification of any officer or employee who fails to comply with the Director of Finance's procedures and, in the event of noncompliance by a department or office, requiring that payments to personnel be authorized by the Director of Finance, or deposited at his/her office.

- B. The Director of Finance, as the City's banker, is required by law to receive, retain, and disburse all City revenue and keep detailed records of these transactions. The Director of Finance is charged with the responsibility of overseeing the proper receipting and to safeguard all City funds.
- C. **The Director of Finance is responsible for the administration of the cash management program; however, he/she may delegate applicable responsibilities as appropriate. For the purposes of this policy, the term "Finance Department" refers to the Account Payable Clerk. In the Account Payable Clerk's absence, Finance Department duties will be delegated to the Director of Finance and/or Accounting Technician.**
- D. Through certification, the responsibility and accountability of the daily collection of funds is delegated to the cashier/custodians.

IV. DUTIES OF CITY DEPARTMENT HEADS

The Director of any City department who anticipates receiving City Cash on a regular basis in the course of its activities shall:

- A. Assign the receiving of City Cash only to those persons who are certified by the Director of Finance for performing these functions;
- B. Collaborate with the Director of Finance to establish and maintain a system of procedures, documentation and reporting on receipts handling and deposit of City money;
- C. Notify the Director of Finance and Police Department of any theft of City Cash **no later than twenty-four hours after discovery.**
- D. Allow the Director of Finance or designee to make on-site inspections and observe the processing of City Cash, and to make inspections of departmental collection records.

V. DUTIES OF CITY PERSONNEL

Any City officer or employee, who receives City Cash in the normal scope and course of his/her duties, shall:

- A. Departments with tills and/or cash boxes will count their money and store in a secure place (preferably a safe). Departments not utilizing tills and/or cash boxes will turn in the cash on the same day to the Utility Billing Administrator no later than 5:00 p.m. **Note:** Several departments, such as the Police, Animal Control and Library Department collect cash through their individual department, and then submit it through Utility Billing's Cash Receipts to be later deposited to the Finance Department.
- B. Comply with rules promulgated by the Director of Finance for handling and processing of City Cash and for documentation and dissemination of records, and with departmental internal procedures, established in conformity with the Director of Finance procedures;
- C. Notify the employee's Department Head and Director of Finance of any loss or theft of City money **no later than twenty-four hours after discovery;**
- D. Be subject to disciplinary action, up to and including termination for failure to comply with each department's operating policies, Director of Finance's procedures and/or duties described in this policy.

VI. STANDARD CASH HANDLING PROCEDURE

- A. Daily, cash handlers will conduct a blind, double count of deposits. At least two people will count the deposits in front of each other, in view of a camera (if possible). The deposits will then be sealed in a bank bag, with the applicable count recorded on the bag. Cash handlers will pay particular note to ensure date, amount, and payee are appropriate for checks.
- B. Once the deposit is secured in a bank bag, the cash handler will reconcile the amount to the prior day's activity. Any differences should be noted.
- C. The bags should be secured in a safe place, preferably a safe, until a member of the police department is able to pick up the deposit and take it to the depository.
- D. A form detailing the total deposited amount and the daily activity should be given to Utility Billing to enter into the ledger. The Finance Department will be provided a record of the initial deposit from the cash handler and the ledger entry made by Utility Billing.

VII. LIABILITY FOR LOSS

- A. As between a department and its officers and the Director of Finance, the department has primary responsibility for care and liability for loss of City Cash in its custody until deposited in the City Treasury or entrusted to a custodian certified by the Director of Finance.
- B. Compliance with the procedures approved by the Director of Finance establishes a presumption that a City department or office exercised due care in its custody and care of City Cash.

VIII. CERTIFICATION OF CASHIERS & CUSTODIANS

- A. Only persons who are approved by the Director of Finance shall receive and handle City Cash on a regular basis in the scope and course of their employment. **A signed Certificate of Responsibility must be obtained from the cashier/custodian and supervisor verifying receipt of this policy.**
- B. In addition, the Director of Finance **may** require that the cashier/custodian complete a certification or training and/or pass an examination on: the secure processing of moneys, cash procedures and applicable departmental rules, and thereafter take refresher instruction or training at periodic intervals or when the need arises.

IX. ESTABLISHMENT/INCREASE OF CASH FUNDS

All requests for the establishment of cash funds must be made to the Director of Finance. The Director of Finance will maintain a complete listing of all cash funds. The department location, cashier/custodian and the amount of the cash fund are to be maintained upon this written listing.

- A. An initial request for establishment or request for increase should be submitted to the Director of Finance for the amount of the funds requested.
- B. No funds are to be established out of cash receipts by any department.
- C. Upon establishment of a cash fund, a cashier/custodian should be appointed by the Director of Finance. Cash funds must have one cashier/custodian responsible for the disbursement of cash. In the absence of the cashier/custodian, a designated individual should make all disbursements from the cash fund. Should it become necessary to change cashier/custodians, the Department Head should notify the Director of Finance and request an audit of the cash fund to be performed prior to transferring the cash fund to the new cashier/custodian.

X. TERMINATION OF CASH FUNDS

- A. The Department Head should notify the Director of Finance that the cash fund is to be closed and request that an audit be performed prior to closing the cash fund.
- B. The Director of Finance will perform an audit of the cash fund. Any shortages or variances are to be investigated and resolved by the Department Head and the Director of Finance. **If the shortages or variances cannot be resolved, the Department Head is to provide a written explanation to the effect that a shortage or variance occurred, which he or she could not resolve, to the Director of Finance.**
- C. Upon completion of the cash audit, the cashier/custodian should deposit any cash on hand with the Finance Department and provide a copy of the deposit slip to the Director of Finance with any outstanding vouchers.
- D. The Director of Finance will provide the Finance Department with details of the expense accounts to be debited for preparation of a journal entry to close the cash fund. A copy of the details should also be attached to the journal entry as supporting documentation.

XI. SECURITY OF CASH FUNDS

- A. Cash funds are to be kept in locked boxes or drawers. The locked box is to be kept in a secure area, where only the designated cashier/custodian and the Department Head have keys and access to the funds.
- B. Provisions should be made in departments where more than one cash fund exists to secure all funds which are not being utilized. Only the Department Head or his/her designated cashier/custodian should have access to an employee's cash fund in the event of their absence.
- C. Only the person responsible for the cash fund and the Department Head should maintain keys and have access to the funds.
- D. Bank bags must be secured and kept out of sight when transporting city funds for deposit to Utility Billing Customer Service.
- E. All funds must be reviewed randomly.
- F. The use of surveillance cameras may be used to monitor city funds.

XII. REGULATION OF PETTY CASH FUNDS

Petty cash funds are available for making emergency or immediate purchases of items that are not easily obtained through normal purchasing channel. Petty cash funds are to be maintained only for this purpose, and no department shall possess a petty cash fund without establishing such a fund as outlined Section VIII: Establishment/Increase of Cash Funds.

A. Maintenance of Petty Cash Funds

- 1) Cash funds must have one custodian responsible for the disbursement of cash. In the absence of the custodian, only the Department Head or his/her designated custodian should make all disbursements from the petty cash fund.
- 2) Each cash fund should have a set amount of funds to be accounted for. The Finance Department will not process payment authorizations to reimburse petty cash if the request exceeds the established amount of the petty cash fund.
- 3) **The petty cash fund is to be reconciled on a daily basis by the fund custodian.**
- 4) **The cash custodian should process a payment authorization to reimburse their petty cash fund as necessary.** The payment authorization requesting reimbursement of petty cash is to be processed with enough lead-time to prevent the remaining petty cash funds from being depleted prior to the issuance of the reimbursement check. All check payments to reimburse the petty cash fund are to be made payable to the City of Kennedale.
- 5) A petty cash voucher must be completed to support all disbursements of cash from the petty cash fund. The petty cash voucher must be completed in its entirety and approved by the Department Head prior to the disbursement of any cash from the custodian.
- 6) Each petty cash voucher must be accompanied by a receipt ticket upon reimbursement or return of unused funds.
- 7) Three (3) signatures are required on all petty cash vouchers. All petty cash vouchers must be signed by the employee receiving the cash and by the Department Head approving the transaction. The petty cash custodian will then sign the voucher as cash is actually disbursed from the fund.
- 8) **Employees are not to be reimbursed for sales tax.** It is the responsibility of the Department Head to ensure that employees are aware of the City's exempt status.
- 9) Petty cash in advance is not to be held by any employee longer than a twenty-four period. Receipts and used funds must be returned and be reconciled to vouchers within the twenty-four hour period.

- 10) Expenditures for purchases made from the petty cash fund are not to exceed \$100.00. Purchases that exceed \$100.00 should be purchased through normal purchasing process.

B. Prohibited expenses include the following:

- 1) Loans to employees;
- 2) IOUs for employee personal use;
- 3) Cashing personal, payroll and expense checks for the Department Head, petty cash custodian, or any other employees or City official; and
- 4) Traveling or training expenses, such as use of personal vehicle, parking and entertainment (these expenditures should be reimbursed by submitting the proper expense report form to Finance Department).

C. Documents Which Serve as Support for Disbursement of Petty Cash

- 1) A cash register receipt, provided that the date is current enough to support said purchase;
- 2) Cash receipt tickets from the place of purchase provided that the date is current, items purchased are listed and the ticket is signed by the employee as receiving said merchandise;
- 3) Proof of purchase in the form of a valid receipt provided the date is current and the type of the purchase or expenditure can be easily determined;
- 4) No refunds for purchases will be made without proof of purchase;
- 5) A petty cash voucher properly completed with authorizations for a cash advance.

XIII. REGULATION OF CHANGE FUNDS

Changes funds, or cash drawers, are to be maintained for the purpose of making change. Change funds are not to be co-mingled with other cash funds. Change funds are to be maintained only for this purpose and no department shall possess a change fund without establishing such a fund with the Director of Finance.

A. Maintenance of a Change Fund

- 1) Each change fund should have one person responsible for that fund or drawer at any one given time. In the areas where more than one change fund is used, each employee should work out of his/her own change fund. Employees are not to work out of another employee's change fund.
- 2) Each change fund should be established for a set amount as outlined in this section, and this same amount should be maintained at all times. If an increase in a cash fund is needed, a request should be sent to the Director of Finance outlining the need and amount of funds requested is required.
- 3) **Change funds are not to be used as petty cash funds.** They are to be used only for making change.
- 4) Cash receipts are not to build up in a change fund. These receipts are to be removed and deposited as outlined in Section XIII: Regulation of Deposits.
- 5) Receipts for all cash should be utilized so that an audit may be done at any time and the amount of the change fund can be verified.

B. Cashing of Personal Checks from a Change Fund

- 1) Cashing of personal, payroll, and expense checks is strictly prohibited.

XIV. REGULATION OF DEPOSITS

The City of Kennedale collects cash through various departments in a decentralized manner; however, all cash is then turned in to Utility Billing for deposit to the bank no later than 2:00 p.m. on a daily basis. At no time shall cash be held. **Note:** Several departments, such as the Police, Animal Control and Library Department collect cash through their individual department, and then submit it through Utility Billing's Cash Receipts to be later deposited to the Finance Department.

A. Losses/Shortages/Overages

The Director of Finance makes a clear distinction between a "loss" and "shortage" of City money. This is determined by the cash handler's ability to obtain physical custody of the money and how that person safeguards the money. **Cashiers/custodians must report all losses to the Finance Department no later than twenty-four hours after discovery.**

- 1) A shortage is an unintentional collection error such as a change making error. An overage occurs when a cash handler has collected too much money and cannot immediately return the excess to a specific customer.

- 2) On the other hand, a loss of City money is when a cash handler has obtained physical custody of money and then due to reasons like negligence, an act of God or an unlawful action, cannot deposit that money with the City.
- 3) An example of negligence is leaving City money unattended and not properly safeguarding that money from loss.
- 4) The Finance Department can have cashiers/custodians repay a “shortage.” Finance will verify that the repayment does not violate DOL wage guidelines.
- 5) Repeated issues with losses and shortages will result in disciplinary action based on the city’s progressive disciplinary policy. The decision to issue employee discipline will be made after consideration of a variety of factors including, but not limited to the severity of the misconduct, the employee’s past work performance and prior disciplinary history, the employee’s length of service, and any mitigating circumstances.

XV. REGULATION OF RETURN CHECKS

- A. All return checks will be charged a return check fee as determined by the City Council. The fee is applicable when a customer, taxpayer or employee check for payment of fees, fines, court costs, taxes, utilities or other charges has been dishonored by the maker’s bank and returned to the City of Kennedale. The fee, plus the base amount of check, will be payable to the City by means of cash, money order or cashier’s check.
- B. If a customer, taxpayer or employee fails to honor the returned check within thirty days, the check will be turned over for collection or criminal sanctions, depending on which option is applicable.

XVI. ACTION TAKEN IN EVENT OF THEFT

The danger of security and loss is a constant threat when handling money. Fund custodians are expected to safeguard City funds against loss. Custodians should be familiar with what to do in times of emergency. In these circumstances, **protecting human life should be the first concern.** Thefts are to be reported and handled in compliance with the City of Kennedale’s Fraud Policy. Following the complete investigation performed in accordance with the Fraud Policy, the Director of Finance will conduct a review of the cash handling procedures and related internal controls and issue a report of his/her conclusions on improvements to cash handling procedures. The report will be discussed for implementation with the related department head in an effort to prevent future thefts from occurring.

CITY OF KENNEDALE
CASH HANDLING CERTIFICATE OF RESPONSIBILITY
(Appendix A)

I have read and understand the City of Kennedale Internal Controls & Cash Handling Policy. A copy of the Internal Controls & Cash Handling Policy has been provided to me. I agree to be held responsible and accountable for the handling of City funds according to the City of Kennedale's Internal Controls & Cash Handling Policy for the following purpose(s):

Please Initial

_____ Cash Drawer/Change Fund
_____ Petty Cash Fund
_____ Other

I have also been informed and understand that surveillance camera equipment and other devices may be used to monitor City funds.

By signing below, I acknowledge that I have read and agree to the terms and conditions of this document, as well as the City of Kennedale's Internal Controls & Cash Handling Policy.

Training/Exam Date (If Applicable): _____

Employee Name: _____
Employee Signature: _____
Date: _____

Department Head Name: _____
Department Head Signature: _____
Date: _____

Director of Finance Name: _____
Director of Finance Signature: _____
Date: _____

RESOLUTION NO. 629

**A RESOLUTION ADOPTING AN AMENDED CITY OF KENNEDALE
INVESTMENT POLICY**

WHEREAS, on September 13, 2001, City Council adopted the document entitled, “Investment Policy,” a framework that provides the guidelines by which the City of Kennedale will maintain the minimum amount of cash in its bank accounts to meet daily needs, and to provide protection for its principal and liquidity while receiving the highest yield possible from investing all temporary excess cash; and

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

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

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

The City Council of the City of Kennedale, Texas hereby approves the amended Investment Policy dated December 19, 2023, attached hereto as “Exhibit A.”

PASSED, ADOPTED AND APPROVED by the City Council of the City of Kennedale, Texas, this the 19th day of December, 2023.

APPROVED:



Mayor Jan Joplin

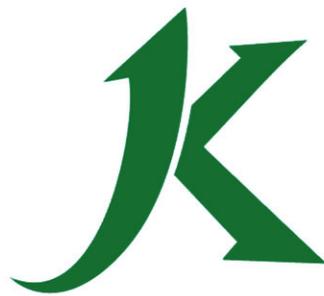
ATTEST:



City Secretary Raeanne Byington



CITY OF KENNEDALE



KENNEDALE
Finance Department

INVESTMENT POLICY

ORIGINALLY ADOPTED BY CITY COUNCIL: SEPTEMBER 13, 2001

PREFACE

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

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

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

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

SUBSEQUENT REVIEW & ADOPTION

SEPTEMBER 12, 2002
OCTOBER 9, 2003
SEPTEMBER 9, 2004
SEPTEMBER 13, 2005
SEPTEMBER 14, 2006
SEPTEMBER 13, 2007
NOVEMBER 13, 2008
NOVEMBER 5, 2009
NOVEMBER 17, 2011
OCTOBER 3, 2012
OCTOBER 1, 2013
OCTOBER 13, 2014
OCTOBER 19, 2015
OCTOBER 17, 2016
JUNE 18, 2018
JULY 19, 2022
AUGUST 29, 2023
DECEMBER 19, 2023

I. PURPOSE

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

II. SCOPE

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

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

- 1) General Fund;
- 2) Special Revenue Funds;
- 3) Capital Project Funds;
- 4) Enterprise/Proprietary Funds;
- 5) Trust and Agency Funds, to the extent not required by law or existing contract to be kept segregated and managed separately;
- 6) Debt Service Funds, including reserves and sinking funds to the extent not required by law or existing contract to be kept segregated and managed separately; and
- 7) Any new fund created by the City, unless specifically exempted from this policy by the City or by law.

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

B. This policy excludes:

- 1) Employee Retirement and Pension Funds administered or sponsored by the City.
- 2) Defeased bond funds held in trust escrow accounts.

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

III. PRUDENCE

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

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

- 1) the investment of all funds, or funds under the entity's control, over which the officer had responsibility rather than a consideration as to the prudence of a single investment; and
- 2) whether the investment decision was consistent with the written investment policy of the City.

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

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

IV. OBJECTIVES

- A. Preservation & Safety of Principal: Preservation of capital is the foremost objective of the City. Each investment transaction shall seek first to ensure that capital losses are avoided, whether the loss occurs from the default of a security or from erosion of market value.
- B. Liquidity: The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements which can be reasonably anticipated. Liquidity will be achieved by matching investment maturities with forecasted cash flow requirements and by investing in securities with active secondary markets.
- C. Yield: The investment portfolio of the City shall be designed to meet or exceed the average rate of return on 91-day U.S. treasury bills throughout budgetary and economic cycles, taking into account the City's investment risk constraints and the cash flow characteristics of the portfolio. Legal constraints on debt proceeds that are not exempt from federal arbitrage regulations are limited to the arbitrage yield of the debt obligation. Investment officials will seek to maximize the yield of these funds in the same manner as all other City funds. However, if the yield achieved by the City is higher than the arbitrage yield, positive arbitrage income will be averaged over a five year period, netted against any negative arbitrage income and the net amount shall be rebated to the federal government as required by federal regulations.

V. RESPONSIBILITY & CONTROL

- A. Delegation: Management responsibility to establish written procedures for the operation of the investment program consistent with this investment policy has been assigned to the Director of Finance by the City Manager. Such procedures shall include explicit delegation of authority to persons responsible for the daily cash management operation, the execution of investment transactions, overall portfolio management and investment reporting. The Director of Finance may delegate the daily investment responsibilities to either an internal investment official or an external investment advisor in combination with an internal investment official. The Director of Finance and/or his representative(s) will be limited by conformance with all federal regulations, ordinances, and the statements of investment strategy.
- B. Subordinates: All persons involved in investment activities shall be referred to as "Investment Officials." No person shall engage in an investment transaction, except as provided under the terms of this policy, the procedures established by the Director of Finance and the explicit authorization by the City Manager to withdraw, transfer, deposit and invest the City's funds. The Director of Finance shall be responsible for all transactions undertaken, and shall establish a system of controls to regulate the activities of subordinate Investment Officials.

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

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

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

- 1) the investment officer owns 10 percent or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business organization;
- 2) funds received by the investment officer from the business organization exceed 10 percent of the investment officer's gross income for the previous year; or
- 3) the investment officer has acquired from the business organization during the previous year investments with a book value of \$2,500 or more for the personal account of the investment officer.

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

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

VI. AUTHORIZED INVESTMENTS

- A. Obligations, including letters of credit, of the United States or its agencies and instrumentalities.
- B. Direct obligations of the State of Texas or its agencies and instrumentalities.
- C. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, the State of Texas, or the United States or its instrumentalities.
- D. Obligations of states, agencies, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than “A” or its equivalent.
- E. Joint Investment Pools of political subdivisions in the State of Texas which invest in instruments and follow practices allowed by current law. A pool must be continuously rated no lower than AAA or AAA-m or at an equivalent rating by at least one nationally recognized rating service.
- F. Certificates of Deposit issued by a depository institution that has its main office or branch office in Texas;
 - 1) and such Certificates of Deposit are:
 - guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund or their successors; or
 - secured by obligations described in Article VI, sections A through D above.

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

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

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

- 1) is registered with and regulated by the Securities and Exchange Commission;
- 2) has a dollar-weighted average stated maturity of 90 days or fewer; and
- 3) includes in its investment objectives the maintenance of a stable net asset value of one dollar for each share.

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

- 1) Banker's Acceptances;
- 2) "Bond" Mutual Funds;
- 3) Collateralized Mortgage Obligations of any type; and
- 4) Commercial Paper, except that the City can invest in local government investment pools and money market mutual funds that have commercial paper as authorized investments. A local government investment pool or money market mutual fund that invests in commercial paper must meet the requirements of Article VI, Sections E and H above.
- 5) Repurchase agreements and reverse repurchase agreements.

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

collateral which may be securing the investment in determining the appropriate steps to take.

VII. PORTFOLIO AND INVESTMENT ASSET PARAMETERS

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

- 1) transactions with money market mutual funds and local government investment pools (which are deemed to be made at prevailing market rates); and
- 2) treasury and agency securities purchased at issue through an approved broker/dealer.

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

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

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

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

- 1) Portfolio maturities and call dates shall be staggered in a way that avoids undue concentration of assets in a specific sector. Maturities shall be selected which provide for stability of income and reasonable liquidity.
- 2) To attain sufficient liquidity, the City shall schedule the maturity of its investments to coincide with known disbursements. Risk of market price

volatility shall be controlled through maturity diversification such that aggregate realized price losses on instruments with maturities exceeding one (1) year shall not be greater than coupon interest and investment income received from the balance of the portfolio.

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

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

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

VIII. AUTHORIZED BROKER/DEALERS & FINANCIAL INSTITUTIONS

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

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

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

- B. All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the investment officials with the following:
- 1) Audited financial statements;
 - 2) Proof of Financial Industry Regulatory Authority (FINRA) certification, unless it is a bank;
 - 3) Resumes of all sales representatives who will represent the financial institution or broker/dealer firm in dealings with the City; and
 - 4) An executed written instrument, by the qualified representative, in a form acceptable to the City and the business organization substantially to the effect that the business organization has received and reviewed the investment policy of the City and acknowledges that the business organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the City and the organization that are not authorized by the City's investment policy, except to the extent that this authorization is dependent on an analysis of the makeup of the City's entire portfolio or requires an interpretation of subjective investment standards.

IX. SAFEKEEPING & CUSTODY OF INVESTMENT ASSETS

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

X. COLLATERAL

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

- A. Market Value: The Market Value of pledged Collateral must be equal to or greater than 102% of the principal and accrued interest for cash balances in excess of the Federal Deposit Insurance Corporation (FDIC) or National Credit Union Share Insurance Fund (NCUSIF) insurance coverage. The Federal Reserve Bank and the Federal Home Loan Bank are designated as custodial agents for collateral. An authorized City representative will approve and release all pledged collateral. The securities comprising the collateral will be marked to market on a monthly basis using quotes by a recognized market pricing service quoted on the valuation date, and the City will be sent reports monthly.
- B. Collateral Substitution: Collateralized investments often require substitution of collateral. The Safekeeping bank must contact the City for approval and settlement. The substitution will be approved if its value is equal to or greater than the required collateral value.
- C. Collateral Reduction: Should the collateral's market value exceed the required amount, the Safekeeping bank may request approval from the City to reduce Collateral. Collateral reductions may be permitted only if the collateral's market value exceeds the required amount.
- D. Letters of Credit: Letters of Credit, as defined in Article VI (A), are acceptable collateral for Certificates of Deposit. Upon the discretion of the City, a Letter of Credit can be acceptable collateral for City funds held by the City's bank depository.

XI. INVESTMENT REPORTS

- A. Reporting Requirements: The investment officials shall prepare a quarterly investment report in compliance with section 2256.023 of the Public Funds Investment Act of the State of Texas. The report shall be submitted to the City Council and the Investment Committee within 30 days following the end of the quarter.
- B. Investment Records: An investment official designated by the City Manager shall be responsible for the recording of investment transactions and the maintenance of the investment records with reconciliation of the accounting records and of investments carried out by an accountant. Information to maintain the investment program and the reporting requirements, including pricing or marking to market the portfolio, may be derived from various sources such as: broker/dealer research reports, newspapers,

financial on-line market quotes, direct communication with broker/dealers, market pricing services, investment software for maintenance of portfolio records, spreadsheet software, or external financial consulting services relating to investments.

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

XII. INVESTMENT COMMITTEE

- A. Members: An Investment Committee, consisting of the City Manager or designee and the Director of Finance, shall review the City's investment strategies and monitor the results of the investment program at least quarterly. This review can be done by reviewing the quarterly written reports and by holding committee meetings as necessary. The committee will be authorized to invite other advisors to attend meetings as needed.
- B. Scope: The Investment Committee shall include in its deliberations, such topics as economic outlook, investment strategies, portfolio diversification, maturity structure, potential risk to the City's funds, evaluation and authorization of broker/dealers, rate of return on the investment portfolio, review and approval of training providers and compliance with the investment policy. The Investment Committee will also advise the City Council of any future amendments to the investment policy that are deemed necessary or recommended.

XIII. INVESTMENT STRATEGY STATEMENTS

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

- A. Operating Funds
 - 1) Suitability - All investments authorized in the Investment Policy are suitable for Operating Funds.
 - 2) Preservation & Safety of Principal - All investments shall be high quality securities with no perceived default risk.

- 3) Liquidity - Investment strategies for the pooled operating funds have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The dollar-weighted average maturity of operating funds, based on the stated final maturity date of each security, will be calculated and comply with SEC Rule 2a-7. Investments for these funds shall not exceed an 18-month period from date of purchase.
- 4) Marketability - Securities with active and efficient secondary markets will be purchased in the event of an unanticipated cash requirement.
- 5) Diversification - Maturities shall be staggered throughout the budget cycle to provide cash flows based on anticipated needs. Investment risks will be reduced through diversification among authorized investments.
- 6) Yield - The City's objective is to attain a competitive market yield for comparable securities and portfolio constraints. The benchmark for Operating Funds shall be the 91 day Treasury bill.

B. Reserve & Deposit Funds

- 1) Suitability - All investments authorized in the Investment Policy are suitable for Reserve and Deposit Funds.
- 2) Preservation & Safety of Principal - All investments shall be high quality securities with no perceived default risk.
- 3) Liquidity - Investment strategies for reserve and deposit funds shall have as the primary objective the ability to generate a dependable revenue stream to the appropriate reserve fund from investments with a low degree of volatility. Except as may be required by the bond ordinance specific to an individual issue, investments should be of high quality, with short-to-intermediate-term maturities. The dollar-weighted average maturity of reserve and deposit funds, based on the stated final maturity date of each security, will be calculated and limited to three years or less.
- 4) Marketability - Securities with active and efficient secondary markets will be purchased in the event of an unanticipated cash requirement.
- 5) Diversification - Maturities shall be staggered throughout the budget cycle to provide cash flows based on anticipated needs. Investment risks will be reduced through diversification among authorized investments.

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

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

- 1) Suitability - All investments authorized in the Investment Policy are suitable for Bond and Certificate Capital Project Funds and Special Purpose Funds.
- 2) Preservation & Safety of Principal - All investments shall be high quality securities with no perceived default risk.
- 3) Liquidity - Investment strategies for bond and certificate capital project funds, special projects and special purpose funds portfolios will have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The stated final maturity dates of investments held should not exceed the estimated project completion date or a maturity of no greater than five years. The dollar-weighted average maturity of bond and certificate capital project funds and special purpose funds, based on the stated final maturity date of each security, will be calculated and limited to three years or less.
- 4) Marketability - Securities with active and efficient secondary markets will be purchased in the event of an unanticipated cash requirement.
- 5) Diversification - Maturities shall be staggered throughout the budget cycle to provide cash flows based on anticipated needs. Investment risks will be reduced through diversification among authorized investments.
- 6) Yield - The City's objective is to attain a competitive market yield for comparable securities and portfolio constraints. The benchmark for Bond and Certificate Capital Project Funds and Special Purpose Funds shall be the 91 day Treasury bill. A secondary objective of these funds is to achieve a yield equal to or greater than the arbitrage yield of the applicable bond or certificate.

D. Debt Service Funds

- 1) Suitability - All investments authorized in the Investment Policy are suitable for Debt Service Funds.
- 2) Preservation & Safety of Principal - All investments shall be high quality securities with no perceived default risk.

- 3) Liquidity - Investment strategies for debt service funds shall have as the primary objective the assurance of investment liquidity adequate to cover the debt service obligation on the required payment date. Securities purchased shall not have a stated final maturity date which exceeds the debt service payment date. The dollar-weighted average maturity of debt service funds, based on the stated final maturity date of each security, will be calculated and comply with SEC Rule 2a-7.
- 4) Marketability - Securities with active and efficient secondary markets will be purchased in the event of an unanticipated cash requirement.
- 5) Diversification - Maturities shall be staggered throughout the budget cycle to provide cash flows based on anticipated needs. Investment risks will be reduced through diversification among authorized investments.
- 6) Yield - The City's objective is to attain a competitive market yield for comparable securities and portfolio constraints. The benchmark for Debt Service Funds shall be the 91 day Treasury bill.

XIV. ANNUAL REVIEW

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

APPENDIX A

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

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

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

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

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

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

Qualified Representative of the Business Organization

Name _____

Title _____

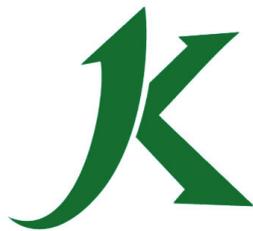
Date _____

APPENDIX B

**CITY OF KENNEDALE, TEXAS
INVESTMENT COMMITTEE
LIST OF APPROVED BROKER/DEALERS**

- Frost Brokerage Services, Inc.
Bryan Adkison and Brian Alphin
100 N Walnut Creek Drive
Mansfield, TX 76063
- Robert W. Baird & Co. Incorporated
Tyson Eubanks
550 Bailey Avenue, Suite 700
Fort Worth, TX 76107

CITY OF KENNEDALE



KENNEDALE
Finance Department

PROCUREMENT CARD PROGRAM POLICY

ORIGINALLY ADOPTED BY CITY COUNCIL: JANUARY 24, 2003

PREFACE

The Procurement Card Program Policy aids in establishing a more efficient, cost-effective method of purchasing and paying for small dollar transactions, as well as high volume, repetitive purchases. The Procurement Card Program is as an alternative to the traditional purchasing process (departmental purchase orders) for supplies, materials and travel. Furthermore, the Procurement Card can be used with any supplier that accepts MasterCard as a form of payment.

If used to its potential, the Procurement Card Program will result in a significant reduction in the volume of purchase orders and related documentation, including invoices and checks. In addition, corresponding work processes associated with ordering and check writing will be eliminated.

SUBSEQUENT REVIEW & ADOPTION

JUNE 10, 2010
NOVEMBER 17, 2011
OCTOBER 3, 2012
OCTOBER 1, 2013
OCTOBER 13, 2014
OCTOBER 19, 2015
OCTOBER 17, 2016
JUNE 18, 2018

I. PURPOSE

The Procurement Card Program (herein referred to as the “Program”) is intended to streamline and simplify the Purchasing and Accounts Payable functions by eliminating waste and low value activities. The Procurement Card (herein referred to as the “Card”) is a tool that reduces transaction costs, facilitates timely acquisition of materials and supplies, automates data flow for accounting purposes and offers flexible controls to help ensure proper usage.

The Program is designed as an alternative to a variety of processes including petty cash, check requests and low dollar purchase orders. It is not intended to avoid or bypass appropriate procurement of payment procedures. Rather, the Program complements the existing processes available. The Card is a MasterCard credit card that is issued by JP Morgan Chase. The City may switch vendor’s at any point if it is beneficial to the City. Some minimal record keeping is essential to ensure the successful use of the Card. This is not an extraordinary requirement; standard payment policies require retention of receipts, etc.

This Procurement Card Program Policy provides information about the process, the types of purchases that can and cannot be made, records that must be maintained and reconciled for each cycle, and a variety of other program information.

Every time the Card is utilized, city funds are committed. Therefore, this is a responsibility that should not be taken lightly. **Each cardholder is responsible for all charges made to his/her specific card, and any intentional misuse or fraudulent abuse may result in disciplinary action, up to and including dismissal.**

The Card has no impact on personal credit. Although the Card lists an individual's name, the card is actually issued to the City of Kennedale.

II. DEFINITIONS

For the purpose of this policy the following definitions apply:

- A. Program Administrator – Individual who has a direct relationship with the Bank and is the City’s point of control for the Program, monitors all usage of the card, and is the point of contact for any cardholder questions or problems. All procurement card requests, issues and cancellations must go through the Program Administrator. The Program Administrator and his/her designated assistant are knowledgeable on all the procedures in the Procurement Card Program Policy and are responsible for ensuring all cardholders are properly trained in the use of the Card before it is issued. The Program Administrator will also report to the City Manager any Cardholder infractions or potential infractions. **For the purposes of this program, the Director of Finance will serve as the Program Administrator, with the Accounting Technician acting as the designated backup until such time that the City Manager chooses to designate differently.** The Director of Finance is responsible for developing written guidelines on accounting, cash handling, and other financial matters in relation to the Program.

- B. Approver – The Department Head or his/her designee is responsible for designating cardholders and approvers. The Department Head shall designate which employees will be issued a card, and with the guidance of the Finance Department, determine what transaction and merchant limits shall apply to the Card’s use. The Department Head ensures that purchases are authorized and within City policies. Departments may implement more stringent internal authorization procedures that its cardholders must follow in order to make purchases with the Card. In addition, activity reports are available for additional review by the Department Head if so requested.
- C. Cardholder - Individual who has been issued the Card and who is authorized to make purchases in accordance with these procedures.
- D. Single Purchase/Transaction Limit - A dollar limitation of purchasing authority delegated to a Cardholder, which represents the maximum amount that can be charged to the Card for a single purchase or transaction. This dollar limit may vary from Cardholder to Cardholder.
- E. Cycle/Monthly Limit - A dollar amount limitation of purchasing authority delegated to a Cardholder, which represents the maximum amount that can be charged to the Card during a period of one calendar month. This dollar limit may vary from Cardholder to Cardholder.
- F. Vendor - A company from which a Cardholder is purchasing materials and/or equipment or services under the provisions of this procedure. Also referred to as supplier, merchant, etc.

III. PROCEDURES

- A. Obtaining The Card - Only full/part-time employees of the City of Kennedale are eligible to receive the Card. Contractors or temporary employees are **not** eligible, unless authorized by the City Manager.
 - 1) Department Head must request the Card via the *Procurement Card Enrollment Form (Appendix A)*.
 - 2) If needed, the Department Head may consult with the Program Administrator to determine appropriate transaction limits.
 - 3) The Program Administrator will request the issue of the Card from JPMorgan Chase or applicable vendor.

- 4) Upon receipt of the Card, the Program Administrator will conduct Cardholder training, and upon completion, the Cardholder will sign the *Procurement Cardholder Acknowledgement Form (Appendix B)*.
 - 5) The new cardholder will also be instructed as to where he/she can find the Procurement Card Program Policy and Purchasing Policy for reference purposes.
- B. Activating The Card - The Cardholder must call (800) 316-6056 or applicable phone number to activate the Card before using it.
- C. Authorized Use Of The Card - The Cardholder is responsible for the security of their Card, and the transactions made against it. When a Cardholder receives his/her Card, only that Cardholder is authorized to use that card. The Cardholder may make transactions on behalf of others in their Department. However, the Cardholder is responsible for all use of his/her Card. **At no time should the Cardholder loan or let other individuals utilize his/her card.**
- 1) The Card is to be used in the conduct of the City's business only. The use of the Card to acquire or purchase goods and services for other than official use of the City is fraudulent use and may subject the employee to disciplinary action, up to and including dismissal as specified in the City's Personnel Policy and/or criminal prosecution.
 - 2) The total value of a transaction shall not exceed a Cardholder's single purchase limit.
 - 3) The Cardholder will retain vendor's receipts and/or records of telephone, Internet, and/or mail orders and file for future reconciliation of the Card statement.
- D. Unauthorized Use Of The Card - The credit card shall **not** be utilized for any of the following:
- 1) Personal identification or purchases, to include the payment of spouse/family expenses incurred while traveling. Only City business expenses are allowable, and the Cardholder should pay personal expenses separately.
 - 2) A purchase that exceeds the Cardholder's single and/or monthly purchase limits;
 - 3) Cash refunds and advances;
 - a. When an item is returned, the vendor shall issue the Cardholder a credit, which should appear on a subsequent statement. **Under no circumstances should the Cardholder accept cash in lieu of a credit to the credit card account. However, should cash be received, a Cardholder must return it to**

the City. Otherwise, the City is authorized to deduct any applicable charges from the payroll of the employee if not otherwise reimbursed.

- 4) Any purchase of goods/services or at a merchant type not considered prudent or of good judgment;
 - 5) Fuel and/or maintenance purchases on any **personal** vehicles whether for city purpose or not (city owned vehicles are authorized);
 - 6) Alcohol or liquor of any kind;
 - 7) Separate, sequential, and component purchases or any transaction made with the intent to circumvent the City’s Purchasing Policy or state law;
 - 8) Any other purchase specifically excluded in the City’s Purchasing Policy.
- E. Cardholder Revocation - The Card is subject to revocation at any time at the discretion of the Department Head. The Program Administrator, if not the Director of Finance, may also recommend to the Director of Finance and Department Head that the Card be revoked upon indication of any violation of the Procurement Card Program Policy. When a Card is revoked, changes are made on-line and take effect immediately. The Program Administrator is further authorized to temporarily suspend use of the Card via electronic methods if unauthorized use is discovered and such use poses a threat to internal financial controls.
- F. Cardholder Separation – Prior to separation from the City of Kennedale, the Cardholder shall surrender the Card and all current credit card receipts and documentation to his/her Approver. Upon receipt, the Approver will follow the steps outlined under Section VI: Cardholder Statement Review & Payment Submission, and then forward the Card to the Program Administrator to be destroyed.

IV. CARDHOLDER LIMITS

As part of a Cardholder’s application, the Department Head will identify which levels of transaction and cycle spending limits best accommodates the department and City’s business requirements. **Suggested levels** for limits are outlined below; however, selection may vary based on particular need or function.

<u>Position</u>	<u>Single Transaction Limit</u>	<u>Monthly Cycle Limit</u>
Line Staff	\$500	\$1,000
Supervisor	\$1000	\$2,500
Dept. Head	\$3,000	\$5,000
City Manager	\$3,000	\$25,000

V. CARDHOLDER PURCHASES

- A. Sales Tax - As a tax-exempt government agency, the City of Kennedale does **not** pay sales tax on applicable items. The City's sales tax identification number is provided on the face of the Card, and Cardholders can request a copy of the City's tax exemption certificate from Accounts Payable should it be needed. Cardholders are responsible for ensuring that the vendor does not include sales tax in the transaction, unless an item is subject to sales tax. **If tax is included in error, the Cardholder may be responsible for reimbursing the tax amount to the City if it is not recovered from the vendor.** Contact Accounts Payable for questions in regards to which purchases are subject to tax.
- B. Returns - Each Cardholder is responsible for coordinating returns with the vendor and ensuring a proper credit slip is obtained. Credit shall be issued to the Cardholder account. **Under no circumstances should the Cardholder accept cash in lieu of a credit to the credit card account. However, should cash be received, a Cardholder must return it to the City. Otherwise, the City is authorized to deduct any applicable charges from the payroll of the employee if not otherwise reimbursed.**
- C. Point Of Sale Decline - Should a Cardholder be declined at the point of sale for any reason, please contact either the JP Morgan Chase Bank Customer Service Center 24 hours a day, 7 days a week at (800) 316-6056, applicable vendor contact, or the Program Administrator. Every effort will be made to determine why the transaction was declined.
- D. Restricted Vendors - The Program may restrict certain types of vendors based on their use. The restriction of vendors is accomplished by the Program Director upon the Cardholder's application; therefore, if you present the Card for payment to any of these "opted-out" vendors, the authorization request will be declined. Should an authorization request be declined, please contact either the JP Morgan Chase Bank Customer Service Center 24 hours a day, 7 days a week at (800) 316-6056, applicable vendor contact, or the Program Administrator. Once it is determined that the authorization request was denied due to vendor type/use restriction, the Program Administrator will work with the Cardholder to ascertain whether or not the restriction should remain or be lifted.
- E. Vendor Refusal Of Card - Vendors are to be encouraged to become involved in the Program so that Cardholders can leverage their purchasing efforts most effectively. Vendors may contact their local bank or financial institution to become credit card capable. For those vendors that are unwilling to participate in the Program, alternative sources should be found. Cardholders may also feel free to make contact with any vendors he/she would like to begin accepting the Card.
- F. Errors & Disputes - In the case of an error, first contact the vendor directly and try to reach an agreement. Most disputes can be resolved in this manner. If you are unable to reach an agreement with the vendor, complete a *Procurement Card Transaction Dispute Form* and send it to JP Morgan Chase Bank or applicable vendor. All disputes must be

submitted in writing to JP Morgan Chase Bank within **sixty (60) days** of the statement date via the following:

- 1) Fax (847) 931-8861; or
- 2) Mail to: JP Morgan Chase Commercial Card, Attention: Disputes Department, PO Box 2015, Elgin, Illinois 60121.

- G. Lost Or Stolen Cards - If a card is lost or stolen, **both** JP Morgan Chase Bank's Customer Service and the Program Administrator should be notified immediately. The Customer Service Center is available 24 hours a day, 7 days a week and can be contacted at (800) 316-6056. A *Procurement Card Lost/Stolen Card Notification Form* should also be completed as soon as possible and submitted to the Program Administrator. A new card shall be promptly issued to the Cardholder after the reported loss or theft. A card that is subsequently found by the Cardholder after being reported lost shall be destroyed.

VI. CARDHOLDER STATEMENT REVIEW & PAYMENT SUBMISSION

Each Cardholder is responsible for the accurate review of his/her monthly statement, as well as the timely submission to Accounts Payable with all appropriate signatures, supporting receipts and documentation to pay his/her bill.

Monthly, each Cardholder will receive a statement(s) from Accounts Payable identifying each transaction made against the Card during the prior billing cycle. While the cycle cut-off date may vary, it generally occurs during the **first week of every month (5th)**. The City of Kennedale is required to pay JP Morgan Chase Bank in full each month **no later than the 30th calendar day after statement close** for all purchases made during the prior billing cycle. Therefore, please pay specific attention to the request deadline stipulated by Accounts Payable upon initial dissemination of the statement.

The statement (with attached receipts/documentation) must be reconciled against Cardholder retained receipts/documentation, signed by the Cardholder as proof of reconciliation, and then forwarded to the Department Head or his/her designee for approval.

Always obtain a receipt when using the Card. Furthermore, detailed receipts must be presented for all meal reimbursements (i.e., credit card charge slip will **not** be considered adequate documentation). Alcoholic beverage purchases are strictly prohibited from card usage, and the purpose of the business meal, and the names of those in attendance must also be indicated.

If the Cardholder misplaces or loses a receipt or is unable to provide adequate details concerning a purchase, a *Missing Or Lost Receipt Form* must accompany the Cardholder's request for payment. Recurring instances of misplaced or lost receipts may result in the revocation of Cardholder privileges. Furthermore, the Cardholder will be responsible for reimbursing the City of Kennedale for all applicable charges, and the City is authorized to

deduct any applicable charges from the payroll of the Cardholder if not otherwise reimbursed.

NOTE: During the month of September, purchases may be restricted to facilitate the Fiscal Year end closing. It is imperative that careful planning is done to ensure that appropriate levels of supplies are on hand to last until the beginning of the new Fiscal Year.

VII. CARDHOLDER RECORD KEEPING

- A. Any Means - Whenever a credit card purchase is made, either over-the-counter or by other means, documentation shall be obtained as proof of purchase. Such documentation will be used to verify the purchases listed on the Cardholder's monthly statement of account.
- B. Over-the-Counter - When the purchase is made over-the-counter, the Cardholder shall retain the invoice and "customer copy" of the charge receipt. The Cardholder is responsible for checking that the vender lists the quantity and fully describes the item(s) prior to the Cardholder signing the slip.
- C. Internet - When the purchase is made over the Internet, the Cardholder shall print a copy of the receipt and order confirmation before exiting the site.
- D. Telephone - When a purchase is made over the telephone, the Cardholder shall have the vendor fax them a copy of the receipt.
- E. Mail - When the purchase is made by mail, the Cardholder shall retain all confirmations and shipping documentation.

VIII. CARDHOLDER SECURITY

It is the Cardholder's responsibility to safeguard the Card and account number to the same degree that a Cardholder safeguards his/her personal credit information. A violation of this trust may result in that Cardholder having his/her card withdrawn and possible disciplinary action.

If a card is lost or stolen, **both** JP Morgan Chase Bank's Customer Service and the Program Administrator should be notified immediately. The Customer Service Center is available 24 hours a day, 7 days a week and can be contacted at (800) 316-6056. A *Procurement Card Lost/Stolen Card Notification Form* should also be completed as soon as possible and submitted to the Program Administrator. A new card shall be promptly issued to the Cardholder after the reported loss or theft. A card that is subsequently found by the Cardholder after being reported lost shall be destroyed.

A Cardholder may have two (2) cards replaced due to loss. Any additional requests may result in the revocation of Cardholder privileges. If a Cardholder is determined to be negligent in regards to security, replacement cards will not be issued.

IX. JP MORGAN CHASE (IF EXISTING VENDOR)

- A. Payment - The Card is a corporate pay arrangement with JP Morgan Chase. Account balances will be **paid in full each month no later than the 30th calendar day after statement close**. The Program Administrator will receive a centralized statement detailing all Cardholder activity. A copy of the centralized statement will be provided to each applicable Cardholder to review, complete the appropriate form, obtain appropriate signature(s) and return all attached receipts and documentation. Accounts Payable will designate a pay request deadline to Cardholders upon initial dissemination of the centralized statement in order to ensure payment will be made to JP Morgan Chase as agreed. Cardholders should **not** receive a separate cardholder statement directly from JP Morgan Chase. Should this occur, please disregard the statement and notify Accounts Payable.
- B. Audit – All cardholder activity is subject to audit by Corporate Audit, the Program Administrator, his or her designee, Approvers, and any other appropriate City of Kennedale personnel or outside audit firm. Audits help ensure adherence to the Program's policies and procedures.
- C. Customer Service – There are several methods or avenues available for assistance.
- 1) For Individual Cardholder: The Program is serviced using a team approach with JP Morgan Chase Bank's Customer Service Center, which can be reached at (800) 316-6056. This center is available 24 hours a day, 7 days a week to assist the Cardholder with general questions about the procurement card account. If a card is lost or stolen, **both** Customer Service and the Program Administrator should be notified immediately. A *Procurement Card Lost/Stolen Notification* Form should also be completed as soon as possible and submitted to the Program Administrator.
 - 2) For Program Administrator Only: The Program Coordinator Service Team for the State of Texas is a specialized group that provides service strictly to Program Administrators and helps with day-to-day activities and updating of Merchant Account Code (MAC) authorizations. This group can be contacted at (888) 508-9758, (888) 297-0785 fax, or email ccs-public-sector@jpmchase.com. The Program Coordinators are available from 7:00 AM to 6:00 PM CST. When calling the Program Coordinators, please be prepared to provide a Company Number, Agent Number and Security Identifier. **Individual Cardholders should not utilize this phone number.**
 - 3) For Program Administrator Only: Client Application Support provides assistance with the Smart Data On-Line software application. This group answers questions about

functionality, resets Program Administrator passwords and helps trouble shoot any other application related issues. Client Application Support can be contacted at (877) 967-1100, Option 2.

CITY OF KENNEDALE
PROCUREMENT CARD ENROLLMENT FORM
(Appendix A)

I. EMPLOYEE/CARDHOLDER INFORMATION

Name: _____ Social Security (Last 4 Only): _____
Department/Division: _____ Mother's Maiden Name: _____
Date of Birth: _____ Office Phone: _____

II. CARD LIMITS: MAXIMUM PURCHASE LIMITS: Please note that these are "suggested" levels based on position; however, selection may vary based on particular need or function.

<u>Position</u>	<u>Single Transaction Limit</u>	<u>Monthly Cycle Limit</u>
Line Staff	\$500	\$1,000
Supervisor	\$1000	\$2,500
Dept Head	\$3,000	\$5,000
City Manager	\$3,000	\$25,000

Single Transaction Limit Requested: _____

Monthly Cycle Limit Requested: _____

Department Head Name: _____

Department Head Signature: _____ Date: _____

II. CARD ORDER & RECEIPT

Date Ordered: _____ Who Ordered: _____

Date Received: _____

Cardholder's Name as it Appears on the Card: _____

Card Number: _____ Expiration Date: _____

CITY OF KENNEDALE
PROCUREMENT CARDHOLDER ACKNOWLEDGEMENT FORM
(Appendix B)

I understand that the general use of the City of Kennedale credit card for small purchases is a standard procedure of the City.

- 1) I will be expected to use the credit card issued to me as directed by the provisions of the City's Procurement Card Program Policy.
- 2) I will not permit another person to use the credit card issued to me. Any such purchases made with my card will be considered to be made by me and my responsibility.
- 3) I will be responsible for the safe keeping of the credit card issued to me and if lost or stolen, I will report its loss immediately to **both** JP Morgan Chase Bank's Customer Service and the Program Administrator (Finance Department).
- 4) I understand that my personal credit will not be affected by any use of the City of Kennedale's credit card.
- 5) By accepting the Card, I recognize that I may be subject to periodic internal control reviews and audits designed to protect the interests of the City, and I agree to comply with these reviews and audits.
- 6) In the event of termination of employment whether for retirement, voluntary separation, resignation or dismissal, I also agree to surrender and cease use of the Card. In addition, I must surrender and cease use of the Card in the event of transfer or relocation.
- 7) I may also be asked to surrender the Card at any time deemed necessary by management.
- 8) The use of a City credit card to acquire or purchase goods and services for other than the official use of the City is fraudulent use. An employee guilty of fraudulent use will be subject to disciplinary action, up to and including dismissal.
- 9) I agree that any reimbursement owed the City may be deducted from my wages as outlined in the City Procurement Card Program Policy.

By signing below, I acknowledge that I have read and agree to the terms and conditions of this document, as well as the City of Kennedale's Procurement Card Program Policy.

Employee Name: _____

Employee Signature: _____

Date: _____



CITY OF KENNEDALE
PROCUREMENT CARD TRANSACTION DISPUTE FORM
(Appendix D)

Cardholder's Name: _____ Card Number: _____

Cardholder's Signature: _____ Date: _____

Vendor Name: _____

Statement Date: _____ Transaction Date: _____

Transaction #: _____ Posting Date: _____

Amount Disputed: _____

_____ There is a difference in the amount I authorized, and the amount I was billed (a copy of your charge must be attached).

_____ I only transacted one charge and I was previously billed for it (date of previous charge _____).

_____ The above transaction is mine but I am disputing the transaction (please state your reasons why in detail).

_____ I do not recognize the above transaction.

_____ I have received a credit voucher for the above transaction, but it has not yet appeared on my account (a copy of the credit voucher must be attached).

_____ My account has been charged for the above transaction, but I have not received the merchandise. The details of my attempt to resolve the dispute with the vendor and the vendor's response are indicated below.

Attach the completed form to your monthly statement for review and approval by your Approving Supervisor and Accounts Payable.

CITY OF KENNEDALE



PURCHASING POLICY

ORIGINALLY ADOPTED BY CITY COUNCIL: NOVEMBER 13, 2008

PREFACE

State law (Local Government Code, Chapter 252: Purchasing and Contracting Authority of Municipalities) serves as the primary purchasing authority for the City of Kennedale. In addition to several administrative updates, which further establish standard practices and procedures to create uniformity, economy, efficiency and effectiveness in our purchasing program, Staff incorporated a major revision due to a change in statute. Specifically, the expenditure threshold increased from \$25,000 to \$50,000 in reference to competitive bidding and proposal requirements per Senate Bill 1765.

This policy was formally adopted by the Council on November 13, 2008. However, prior to this date, it was created on May 16, 2005 and reviewed administratively.

~~It is our intent to bring forth this policy to Council for review at least annually. In order to demonstrate that review, it will be custom practice for the governing board of a municipality to adopt a resolution to make the review an official public record.~~

SUBSEQUENT REVIEW & ADOPTION

NOVEMBER 5, 2009
NOVEMBER 17, 2011
OCTOBER 3, 2012
OCTOBER 1, 2013
OCTOBER 13, 2014
OCTOBER 19, 2015
OCTOBER 17, 2016
MARCH 5, 2018
JUNE 18, 2018

I. PURPOSE

The purpose of this policy is to establish standard practices and procedures to create a uniformity, economy, efficient and effective purchasing program for the City of Kennedale.

II. POLICY

It is the policy of the City of Kennedale to authorize purchases at time and place needed in the proper quantity and of the proper quality, all goods and services required for City operations. Goods and services shall be procured at the lowest possible cost consistent with prevailing economic conditions while establishing and maintaining a reputation for fairness and integrity, with the express intent to promote open and fair conduct in all aspects of the purchasing process.

III. GOVERNING AUTHORITY

The primary governing authority for the City of Kennedale's Purchasing Policy shall be the City's Charter, in conjunction with Chapter 252 of the Local Government Code: Purchasing and Contracting Authority of Municipalities. All procurement activity shall be governed in accordance with applicable federal, state, and local statutes, ordinances, and codes.

IV. CODE OF ETHICS

Every time items are purchased, city funds are committed. Therefore, this is a responsibility that should not be taken lightly. By participating in the purchasing process, employees of the City of Kennedale agree to:

- A. Make purchases in the conduct of the City's business only. **To acquire or purchase goods and services for other than official use of the City is fraudulent use and may subject the employee to disciplinary action, up to and including dismissal as specified in the City's Personnel Policy and/or criminal prosecution.**
- B. Avoid the intent and appearance of unethical or compromising practice in relationships, actions, and communications.
- C. Demonstrate loyalty to the City of Kennedale by diligently following the lawful instructions of the employer, using reasonable care, and only authority granted.
- D. Refrain from any private business or professional activity that would create a conflict between personal interests and the interest of the City of Kennedale.
- E. Refrain from soliciting or accepting money, loans, credits, or prejudicial discounts, and the acceptance of gifts, entertainment, favors, or services from present or potential suppliers that might influence, or appear to influence purchasing decisions.

- F. Never discriminate unfairly by the dispensing of special favors or privileges to anyone, whether as payment for services or not; and never accept for himself or herself or for family members, favors or benefits under circumstance which might be construed by reasonable persons as influencing the performance of Governmental duties.
- G. Engage in no business with the City of Kennedale, directly or indirectly, which is inconsistent with the conscientious performance of Governmental duties.
- H. Handle confidential or proprietary information belonging to employer or suppliers with due care and proper consideration of ethical and legal ramifications and governmental regulations.
- I. Never use any information gained confidentially in the performance of Governmental duties as a means of making private profit.
- J. Promote positive supplier relationships through courtesy and impartiality in all phases of the purchasing cycle.
- K. Know and obey the letter and spirit of laws governing the purchasing function and remain alert to the legal ramifications of purchasing decisions.
- L. Expose corruption and fraud wherever discovered.
- M. Uphold these principles, ever conscious that public office is a public trust.

V. FUND AVAILABILITY & PAYMENT AUTHORIZATION

- A. Verification of fund availability is the responsibility of the User Department.
- B. Finance Department shall verify available funds through the City's financial reporting system during requisition entry. If funds are not available at the time, no purchase will be made until funds are made available with approval from City Manager.
- C. At a minimum, payment approval is required from Department Head to pay for **all** products and/or services.
- D. As a tax-exempt government agency, the City of Kennedale does **not** pay sales tax on applicable items. The cardholders can request a copy of the City's tax exemption certificate from Accounts Payable City's. Furthermore, a sales tax identification number is provided on the face of the City's Procurement Card should it be utilized. Employees are responsible for ensuring that the vendor does not include sales tax in the transaction, unless an item is subject to sales tax. **If tax is included in error, the employee may be responsible for reimbursing the tax to the City if it is not recovered**

from the vendor. Contact Accounts Payable for questions in regards to which purchases are subject to tax.

- E. Approved invoices are forwarded directly to the Finance Department with the appropriate supporting documentation and signatures. **If an employee misplaces or loses a receipt or is unable to provide adequate details concerning a purchase, a *Missing Or Lost Receipt Form* must accompany the employer's request for payment. Recurring instances of misplaced or lost receipts may result in the revocation of employee purchasing privileges. Furthermore, the employee will be responsible for reimbursing the City of Kennedale for all applicable charges, and the City is authorized to deduct any applicable charges from the payroll of the employee if not otherwise reimbursed.**
- F. Payments for goods and services must be paid **no later than 30 days after the later of:**
 - 1) Receipt of goods/services OR receipt of the invoice for the goods/services.
 - 2) Goods/services will be considered received when they have been accepted as usable by the User Department.

VI. LEGAL REQUIREMENTS

- A. *Texas Local Government Code, Subchapter B, Section 252.021* defines the requirements for competitive bids. Under no circumstances shall multiple requisitions be used in combination to avoid otherwise applicable bidding requirements or City Council approval. Intentionally splitting purchases to circumvent the competitive bid process (i.e. two or more purchases made to keep the amount under \$50,000) will result in disciplinary action.
- B. Likewise, intentionally splitting purchases to circumvent the three (3) quote requirement process (i.e. two or more purchases made to keep the amount under \$3,000.01) will result in disciplinary action.
- C. Purchases made through an approved Cooperative Purchasing Program satisfy state law competitive bid requirements, as well the City of Kennedale's requirement for any quote process. Cooperative purchasing occurs when **two or more** governmental entities coordinate some or all purchasing efforts to reduce administrative costs, take advantage of quantity discounts, share specifications, and create a heightened awareness of legal requirements. Cooperative purchasing can occur through interlocal agreements, state contracts, piggybacking, and joint purchases.
- D. Any exemption per *Section 252.022, General Exemption of Texas Local Government Code* will need the approval from City Manager. The Department Head will need to include a written explanation, as well as copies of all the quotes for City Manager review. Upon

approval from City Manager, attach written explanation and all documentation and send to Finance Department for payment.

VII. QUOTES

- A. Purchases of non-contract goods or services totaling **\$3000 or less require no quotation**. In such instances, departments should make every effort to use the City's procurement card.
- B. Except where otherwise exempted by applicable State law, purchases totaling **\$3,000.01 to \$49,999.99 require a minimum of three (3) quotes**. All quotations received must be in writing from the vendor and will be evaluated by the Department Head who will then authorize the purchase.
 - 1) Chapter 252.0215 of the Local Government Code: Competitive Bidding in Relation to Historically Underutilized Business (HUB) Vendors, states that a municipality, in making an expenditure of **more than \$3,000 but less than \$50,000**, shall contact **at least two HUBs** on a rotating basis. If the list fails to identify a disadvantaged business in the county in which the City is situated, the City is exempt from this section.
 - 2) Historically Underutilized Business (HUB) are defined as any business determined by the State of Texas to be a disadvantaged (minority/woman owned) vendor.
 - 3) Refer to Appendix B for specific instructions on how to conduct a HUB search.

VIII. SEALED COMPETITIVE PROCESS

Except as otherwise exempted by applicable State law, requisitions for item(s) whose aggregate total cost is **\$50,000 or more** must be processed as competitive solicitations (e.g. sealed bids, request for proposals).

- 1) With the approval from the City Manager to begin the competitive process, the User Department shall prepare a bid package with specifications and any other pertinent information. Along with the specifications and other information, the Department may submit suggested vendors for the item(s) requested.
- 2) A notice will be published in Kennedale's official newspaper to indicate the City's intent to accept bids in accordance with State law. **Bids must be advertised for two (2) consecutive weeks with the first publication at least 14 days prior to the bid opening date.**
- 3) Vendor pre-bid conferences may be conducted if, in the opinion of requesting Department, further explanation or coordination is needed due to the nature of the bid.

- 4) The City Secretary or designee shall publicly open the bids received and read them aloud at a designated time and as indicated in the bid packet. The City Secretary or designee will indicate to those present when the Council will most likely address this item and will make available to those present the names of the vendors and the amount of their respective bids. In the case of an RFP, only the submitter's names will be announced. A tabulation will then be created. A representative from the User Department should be present during bid openings.

IX. AWARD OF CONTRACT

The City of Kennedale shall award contracts based on criteria deemed in the best interest of the City. The Texas Local Government Code, Section 252.043, states, in part:

- 1) If the competitive sealed bidding requirement applies to the contract for goods or services, the contract must be awarded to the lowest responsible bidder or to the bidder who provides goods or services at the best value for the municipality.
- 2) Before awarding a contract under this section, a municipality must indicate in the bid specifications and requirements that the contract may be awarded either to the lowest responsible bidder or to the bidder who provides goods or services at the best value for the municipality.

X. RECIPROCITY

The State of Texas Reciprocity Law provides that the State or political subdivision cannot award contracts or purchases to non-resident bidders having local preference laws in their resident states, unless their bid is lower than the lowest bid submitted by a responsible Texas resident bidder by the amount that a Texas resident bidder would be required to underbid a nonresident bidder to obtain a comparable contract in the state in which the nonresident's principal place of business is located.

XI. DISCLOSURE OF INFORMATION

Access to bidder-declared trade secrets or confidential information shall be in accordance with the Texas Government Code Chapter 552, the Public Information Act, and applicable City policies implementing this chapter. The Texas Local Government Code Chapter 252.049(b) states, in part:

- A. If provided in a Request For Proposal (RFP), proposals shall be opened in a manner that avoids disclosure of the contents to competing offers and keeps the proposals secret during negotiations. All proposals are open for public inspection after the contract is awarded, but trade secrets and confidential information in the proposals are not open for public inspection.

XII. AUTOMATED INFORMATION TECHNOLOGY PURCHASES

Departments may contact the Finance Department for all technology procurements, so that it can coordinate with Information Technology to ensure that the appropriate solicitation procedure is used and product is sought. Automated information technology purchases include:

- A. The computers on which the information system is automated;
- B. A service related to the automation of the system, including computer software, or the computer; and
- C. A telecommunications apparatus or device that serves as a component of a voice, data, or video communications network for transmitting, switching, routing, multiplexing, modulating, amplifying, or receiving signals on the network.

XIII. PROFESSIONAL SERVICES (EXEMPT FROM SEALED COMPETITIVE PROCESS)

Personal and professional services are exempted from the competitive bidding process and are procured through the use of Request for Qualification (RFQ) documents. The Finance Department is available to consult with departments regarding the preparation of information; however, the presentation of technical and qualifications aspects of personal and/or professional services included in the RFQ documents is the sole responsibility of the requesting department.

- A. Texas Government Code, Chapter 2254, Subchapter A, Professional Services, states that contracts for the procurement of defined professional services may not be awarded on the basis of competitive bids. Instead, they must be awarded on the basis:
 - 1) Of demonstrated competence and qualifications to perform the services;
 - 2) For a fair and reasonable price;
 - 3) Fees are allowed;
 - 4) Must be consistent with and not higher than the recommended practices and fees published by the applicable professional associations; and
 - 5) May not exceed any maximum provided by law.
- B. Professional Services, for the purposes of Government Code Chapter 2254, are defined as those “services within the scope of the practice, as defined by state law, of accounting, architecture, landscape architecture, land surveying, medicine, optometry,

professional engineering, real estate appraising, or professional nursing, or provided in connection with the professional employment or practice of a person who is licensed or registered as a certified public accountant, an architect, a landscape architect, a land surveyor, a physician, including a surgeon, an optometrist, a professional engineer, a state certified or state licensed real estate appraiser, or a registered nurse.”

XIV. SOLE SOURCE PURCHASES (EXEMPT FROM SEALED COMPETITIVE PROCESS)

Sole-source purchases are items that are available from only one source because of patents, copyrights, secret processes, or natural monopolies as defined by local government code. When a department has identified a specific item with unique features or characteristics essential and necessary to the requesting department and no alternate products are available, a written justification must be provided to the Finance Department upon purchase. The legislature exempted certain items from sealed bidding in the *Vernon's Texas Codes Annotated - Local Government Code Section 252.022 (a) 7*, in part:

- A. Items that are available from only one source because of patents, copyrights, secret processes, or natural monopolies;
- B. films, manuscripts, or books;
- C. gas, water and other utility services;
- D. capital replacement parts or components for equipment;
- E. books, papers, and other library materials for a public library that are available only from the person holding exclusive distribution rights to the materials; and
- F. management services provided by a nonprofit organization to a municipal museum, park, zoo, or other facility to which the organization has provided significant financial or other benefits.

XV. EMERGENCY PURCHASES (EXEMPT FROM SEALED COMPETITIVE PROCESS)

Valid emergencies are those that occur as a result of the breakdown of equipment, which must be kept in operation to maintain the public's safety or health, or whose breakdown would result in the disruption of City operations. When this situation occurs, the department shall contact the Finance Department to conduct the procurement of supplies and services. The Legislature exempted certain items from the competitive sealed process in the *Texas Local Government Code Section 252.022(a)*, including, but not limited to:

- A. A procurement made because of a public calamity that requires the immediate appropriation of money to relieve the necessity of the municipality's residents or to preserve the property of the municipality;

- B. A procurement necessary to preserve or protect the public health or safety of the municipality's residents;
- C. A procurement necessary.

XVI. INELIGIBLE VENDORS

- A. An ineligible vendor shall not be allowed to conduct business until:
 - 1) Financial arrears are paid in full.
 - 2) Inappropriate practices are corrected.
 - 3) Vendors have satisfied any and all penalties imposed by the City.
 - 4) If applicable, a listing of ineligible vendors will be developed and distributed annually by the Finance Department to all other departments, unless a greater frequency is determined by the Director of Finance.
 - 5) At the recommendation of a User Department, the Finance Department may declare a vendor ineligible if it has failed to comply with the terms of a previous award, specifications of a bid or conducted inappropriate business practices.
 - 6) The penalty imposed may be for a period of up to twelve (12) months during which time bids submitted by such vendor shall not be considered.
 - 7) A penalty greater than twelve (12) months due to the severity of the infraction requires the approval of the City Manager or designee.
- B. The City of Kennedale reserves the right to change, modify, amend, revoke or rescind all or part of this policy in the future.

XVII. AUDIT OF DEPARTMENTAL RECORDS

The Finance Department may audit User Department purchasing files to ensure compliance with the procedures described herein.

~~**XVIII. ANNUAL REVIEW**~~

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

APPENDIX A

CITY OF KENNEDALE, TEXAS
PURCHASING MATRIX

PURCHASE	\$0 - \$3,000.00	\$3,000.01 - \$24,999.99	\$25,000 & Above
SIGNATURES REQUIRED	<ul style="list-style-type: none"> ▪ Department Head 	<ul style="list-style-type: none"> ▪ Department Head ▪ City Manager 	<ul style="list-style-type: none"> ▪ City Manager ▪ City Council
PURCHASE ORDER	<ul style="list-style-type: none"> ▪ Not Required ▪ Only If Vendor Needs 	<ul style="list-style-type: none"> ▪ Not Required ▪ Only If Vendor Needs 	<ul style="list-style-type: none"> ▪ Not Required ▪ Only If Vendor Needs
LEGAL REQUIREMENT	<ul style="list-style-type: none"> ▪ N/A 	<ul style="list-style-type: none"> ▪ Three (3) Quotes ▪ Two (2) Of Three (3) Quotes Must Be HUB Vendors In Tarrant County ▪ If HUB(s) not listed, City Is Exempt 	<ul style="list-style-type: none"> ▪ Competitive Bid Or ▪ Competitive Proposal
EXEMPT FROM LEGAL REQUIREMENT	<ul style="list-style-type: none"> ▪ N/A 	<ul style="list-style-type: none"> ▪ Cooperative Programs Purchases ▪ Sole Source Purchases ▪ Emergency Purchases ▪ Professional Service Purchase 	<ul style="list-style-type: none"> ▪ Cooperative Programs Purchases ▪ Sole Source Purchases ▪ Emergency Purchases ▪ Professional Service Purchase - MUST USE REQUEST FOR QUALIFICATIONS PROCESS. REFER TO SECTION XIII.
MINIMUM PAYMENT DOCUMENT(S)	<ul style="list-style-type: none"> ▪ Pay Request ▪ Invoice (Not Quote) ▪ Applicable Receipts ▪ Backup Documents 	<ul style="list-style-type: none"> ▪ Pay Request ▪ Invoice (Not Quote) ▪ Applicable Receipts ▪ Backup Documents 	<ul style="list-style-type: none"> ▪ Pay Request ▪ Invoice (Not Quote) ▪ Applicable Receipts ▪ Backup Documents
PAYMENT TERMS	<ul style="list-style-type: none"> ▪ TX Prompt Payment Act (No Later 30 Days) 	<ul style="list-style-type: none"> ▪ TX Prompt Payment Act (No Later 30 Days) 	<ul style="list-style-type: none"> ▪ TX Prompt Payment Act (No Later 30 Days)

Cooperative Programs (Approved Annually As Of 10/03/12): US General Services Administration (GSA), Department of Information Resources (DIR), Texas Building and Procurement Commission (TBPC), Texas Multiple Award Schedules (TXMAS), Texas Procurement and Support Services (TPASS), City of Fort Worth Cooperative Purchasing Program, Parker County Cooperative Purchasing Program, Tarrant County Cooperative Purchasing Program, Texas Interlocal Purchasing System (TIPS), Houston-Galveston Area Council (H-GAC), Local Government Purchasing Cooperative (BuyBoard), The Cooperative Purchasing Network (TCPN), US Communities and Western States Contracting Alliance.

APPENDIX B

CITY OF KENNEDALE, TEXAS HISTORICALLY UNDERUTILIZED BUSINESS (HUB) PROCEDURES

Excerpts from the Texas Local Government Code, Chapter 252, Subchapter B:

- A. Section 252.0215, “ A municipality, in making an expenditure of **more than \$3,000 but less than \$50,000**, shall contact at least two historically underutilized businesses on a rotating basis, based on information provided by the comptroller pursuant to Chapter 2161, Government Code. If the list fails to identify a historically underutilized business in the county in which the municipality is situated, the municipality is exempt from this section.”
- B. Centralized Master Bidders List & Historically Underutilized Business (HUB) Search
 - 1) Go to <http://www.window.state.tx.us/procurement/cmb/cmbhub.html>
 - 2) Click “HUBS on CMBL.”
 - 3) Enter “Class Code, Item Code, District” if available. Description of each is provided by clicking on link directly below.
 - 4) Select “Tarrant” on Texas County dropdown list.
 - 5) Click “Submit Search.”
 - 6) Select appropriate Output Fields on “Select Fields For Detail List” page.
 - 7) Click “Go.”
 - 8) Results will appear.

RESOLUTION NO. 626

**A RESOLUTION ADOPTING AN AMENDED CITY OF KENNEDALE
UNCLAIMED PROPERTY POLICY**

WHEREAS, on November 17, 2011, City Council adopted the document entitled, “Unclaimed Property Policy,” a framework to guide the City of Kennedale in the required annual review of its records and reporting of all tangible and intangible property presumed abandoned that is held or is owed in the ordinary course of Kennedale’s business and remained unclaimed by the owner for more than a specified period of time after it became payable or distributable; and

WHEREAS, the City of Kennedale recognizes its responsibility to make a good faith effort to determine the whereabouts of the owner of property, and also recognizes that there are limits to what can be done to locate the rightful owner of property; and

WHEREAS, the City Council has reviewed the City’s Unclaimed Property Policy.

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

The City Council of the City of Kennedale, Texas hereby approves the amended Unclaimed Property Policy dated December 19, 2023 attached hereto as “Exhibit A.”

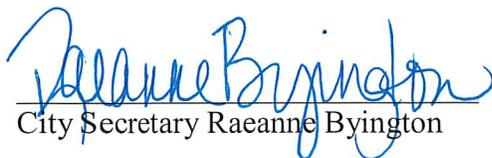
PASSED, ADOPTED AND APPROVED by the City Council of the City of Kennedale, Texas, this the 19th day of December, 2023.

APPROVED:



Mayor Jan Joplin

ATTEST:



City Secretary Raeanne Byington

CITY OF KENNEDALE



UNCLAIMED PROPERTY POLICY

ORIGINALLY ADOPTED BY CITY COUNCIL: NOVEMBER 17, 2011

PREFACE

The aim of the Unclaimed Property Policy is to guide the City of Kennedale in the required annual review of its records and reporting of all tangible and intangible property presumed abandoned that is held or is owed in the ordinary course of Kennedale's business and remained unclaimed by the owner for more than a specified period of time after it became payable or distributable.

SUBSEQUENT REVIEW & ADOPTION

OCTOBER 3, 2012
OCTOBER 10, 2013
OCTOBER 13, 2014
OCTOBER 19, 2015
OCTOBER 17, 2016
JUNE 18, 2018
DECEMBER 19, 2023

I. BACKGROUND

All financial institutions, businesses, government entities, and organizations that are holding abandoned property belonging to Texas residents should file a report with the Texas Comptroller's office. Title 6 of the Texas Property Code governs the State of Texas Unclaimed Property Program. Chapters 72 through 75 apply to the reporting, delivery and claims process for abandoned property. Chapter 76 applies specifically to unclaimed property held and reported by Texas counties, municipalities, independent school districts and junior colleges.

Unclaimed property can be any financial asset that appears to have been abandoned by the owner, such as the following:

- Uncashed dividends, payroll, cashier's checks;
- Stocks, bonds, mutual fund accounts;
- Utility deposits and other refunds;
- Bank accounts and safe deposit box contents;
- Insurance proceeds;
- Mineral interest or royalty payments; and/or
- Court deposits, trust funds, escrow accounts.

The abandonment period is the number of years that an entity holds the property before sending it to the state Comptroller's office. The property type determines the length of the abandonment period.

The City of Kennedale recognizes its responsibility to make a good faith effort to determine the whereabouts of the owner of property, and also recognizes that there are limits to what can be done to locate the rightful owner of property.

II. POLICY

On an annual basis, the City of Kennedale is required to review its records and determine whether it is holding any funds, securities or other property that has been unclaimed for the required dormancy period, and to report and remit these unclaimed funds to the State of Texas.

III. LEGAL REQUIREMENTS

A. Property is classified as unclaimed if it has reached the required abandonment period as of March 1st each year. The City must hold property until the appropriate abandonment period has run, and if property is determined to be unclaimed after this date, it must be included in the next annual remittance to the State.

- 1) The abandonment period is determined by the property type. For more specific detail, refer directly to the Texas Comptroller of Public Accounts: Unclaimed

Property Reporting Instructions. Instructions are subject to change due to new or revised requirements, so annual review of this manual is required.

- B. Prior to remitting property to the Comptroller's Office as described below, the City must mail a written notice to the owner on property valued at **more than \$250.00** no later than May 1st of the year in which the property is classified as unclaimed per Section 74.1011 of the Texas Property Code. This notice requirement does not apply if a letter has already been mailed to the missing owner earlier in the abandonment period. For sample letter, refer directly to the Texas Comptroller of Public Accounts: Unclaimed Property Reporting Instructions. Instructions are subject to change due to new or revised requirements, so annual review of this manual is required.

- C. Property that is valued at **more than \$100.00** will be delivered, along with the required report form(s), to the State Comptroller's Office by July 1st **following** the date the property is classified as unclaimed. Should the City not have unclaimed property individually valued at more than \$100, there is no report required.
 - 1) Property that is due July 1st may be remitted any time after the annual cut-off date of March 1st and before July 1st.

- D. Per Chapter 74 of the Texas Property Code, property that is valued at **less than \$100.00** will be retained by the City.
 - 1) Per Title 6, Chapter 76 of the Texas Property Code, the City shall publish a notice in its official newspaper (general circulation in the jurisdiction of the holder) on or before July 1st in the calendar year **immediately following** the year in which the property report is filed. For example: Notices for property classified as unclaimed on March 1, 2015 must be published by July 1, 2015.
 - 2) At a minimum, the owner's name and last known address must be listed.
 - 3) If at all possible, the City will also include this notice on its official website.
 - 4) While the City is required to publish a notice, it may elect to advertise only those properties with a value greater than a specified amount of its choosing (i.e., greater than \$50.00 but less than \$100.00). For the City's purposes, the Finance Department will include **all** property valued at \$50.00 to \$99.99.

IV. CLAIMS PROCESS

- A. There is no statute of limitation on filing a claim.

- B. Claimants must fill out a claim form and present proof of ownership.

- C. Within **90 days** from the date of receiving the returned claim form, the Finance Department will determine in good faith if the claim is valid. If the claim is valid, the City will pay the full amount of the claim.
- D. If the claim is determined to be invalid, it will be rejected. The claimant may appeal this decision in accordance with Section 76.504 of the Texas Property Code.

V. ACCOUNTING

- A. For property, which is valued at **less than \$100.00** and retained by the City, the Finance Department will transfer funds from the City's operating funds to the Unclaimed Property Fund on or before March 1st for property classified as unclaimed.
 - 1) Finance Department must void account payable entries code to a liability account in Unclaimed Property Fund versus hitting an expense line item.
- B. The Finance Department will transfer all funds retained by the City on **an annual basis**. This transfer will be conducted from the Unclaimed Property Fund to the General Fund. The General Fund will then become responsible for paying a valid claim should a valid claim be submitted.
 - 1) This action will clear out the liability account in the Unclaimed Property Fund and provide revenue to the General Fund.
- C. All publication and postage expenditures will be charged to Finance Department within the General Fund. These items are budgeted annually.
- D. For the purpose of simplicity, the Unclaimed Property Fund is not allocated earned interest. The City is not obligated to pay interest to a claimant. Only the original amount of the unclaimed property will be paid to the claimant.



KENNEDALE TEXAS



▶ 2024 Water and Wastewater Rate Study



**CITY OF KENNEDALE, TEXAS
WATER AND WASTEWATER RATE STUDY
TABLE OF CONTENTS**

Executive Summary 3

Introduction and Demographic Profile..... 10

Background 10

Report Organization 10

Community Overview 11

Water and Wastewater Current Rates 11

Water and Wastewater Rate Comparison..... 13

Water & Wastewater Test Year and Forecast Volumes..... 15

Water and Wastewater Customers and Meters – Test Year & Ten-Year Forecast 15

Historical and Forecast Water Consumption 18

Peaking Factors..... 19

Water & Wastewater Forecast Revenue Requirement 21

Operating Expenses and Capital Outlays – Test Year..... 21

Cost of Service – Ten Year Forecast..... 24

Capital Improvement Plan..... 25

Existing and Forecast Debt Service 27

Non-Rate Revenues..... 28

Net Revenue Requirement..... 29

Water Utility Cost Functionalization..... 29

Water Utility Cost Classification 31

Water Utility Cost Allocation 32

Wastewater Utility Cost Functionalization and Classification..... 33

Wastewater Utility Cost Allocation..... 33

Water and Wastewater Rate Design..... 35

Proposed Rate Plan 36

Notes on Rate Recommendations 38

Appendix A – Water and Wastewater Rate Model – Proposed Rate Plan

Acknowledgements

During the course of this rate study, several City of Kennedale employees expended considerable time and effort in assisting the project team. These employees included the Mayor and Council, City Manager, Darrell Hull, Director of Finance, Jonathan Horton, Public Works Director, Kristian Sugrim, and Accounting Associate II, BRigete Davenport. The project team owes a debt of gratitude to the hard work, dedication and professionalism of these and other staff members, without whom this project would not have been successfully completed.

The project team has relied upon the extensive data supplied by the City of Kennedale. Thus, the integrity of the study is largely dependent upon the accuracy of this financial and customer data. Every effort has been made by the project team to validate and confirm the information contained herein prior to the preparation of the final study documents. **This report presents no assurance or guarantee that the forecast contained herein will be consistent with actual results or performances.** These represent forecasts based on a series of assumptions about future behavior and are not guarantees. Any changes in assumptions or actual events may result in significant revisions to the forecast and its conclusions. The cash flow projections and debt service coverage calculations are not intended to present overall financial positions, results of operations, and/or cash flows for the periods indicated, which is in conformity with guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants.

Executive Summary

Executive Summary

Background



In July 2023, the City of Kennedale, Texas (the “City”) engaged **Willdan Financial Services** to conduct a water and wastewater rate study and long-term financial plan. The City was interested in developing an updated comprehensive water and wastewater rate plan for FY 2024 and beyond. The objective is to develop a long-term rate plan that will enable the City to recover sufficient funds to meet operating expenses, capital outlays, debt service and coverage requirements, while at the same time minimizing the impact on ratepayers.

The City identified numerous objectives for this study, including but not limited to the following:

- A comprehensive analysis and evaluation of the water and wastewater systems’ current cost of service and revenue requirements.
- A forecast of operating expenses over the next decade, taking into consideration salient factors such as cost of water and wastewater treatment, inflation, system growth, and increases in staffing levels.
- A thorough review of the water and wastewater systems’ known capital improvement needs, as well as a determination of the need for funding capital requirements through the issuance of long-term debt for the existing identified capital improvements.
- An estimate of current and forecast accounts, volumes, and billing units for the ten-year forecast period.
- An analysis of alternative rate structures for water and wastewater rates that will recover sufficient revenues and will distribute costs equitably.
- A detailed analysis and comparison of the City’s current and proposed rates to rates in other surrounding communities.

Water and Wastewater Rate Comparison

Tables ES-1 compares Kennedale’s current monthly water and wastewater charges to those of nearby cities in the region. A billing volume of 10,000 gallons for water and 5,000 gallons for wastewater was used for the residential comparison as it represents typical usage levels for an average household in the City. The rate data is based on published rates and ordinances posted by each municipality on their websites as of October 2023 and Texas Municipal League (TML) 2023 water and wastewater rate survey. These rates do not include

sales tax, activation or other charges beyond the basic minimum and volume charges. The table reveals that the City’s rates are midrange when compared to most other cities in the region.

TABLE ES-1

CITY OF KENNEDALE				
MONTHLY RESIDENTIAL CHARGES 10,000 GALLONS WATER; 5,000 GALLONS WASTEWATER				
	Water	Wastewater	Total	
Kennedale	\$ 60.55	\$ 44.50	\$ 105.05	
Arlington	39.28	42.97	82.25	
Cedar Hill	78.51	51.60	130.11	
Cleburne	82.87	36.38	119.25	
Coppell	48.45	31.36	79.81	
Eules*	76.83	35.46	112.29	
Ft Worth	49.92	35.14	85.06	
Bedford	69.40	32.44	101.84	
Hurst	82.25	36.78	119.03	
Keller	67.78	42.90	110.68	
Mansfield	49.89	43.72	93.61	
North Richland Hills	86.60	36.95	123.55	
The Colony	65.95	37.08	103.03	
* Eules bills WW at 90% of metered w ater. No Winter Average.				
Sample Average	\$ 66.48	\$ 38.56	\$ 105.04	
State Average	\$ 70.96	\$ 45.66	\$ 116.62	
Source: Cities' Website				

Water and Wastewater Customers and Meters – Test Year & Forecast

The majority of the water and wastewater accounts served by Kennedale are residential accounts. **Table ES-2** presents total water and wastewater connections (customers) by customer class for the City for the test year and forecast period. As shown, overall water accounts are forecast to increase from **3,233** in the test year to **4,241** in FY 2033, an average annual increase of 3.1%. Similarly, wastewater accounts are forecast to increase from **2,993** in the test year to **4,002** in FY 2033. The addition of these new connections will result in both non-recurring connection fees and increasing monthly water and wastewater revenues.

TABLE ES-2

CITY OF KENNEDALE									
HISTORICAL & FORECAST TOTAL CUSTOMERS									
WATER Customer Classes									
Fiscal Year	Residential Inside	Senior & Disabled	Commercial Inside	Industrial	Apartment & Duplex	Fire	Institutional	Construction	Total
WATER Total Customers									
2021	1,652	72	170	22	52	3	20	6	1,996
2022	2,600	59	258	32	77	4	30	14	3,073
2023	2,612	61	267	32	77	4	29	12	3,094
2024	2,737	61	280	32	78	4	29	12	3,233
2025	2,837	61	290	32	80	4	29	12	3,344
2026	2,937	61	301	32	82	4	29	12	3,457
2027	3,038	61	311	32	83	4	29	12	3,570
2028	3,138	61	321	32	85	4	29	12	3,681
2029	3,237	61	332	32	86	4	29	12	3,793
2030	3,338	61	342	32	87	4	29	12	3,905
2031	3,438	61	352	32	89	4	29	12	4,017
2032	3,538	61	363	32	90	4	29	12	4,129
2033	3,638	61	373	32	92	4	29	12	4,241
WASTEWATER Total Customers									
Residential Inside	Senior & Disabled	Commercial Inside	Industrial	Apartment & Duplex	Institutional	Builder	Other	Total	
2021	1,579	66	110	20	46	16	1	-	1,839
2022	2,485	56	167	30	71	24	1	-	2,832
2023	1,874	42	132	23	54	16	1	-	2,142
2024	2,623	56	188	30	73	22	1	-	2,993
2025	2,723	56	198	30	74	22	1	-	3,105
2026	2,824	56	209	30	76	22	1	-	3,218
2027	2,925	56	219	30	77	22	1	-	3,330
2028	3,024	56	230	30	79	22	1	-	3,442
2029	3,124	56	240	30	80	22	1	-	3,553
2030	3,224	56	250	30	82	22	1	-	3,666
2031	3,324	56	261	30	83	22	1	-	3,777
2032	3,425	56	271	30	85	22	1	-	3,890
2033	3,525	56	282	30	86	22	1	-	4,002

Net Revenue Requirement

Table ES-3 presents the City's forecast Net Revenue Requirement for the ten-year period FY 2024 through FY 2033. The table reveals that the total revenue requirement is expected to increase from **\$5,318,866** in FY 2024 to **\$11,428,252** in FY 2033. Detailed calculations are presented in the rate model contained in **Appendix A** of this report. These net revenue requirements must be raised from rates in the test year FY 2024 and the forecast period.

TABLE ES-3

CITY OF KENNEDALE									
CURRENT AND FORECAST NET REVENUE REQUIREMENT									
	City O&M Expenses	Arlington Operation	Treated W/WW Payments	Capital Outlays	Debt Service	Transfers & Contingencies	Total Cost of Service	Less Non-Rate Revenues	Net Revenue Requirement
WATER Revenue Requirement									
2024	\$ 261,242	\$ 1,090,459	\$ 1,065,849	\$ 365,000	\$ 221,484	\$ 346,218	\$ 3,350,252	\$ 517,103	\$ 2,833,149
2025	269,534	1,134,078	1,560,639	379,600	290,681	356,604	3,991,136	217,103	3,774,033
2026	278,095	1,179,441	2,111,513	394,784	314,365	367,302	4,645,500	217,103	4,428,397
2027	286,477	919,964	2,710,404	406,628	328,909	378,321	5,030,702	217,103	4,813,600
2028	295,114	947,563	2,902,156	418,826	202,943	389,671	5,156,273	217,103	4,939,170
2029	304,013	975,990	3,104,798	431,391	203,355	401,361	5,420,908	217,103	5,203,805
2030	313,183	1,005,269	3,319,763	444,333	202,766	413,402	5,698,716	217,103	5,481,613
2031	322,632	1,035,427	3,546,471	457,663	203,021	425,804	5,991,018	217,103	5,773,916
2032	332,369	1,066,490	3,786,503	471,393	203,002	438,578	6,298,335	217,103	6,081,232
2033	342,402	1,098,485	4,039,786	485,535	203,473	451,735	6,621,416	217,103	6,404,313
WASTEWATER Revenue Requirement									
2024	244,608	1,009,753	1,078,412	250,000	73,828	346,218	3,002,819	517,103	2,485,717
2025	252,395	1,050,143	1,161,333	260,000	764,786	356,604	3,845,262	217,103	3,628,159
2026	260,434	1,092,149	1,249,392	270,400	884,357	367,302	4,124,035	217,103	3,906,932
2027	268,284	851,876	1,342,792	278,512	956,409	378,321	4,076,194	217,103	3,859,092
2028	276,372	877,433	1,441,240	286,867	1,089,445	389,671	4,361,027	217,103	4,143,925
2029	284,705	903,756	1,545,352	295,473	1,091,658	401,361	4,522,305	217,103	4,305,203
2030	293,293	930,868	1,655,885	304,338	1,088,497	413,402	4,686,282	217,103	4,469,179
2031	302,141	958,794	1,772,530	313,468	1,089,866	425,804	4,862,604	217,103	4,645,501
2032	311,259	987,558	1,896,122	322,872	1,089,761	438,578	5,046,150	217,103	4,829,047
2033	320,654	1,017,185	2,026,619	332,558	1,092,290	451,735	5,241,041	217,103	5,023,939
TOTAL Revenue Requirement									
2024	505,850	2,100,213	2,144,261	615,000	295,312	692,435	6,353,071	1,034,205	5,318,866
2025	521,929	2,184,221	2,721,972	639,600	1,055,468	713,208	7,836,397	434,205	7,402,192
2026	538,529	2,271,590	3,360,905	665,184	1,198,723	734,604	8,769,535	434,205	8,335,330
2027	554,761	1,771,840	4,053,196	685,140	1,285,318	756,642	9,106,896	434,205	8,672,691
2028	571,486	1,824,995	4,343,396	705,694	1,292,388	779,342	9,517,300	434,205	9,083,095
2029	588,719	1,879,745	4,650,150	726,865	1,295,013	802,722	9,943,213	434,205	9,509,008
2030	606,476	1,936,137	4,975,648	748,670	1,291,263	826,804	10,384,997	434,205	9,950,792
2031	624,773	1,994,222	5,319,001	771,131	1,292,888	851,608	10,853,622	434,205	10,419,417
2032	643,628	2,054,048	5,682,626	794,264	1,292,763	877,156	11,344,485	434,205	10,910,280
2033	663,057	2,115,670	6,066,405	818,092	1,295,763	903,471	11,862,457	434,205	11,428,252

As shown in these charts, Arlington charges for treated water, wastewater treatment, utility operations and billing are by far the largest annual expense paid by Kennedale’s water and wastewater utilities. The project team utilized Arlington’s most recent rate forecast as the basis for its cost estimates. **Any changes in Arlington forecast rate and cost estimates used in determining the City’s water and wastewater revenue requirement for this rate study could require significant changes to the rate plan presented in this report.**

One of the key assumptions used in the development of the long-term revenue requirement is the City’s Capital Improvement Plan. The City’s CIP over the next five years is estimated to be **\$2,744,606** for the water system and **\$14,669,098** for the wastewater system. The City anticipates financing a small portion of the CIP with impact fee revenue. The balance of the funding of these CIP projects comes from grants and left over proceeds from a Series 2023 bond issue.

It should be noted that if the City materially revises its CIP, the rate plan may be subject to potentially significant revision.

Water and Wastewater Rate Design

The City last increased its water and wastewater rate in 2018. The water and wastewater rates developed in this study are designed, in part, to make up for revenue erosion occurring since the last rate adjustment and to recover the test year and forecast revenue requirement while providing funding for the current identified capital, transfers, and debt service. The following is notable regarding this rate proposal:

- While the rate model presents a forecast of rates for ten years, **the project team recommends that the City adopt a 5-year rate plan**, with rates to be automatically implemented annually on October 1, 2024, through October 1, 2028.
- Given the growth in the City and potential for unexpected events, the project team recommends that the City not commit itself to a rate plan beyond five years. Further, the project team recommends that the City periodically review these rates during the next five years, to incorporate any changes to costs, volumes or growth assumptions that may occur during that time.
- The most significant impact on rates will be the cost of Arlington and Fort Worth treated water, wastewater treatment, and Arlington charges for utility operations and billing. Should Arlington make material changes to its rate forecasts and costs, the City should undertake an immediate review of its rate plan.
- 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
- Uniform adjustments are applied to the existing base and volumetric rates for each rate class.
- The project team recommends a 28% change to water rates in October 2024, 6% - 9% water rate adjustments are recommended for October 2025 through October 2028.
- Because wastewater rates are recovering nominally less revenues than the cost of service, the project team recommends that the City implement a 44% wastewater rate adjustment for October 2024, 15% wastewater increase in October 2025, 5% increase in October 2026 and October 2027 and 2% increase in October 2028.

Table ES-4 presents a summary of the rate plan proposed City Residential and Senior customers. **Table ES-5** presents a summary of the rate plan proposed for non-residential customers and **Table ES-6** is the proposed rate plan for wastewater customers. **Table ES-7** presents the customer rate impact assuming the rate plan structure is adopted by City Council.

TABLE ES-4

CITY OF KENNEDALE PROPOSED WATER AND WASTEWATER RATE PLAN		Current	Forecast				
			FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
			Oct-24	Oct-25	Oct-26	Oct-27	Oct-28
WATER							
Residential & Multifamily							
<u>Monthly Minimum Charge</u>							
3/4"	\$	20.00	\$ 25.60	\$ 27.90	\$ 30.42	\$ 32.24	\$ 34.17
1"		43.34	55.48	60.47	65.91	69.86	74.06
1 1/2"		86.58	110.82	120.80	131.67	139.57	147.94
2"		138.58	177.38	193.35	210.75	223.39	236.80
3"		260.00	332.80	362.75	395.40	419.12	444.27
4"		433.42	554.78	604.71	659.13	698.68	740.60
<u>Volume Rate Per 1,000 Gal</u>							
-	5,000	2.75	3.52	3.84	4.18	4.43	4.70
5,001	20,000	5.36	6.86	7.48	8.15	8.64	9.16
20,001	50,000	6.70	8.58	9.35	10.19	10.80	11.45
50,001	Above	6.70	8.58	9.35	10.19	10.80	11.45
Senior & Disabled							
<u>Monthly Minimum Charge</u>							
Senior/Disability Credit Applied to Minimum		-\$7.50	-\$7.50	-\$7.50	-\$7.50	-\$7.50	-\$7.50
3/4"	\$	20.00	\$ 25.60	\$ 27.90	\$ 30.42	\$ 32.24	\$ 34.17
1"		43.34	55.48	60.47	65.91	69.86	74.06
1 1/2"		86.58	110.82	120.80	131.67	139.57	147.94
2"		138.58	177.38	193.35	210.75	223.39	236.80
3"		260.00	332.80	362.75	395.40	419.12	444.27
4"		433.42	554.78	604.71	659.13	698.68	740.60
<u>Volume Rate Per 1,000 Gal</u>							
-	5,000	2.75	3.52	3.84	4.18	4.43	4.70
5,001	20,000	5.36	6.86	7.48	8.15	8.64	9.16
20,001	50,000	6.70	8.58	9.35	10.19	10.80	11.45
50,001	Above	6.70	8.58	9.35	10.19	10.80	11.45

TABLE ES-5

CITY OF KENNEDALE PROPOSED WATER AND WASTEWATER RATE PLAN		Current	Forecast				
			FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
			Oct-24	Oct-25	Oct-26	Oct-27	Oct-28
WATER							
Commercial, Fire, Industrial, Institutional & Construction							
<u>Monthly Minimum Charge</u>							
3/4"	\$	26.00	\$ 33.28	\$ 36.28	\$ 39.54	\$ 41.91	\$ 44.43
1"		43.34	55.48	60.47	65.91	69.86	74.06
1 1/2"		86.58	110.82	120.80	131.67	139.57	147.94
2"		138.58	177.38	193.35	210.75	223.39	236.80
3"		260.00	332.80	362.75	395.40	419.12	444.27
4"		433.42	554.78	604.71	659.13	698.68	740.60
6"		433.42	554.78	604.71	659.13	698.68	740.60
8"		433.42	554.78	604.71	659.13	698.68	740.60
10"		433.42	554.78	604.71	659.13	698.68	740.60
12"		433.42	554.78	604.71	659.13	698.68	740.60
<u>Volume Rate Per 1,000 Gal</u>							
-	5,000	2.75	3.52	3.84	4.18	4.43	4.70
5,001	20,000	5.36	6.86	7.48	8.15	8.64	9.16
20,001	50,000	6.70	8.58	9.35	10.19	10.80	11.45
50,001	Above	8.38	10.73	11.69	12.74	13.51	14.32

TABLE ES-6

CITY OF KENNEDALE PROPOSED WATER AND WASTEWATER RATE PLAN		Current	Forecast				
			FY 2025 Oct-24	FY 2026 Oct-25	FY 2027 Oct-26	FY 2028 Oct-27	FY 2029 Oct-28
WASTEWATER							
Residential, Multifamily & Builder							
Monthly Minimum Charge	\$	30.00	\$ 43.20	\$ 49.68	\$ 52.16	\$ 54.77	\$ 55.87
Volume Rate/1,000 Gal		2.90	4.18	4.80	5.04	5.29	5.40
Senior & Disabled							
Senior/Disability Credit Applied to Minimum		-\$7.50	-\$7.50	-\$7.50	-\$7.50	-\$7.50	-\$7.50
Monthly Minimum Charge		30.00	43.20	49.68	52.16	54.77	55.87
Volume Rate/1,000 Gal		2.90	4.18	4.80	5.04	5.29	5.40
Commercial & Institutional							
Monthly Minimum Charge		55.00	79.20	91.08	95.63	100.42	102.42
Volume Rate/1,000 Gal		6.72	9.68	11.13	11.68	12.27	12.51
Industrial							
Monthly Minimum Charge		55.00	79.20	91.08	95.63	100.42	102.42
Volume Rate/1,000 Gal		4.50	6.48	7.45	7.82	8.22	8.38

TABLE ES-7

CITY OF KENNEDALE Scenario: 2023 08 03 -- Status Quo		IMPACT OF RATE PLAN ON MONTHLY CHARGES		Current	EFFECTIVE				
					FY 2025 Oct-24	FY 2026 Oct-25	FY 2027 Oct-26	FY 2028 Oct-27	FY 2029 Oct-28
Residential Monthly Charges -- 3/4"									
5,000 Water	5,000 WW	\$	78.25	\$ 107.28	\$ 120.78	\$ 128.70	\$ 135.65	\$ 140.54	
	Increase -- \$			29.03	13.50	7.92	6.95	4.89	
	Increase -- %			37.1%	12.6%	6.6%	5.4%	3.6%	
10,000 Water	5,000 WW		105.05	141.58	158.17	169.46	178.85	186.33	
	Increase -- \$			36.53	16.59	11.29	9.39	7.48	
	Increase -- %			34.8%	11.7%	7.1%	5.5%	4.2%	
30,000 Water	5,000 WW		225.65	295.95	326.43	352.86	373.26	392.41	
	Increase -- \$			70.30	30.48	26.43	20.40	19.15	
	Increase -- %			31.2%	10.3%	8.1%	5.8%	5.1%	
Commercial Monthly Charges -- 1 1/2"									
20,000 Water	20,000 WW		370.13	504.07	565.80	604.18	637.13	661.53	
	Increase -- \$			133.94	61.73	38.38	32.96	24.40	
	Increase -- %			36.2%	12.2%	6.8%	5.5%	3.8%	
Commercial Monthly Charges -- 2"									
40,000 Water	40,000 WW	\$	690.53	\$ 935.69	\$ 1,047.87	\$ 1,120.73	\$ 1,182.35	\$ 1,229.64	
	Increase -- \$			245.16	112.19	72.86	61.61	47.29	
	Increase -- %			35.5%	12.0%	7.0%	5.5%	4.0%	

Section I

SECTION I

Introduction and Demographic Profile

Background



In July 2023, the City of Kennedale, Texas (the “City”) engaged **Willdan Financial Services** to conduct a water and wastewater rate study and long-term financial plan. The City was interested in developing an updated comprehensive water and wastewater rate plan for FY 2024 and beyond. The objective of this study is to develop a long-term rate plan that will enable the City to recover sufficient funds to meet operating expenses, capital outlays, debt service and coverage requirements, while at the same time to the best extent possible minimizing the impact of any adjustments on ratepayers.

The City identified numerous objectives for this study, including but not limited to the following:

- A comprehensive analysis and evaluation of the water and wastewater systems’ current cost of service and revenue requirements.
- A forecast of operating expenses over the next decade, taking into consideration such factors as inflation, system growth, and increases in staffing levels.
- A thorough review of the water and wastewater systems’ known capital improvement needs, as well as a determination of the need for funding capital requirements through the issuance of long-term debt for the existing identified capital improvements.
- An estimate of current and forecast accounts, volumes, and billing units for the ten-year forecast period.
- A detailed analysis and comparison of the City’s current and proposed rates to rates in other surrounding communities.

Report Organization

This report is organized into the following sections:

Section I – Introduction and Demographic Profile - outlines the background, objectives and scope of this rate study and long-term financial plan. It also presents the City’s current rate structure and a community profile of the City of Kennedale. This includes a comparison of the City’s water and wastewater charges with other local cities.

Section II – Water and Wastewater Test Year and Forecast Volumes – analyzes the City’s customer base, total accounts and current volumes of treated water and wastewater. This section presents totals for the current year and a forecast ten years into the future.

Section III – Water and Wastewater Test Year and Forecast Revenue Requirement – outlines the process of analyzing the City’s current water and wastewater utility cost structure. The total current or “test year” revenue requirements are developed, and costs are functionalized between treatment, distribution/collection, administration, and customer billing. Using the test year as a basis, costs are forecast for a ten-year period.

Section IV – Water and Wastewater Rate Design – presents rate recommendations for the City of Kennedale City Council and Staff to consider which would enable it to meet its revenue requirements over the next decade. This section also presents an analysis of the impact of the proposed plan.

Appendix A – presents a hard copy printout of the interactive Microsoft Excel spreadsheet model summary developed for the City of Kennedale to calculate water and wastewater current and future revenue requirements. The model automatically generates all calculations based on a set of defined user inputs and *has an executive dashboard for users to develop real-time “what-if” scenarios.*

Community Overview



The City of Kennedale, Texas is located in fast growing Tarrant County. The City is approximately 6.6¹ square miles and has an estimated 2022 population of [9,329](#)².

The City of Kennedale has a Council-Manager form of government in which the elected Mayor and City Council Members establish policy. Those policies are then implemented by the City Manager who is appointed by, and reports to, the City Council. The Kennedale City Council consists of five Council Members and a Mayor.

The City Manager operates in much the same way as a Chief Executive Officer of a corporation. The City Manager’s Office is responsible for the day-to-day administration of Kennedale’s City government, including managing the City’s budget, the City’s departments and operations, and programs for communicating with residents and employees.

Water and Wastewater Current Rates

Table I-1 summarizes the City of Kennedale’s current water and wastewater rate structure.

¹ Wikipedia - https://en.wikipedia.org/wiki/Kennedale,_Texas

² <https://www.cityofkennedale.com/DocumentCenter/View/7572/City-of-Kennedale-Comprehensive-Plan-DRAFT-070824>

TABLE I-1

CITY OF KENNEDALE					
CURRENT WATER AND WASTEWATER RATES					
Water Rates		Wastewater Rates			
Residential Water Rates		Residential Wastewater Rates			
Minimum Charge by Meter Size	3/4" \$	20.00	Minimum Charge \$	30.00	
	1"	43.34	Volume Rate (per 1,000 Gallons)	\$ 2.90	
	1 1/2"	86.58			
	2"	138.58			
	3"	260.00			
	4"	433.42			
Volume Rate (per 1,000 Gallons)					
-	5,000	2.75			
5,001	20,000	5.36			
20,001	50,000	6.70			
50,001	Above	6.70			
Commercial & Industrial Water Rates		Senior/Disabled Wastewater Rates			
Minimum Charge by Meter Size	3/4" \$	26.00	Minimum Charge \$	22.50	
	1"	43.34	(Includes \$7.50 Credit)		
	1 1/2"	86.58	Volume Rate (per 1,000 Gallons)	2.90	
	2"	138.58			
	3"	260.00			
	4"	433.42			
Volume Rate (per 1,000 Gallons)					
-	5,000	\$ 2.75			
5,001	20,000	\$ 5.36			
20,001	50,000	\$ 6.70			
50,001	Above	\$ 8.38			
Senior/Disabled Water Rates		Commercial Wastewater Rates			
Minimum Charge by Meter Size	3/4" \$	12.50	Minimum Charge \$	55.00	
(Includes \$7.50 Credit)	1"	35.84	Volume Rate (per 1,000 Gallons)	\$ 6.72	
	1 1/2"	79.08			
	2"	131.08			
	3"	252.50			
	4"	425.92			
Volume Rate (per 1,000 Gallons)					
-	5,000	2.75			
5,001	20,000	5.36			
20,001	50,000	6.70			
50,001	Above	6.70			
Multiple Res/Comm Base		Industrial Wastewater Rates			
Per Rate Schedule - Per Unit		\$	26.00	Minimum Charge \$	55.00
Volume Rate (per 1,000 Gallons)				Volume Rate (per 1,000 Gallons)	\$ 4.50
-	5,000	2.75			
5,001	20,000	5.36			
20,001	Above	6.70			

The table reveals that the water rate structure assesses a base charge by customer class for all rate classes. The base charge increases based on meter size except for multifamily accounts that have a flat base charge per unit. Water customers are billed based on tiered rates per 1,000 gallons for metered use. Wastewater base and volume charge is a uniform rate per 1,000 gallons.

The City of Kennedale last adjusted its rates in 2018,

Water and Wastewater Rate Comparison

Chart I-2 and Table I-3 compare the City’s monthly water and wastewater charges to surrounding cities in Texas. Volumes of 10,000 gallons for water and 5,000 gallons for wastewater were used for the residential comparison as it represents typical usage levels for an average household. The comparison is based on inside residential rates for Cities. The rate data is based on published rates and ordinances posted by each municipality on their website and the 2023 TML water and wastewater rate survey. These rates do not include sales tax, activation or other charges beyond the basic minimum and volume charges.

The following points are also notable:

- Many cities do not assess rates that recover the full cost of service, choosing instead to subsidize their water and wastewater utilities with other revenues or to defer needed repairs and maintenance at the expense of system reliability and integrity.
- Some cities use tax bonds to fund water/wastewater system construction. This results in lower rates but higher ad valorem taxes.



CHART I-2

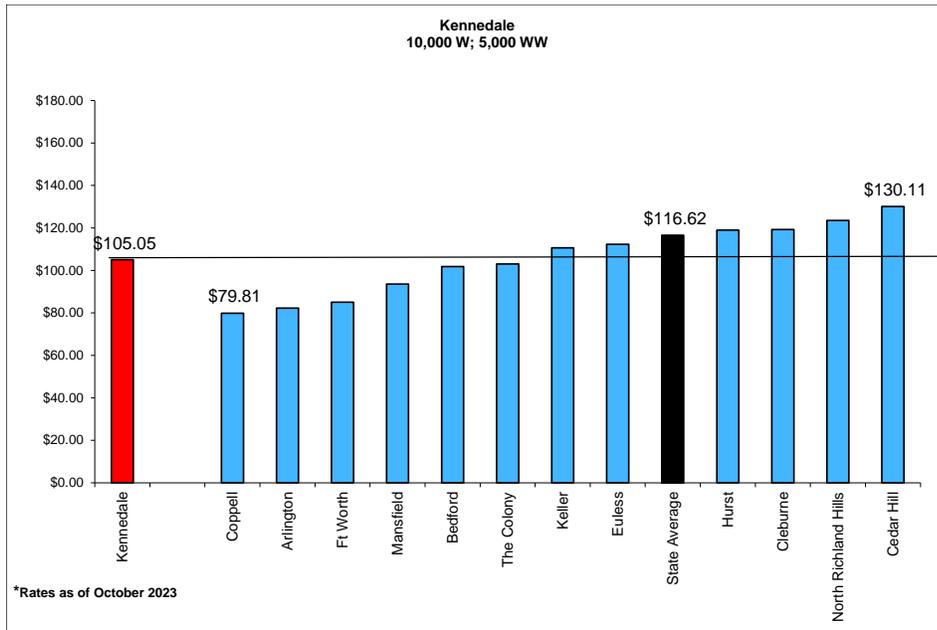


TABLE I-3

CITY OF KENNEDALE			
MONTHLY RESIDENTIAL CHARGES			
10,000 GALLONS WATER; 5,000 GALLONS WASTEWATER			
	Water	Wastewater	Total
Kennedale	\$ 60.55	\$ 44.50	\$ 105.05
Arlington	39.28	42.97	82.25
Cedar Hill	78.51	51.60	130.11
Cleburne	82.87	36.38	119.25
Coppel	48.45	31.36	79.81
Eules*	76.83	35.46	112.29
Ft Worth	49.92	35.14	85.06
Bedford	69.40	32.44	101.84
Hurst	82.25	36.78	119.03
Keller	67.78	42.90	110.68
Mansfield	49.89	43.72	93.61
North Richland Hills	86.60	36.95	123.55
The Colony	65.95	37.08	103.03
* Eules bills WW at 90% of metered water. No Winter Average.			
Sample Average	\$ 66.48	\$ 38.56	\$ 105.04
State Average	\$ 70.96	\$ 45.66	\$ 116.62
Source: Cities' Website			

Section II

SECTION II

Water & Wastewater Test Year and Forecast Volumes



In order to accurately forecast future revenues and expenses, it is necessary to examine current water and wastewater utility conditions. The first step in developing cost of service rates is to analyze patterns of usage, both for the system as a whole, and for specified customer classes.

For the City of Kennedale, monthly water and wastewater records were reviewed for the period February 2021 through June 2023. These records provided summary information on the monthly water volumes distributed system wide as well as the number of accounts for each period by defined customer class and

the associated revenues. Additionally, these records provided the number of accounts and revenues monthly for all classifications of wastewater customers.

According to standard utility ratemaking methodology, in order to allocate revenue requirements equitably among system users, customers must be classified into relatively homogeneous groups with similar usage characteristics or service demands. Costs are then allocated to the customer classes in proportion to the usage characteristics of each class. For the water system, costs are typically allocated to customers based on their average and peak water demands. For the wastewater system, costs are allocated to customers based on their estimated wastewater flows, and in some cases, based on wastewater strengths.

After thoroughly examining volume and customer data, the project team made no revisions to the City's existing rate classifications. The project team finds these customer class distinctions to be reasonable and appropriate, meeting the criteria of homogenous groups with similar usage patterns.

In this section, the City's functional customer classes and test year usage patterns will be thoroughly analyzed. A ten-year projection of customers and usage will also be presented. These forecasts, along with the revenue requirements, will form the basis of the proposed rate designs.

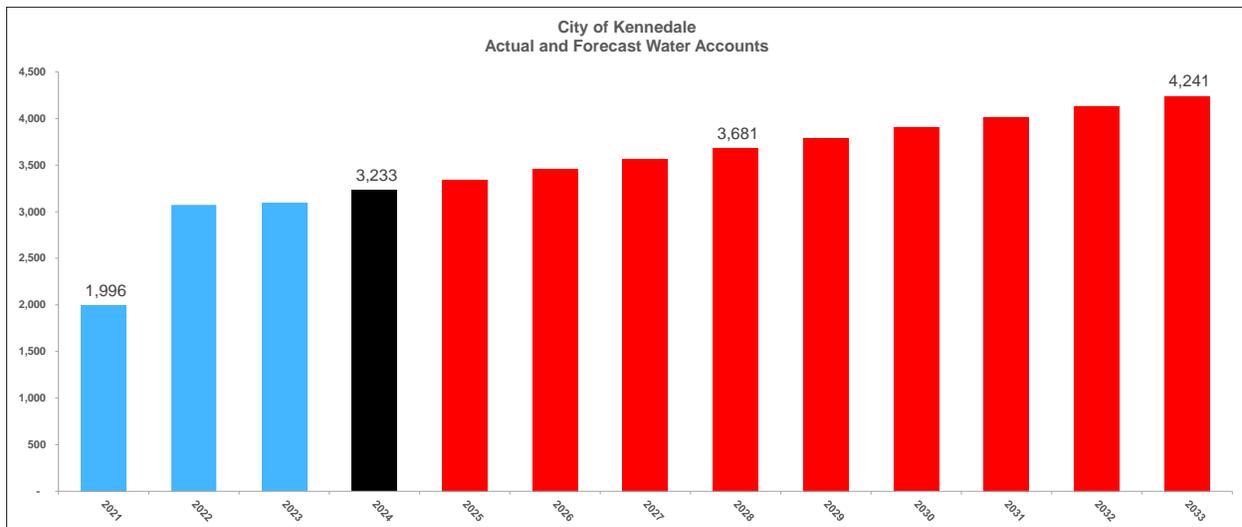
Water and Wastewater Customers and Meters – Test Year & Ten-Year Forecast

The majority of the water accounts served by Kennedale are residential accounts, with the balance being non-residential, institutional, apartment and construction customers. **Table II-1** and **Chart II-2** present total water accounts for the City for the test year and forecast period.

TABLE II-1

CITY OF KENNEDALE									
FORECAST TOTAL CUSTOMERS									
WATER Customer Classes									
Fiscal Year	Residential Inside	Senior & Disabled	Commercial Inside	Industrial	Apartment & Duplex	Fire	Institutional	Construction	Total
WATER Total Customers									
2021	1,652	72	170	22	52	3	20	6	1,996
2022	2,600	59	258	32	77	4	30	14	3,073
2023	2,612	61	267	32	77	4	29	12	3,094
2024	2,737	61	280	32	78	4	29	12	3,233
2025	2,837	61	290	32	80	4	29	12	3,344
2026	2,937	61	301	32	82	4	29	12	3,457
2027	3,038	61	311	32	83	4	29	12	3,570
2028	3,138	61	321	32	85	4	29	12	3,681
2029	3,237	61	332	32	86	4	29	12	3,793
2030	3,338	61	342	32	87	4	29	12	3,905
2031	3,438	61	352	32	89	4	29	12	4,017
2032	3,538	61	363	32	90	4	29	12	4,129
2033	3,638	61	373	32	92	4	29	12	4,241
WATER Annual New Customers									
2022	948	(13)	88	10	25	1	9	8	1,077
2023	12	2	9	0	0	(0)	(1)	(2)	21
2024	125	-	13	-	1	-	-	-	139
2025	100	-	10	-	2	-	-	-	112
2026	100	-	10	-	2	-	-	-	112
2027	101	-	10	-	2	-	-	-	113
2028	100	-	10	-	1	-	-	-	112
2029	100	-	10	-	1	-	-	-	111
2030	100	-	10	-	1	-	-	-	112
2031	100	-	10	-	1	-	-	-	112
2032	100	-	10	-	1	-	-	-	112
2033	100	-	10	-	1	-	-	-	112

CHART II-2



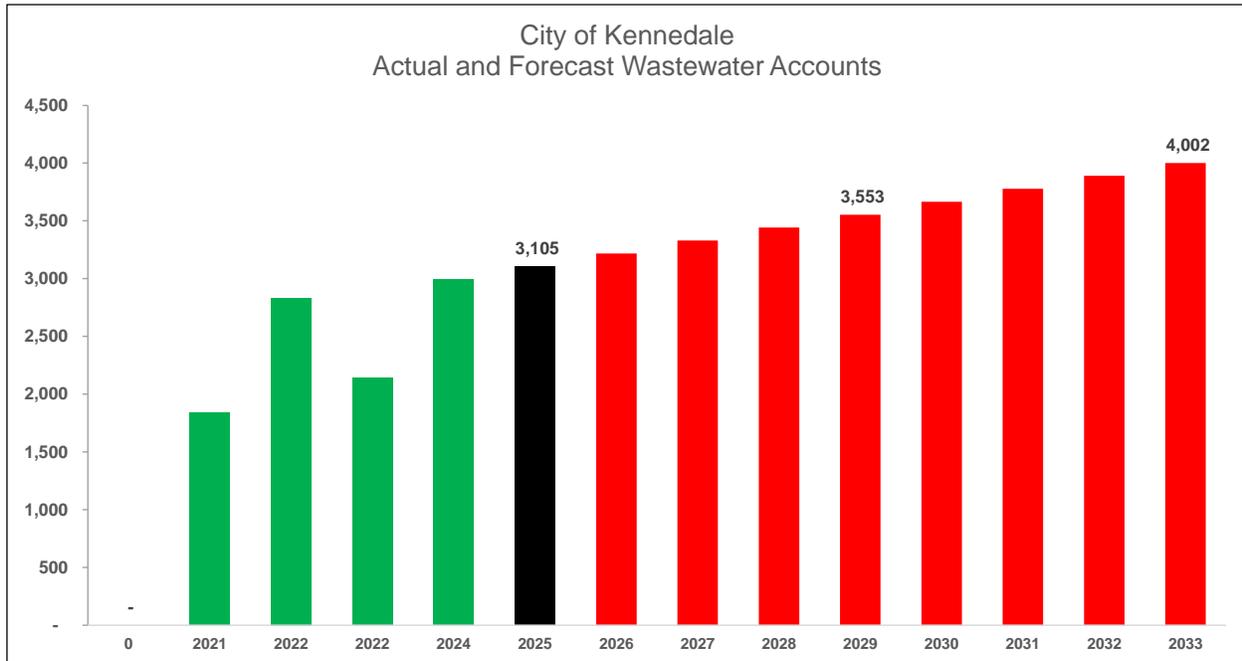
For each of the historical years, the average number of accounts for the year is shown and the growth reflects the difference from one fiscal year end to the next. Overall water accounts are forecast to increase from **3,233** in the test year to **4,241** in FY 2033, an average annual increase of 3.1% for all customer classes except municipal. As displayed in Table II-1, the number of new accounts has decreased in Fiscal Year Ending 2023. The City expects the growth to be approximately 100 per year levels during the financial planning period.

Table II-3 and **Chart II-4** present the project team’s ten-year forecast of wastewater account growth. Wastewater accounts are forecast to increase **2,993** in the test year to **4,002** in FY 2033.

TABLE II-3

CITY OF KENNEDALE								
FORECAST TOTAL CUSTOMERS								
WASTEWATER Customer Classes								
	Residential Inside	Senior & Disabled	Commercial Inside	Industrial	Apartment & Duplex	Institutional	Builder	Total
WASTEWATER Total Customers								
2021	1,579	66	110	20	46	16	1	1,839
2022	2,485	56	167	30	71	24	1	2,832
2023	1,874	42	132	23	54	16	1	2,142
2024	2,623	56	188	30	73	22	1	2,993
2025	2,723	56	198	30	74	22	1	3,105
2026	2,824	56	209	30	76	22	1	3,218
2027	2,925	56	219	30	77	22	1	3,330
2028	3,024	56	230	30	79	22	1	3,442
2029	3,124	56	240	30	80	22	1	3,553
2030	3,224	56	250	30	82	22	1	3,666
2031	3,324	56	261	30	83	22	1	3,777
2032	3,425	56	271	30	85	22	1	3,890
2033	3,525	56	282	30	86	22	1	4,002
WASTEWATER Annual New Customers								
2021	1,579	66	110	20	46	16	1	1,839
2022	905	(10)	57	10	25	7	(0)	993
2023	(611)	(13)	(35)	(7)	(17)			(683)
2024	750	14	56	7	19	(2)	-	844
2025	100	-	10	-	2	-	-	112
2026	100	-	10	-	2	-	-	112
2027	101	-	10	-	2	-	-	113
2028	100	-	10	-	1	-	-	112
2029	100	-	10	-	1	-	-	111
2030	100	-	10	-	1	-	-	112
2031	100	-	10	-	1	-	-	112
2032	100	-	10	-	1	-	-	112
2033	100	-	10	-	1	-	-	112

CHART II-4



Historical and Forecast Water Consumption

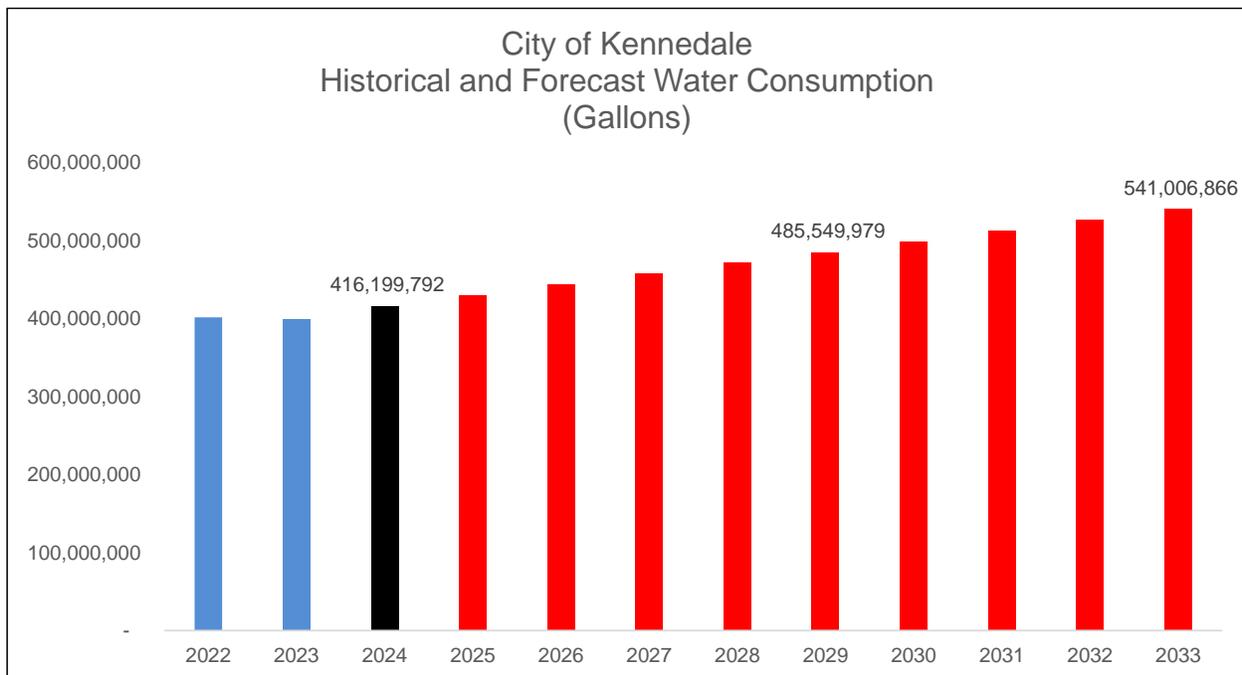
Total water system consumption data was analyzed over the same time period as customer data. A combination of consumption over the past 12 months and historical trends was used as the basis for the development of the forecast water and wastewater usage within the rate model.

The project team prepared a ten-year forecast of water usage based on the same principles on which customer accounts were projected. The results of this forecast for water usage are presented in **Table II-5** and **Chart II-6**. Water usage is expected to increase at an average annual rate of approximately 3% over the next decade. By FY 2033 water usage is expected to reach **541,006,866** gallons.

TABLE II-5

CITY OF KENNEDALE								
FORECAST BILLED CONSUMPTION								
WATER Customer Classes								
	Residential Inside	Senior & Disabled	Commercial Inside	Industrial	Apartment & Duplex	Fire	Institutional	Total
WATER Historical Volume								
2022	323,093,000	4,004,000	29,329,000	4,814,000	19,801,000	-	14,749,000	401,814,000
2023	317,270,667	4,060,000	35,156,000	5,822,000	17,461,000	23,000	13,914,000	399,144,667
WATER Forecast Volume								
2024	332,455,906	4,060,000	36,800,341	5,822,000	17,686,546	23,000	13,914,000	416,199,792
2025	344,590,546	4,060,000	38,161,953	5,822,000	18,040,277	23,000	13,914,000	430,049,776
2026	356,790,774	4,060,000	39,531,586	5,822,000	18,390,258	23,000	13,914,000	443,969,618
2027	369,032,266	4,060,000	40,906,494	5,822,000	18,735,995	23,000	13,914,000	457,931,755
2028	381,154,976	4,060,000	42,268,680	5,822,000	19,073,243	23,000	13,914,000	471,753,899
2029	393,258,552	4,060,000	43,629,309	5,822,000	19,405,117	23,000	13,914,000	485,549,979
2030	405,459,399	4,060,000	45,001,451	5,822,000	19,735,004	23,000	13,914,000	499,452,854
2031	417,594,799	4,060,000	46,366,795	5,822,000	20,058,658	23,000	13,914,000	513,277,252
2032	429,788,567	4,060,000	47,739,252	5,822,000	20,379,597	23,000	13,914,000	527,164,416
2033	441,946,211	4,060,000	49,108,175	5,822,000	20,695,481	23,000	13,914,000	541,006,866

CHART II-6



Peaking Factors

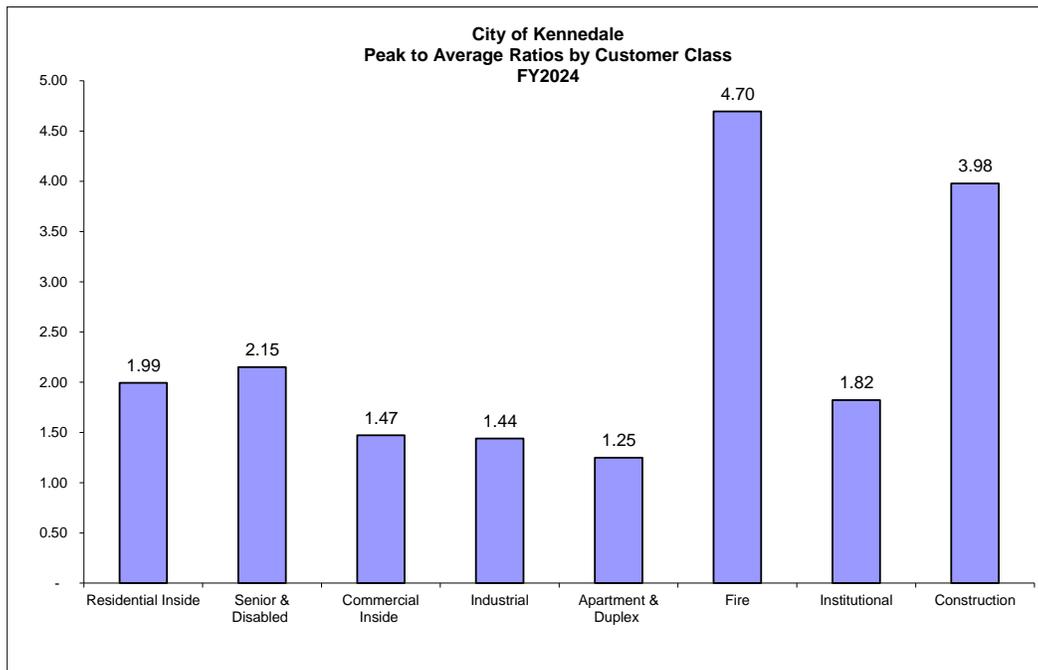
The cost of providing water to customers depends not only on the amount of water each class uses, but also on how that usage occurs over time. The maximum-day and maximum-hour peaking requirements of a water utility’s customers are an important influence on the utility’s costs. Because water utilities attempt to meet all

of the demands of their customers, water systems are sized to meet customers’ peak requirements. Therefore, during off-peak periods, there are usually significant costs associated with the unused capacity of the system. These costs must be allocated to customers in proportion to the contribution of each customer class to the system peak, in order to develop equitable cost-based rates. Thus, it is necessary to determine the peak rate of use relative to the average rate of use for each class. This ratio is called a **Peaking Factor**.

The calculation of peaking factors for individual classes relies on available pumping and consumption information as well as professional judgment. If customer meters could record daily flow rates for each customer, more refined information could be obtained on peaking factors. This is not feasible because of the enormous cost that would be imposed on the utility. Therefore, it is accepted practice in the water industry to develop peaking factor estimates based on standard formulas using system peak day information and monthly customer class usage records. This is a conservative methodology, since customer class peaking factors based on peak months will inevitably be lower than the system-wide peaking factor, which is based on the peak day.

Based on AWWA guidelines, the customer class peaking factors calculated in this study are for non-coincidental peaks. The peaking factors developed for this analysis are based on the annualized water consumption by customer class for Test Year End 2024. The calculations of the peaking factors by class are presented graphically in **Chart II-7**.

CHART II-7



Section III

SECTION III

Water & Wastewater Forecast Revenue Requirement



In this section of the water and wastewater rate study and long-term financial plan, the City of Kennedale's test year and forecast water and wastewater utility revenue requirements are developed. The test year consists of the City's fiscal year, October 1, 2023, through September 30, 2024. The estimates presented in this section are based on the City's proposed budget for FY 2024.

The calculation of a revenue requirement differs from a utility's budget in that it represents only that amount that must be raised through the City's user rates. This means that non-rate revenue (such as reconnection fees, late

payment charges and interest) must be subtracted from the budgeted operating and capital expenditures to determine the net revenue requirement to be raised from rates.

As is typical for publicly owned utilities, the City of Kennedale's system revenue requirements were developed using the cash basis of ratemaking. Under the cash basis, as defined by the AWWA Manual M-1, system revenue requirements consist of cash expenditures and other financial commitments (such as debt service coverage or reserves) that must be met through system operating revenues and other revenue sources.

All data used in the development of the revenue requirements was obtained from the financial statements, budgets, and other information provided by the City. Detailed calculations are presented in the rate model contained in **Appendix A** of this report. For rate design purposes, revenue requirements are developed separately for the water and wastewater systems.

The assumptions utilized in this expense forecast will be thoroughly detailed in this section of the report. These assumptions are critical to the development of both the revenue requirement and the ultimate rate recommendation. The project team reviewed these assumptions with the City staff and considers all to be consistent with staff recommendations.

In this section, current and forecast Operating Costs, Capital Outlays, Transfers, and Debt Service will be examined first. Non-rate revenues will be subtracted from the total to yield the Net Revenue Requirement.

Operating Expenses and Capital Outlays – Test Year

Table III-1 on the following page summarizes the test year FY 2024 water system operating expenses and capital outlays in detail by expense category item. **Table III-2** presents the test year FY 2024 operating expenses and capital outlays in detail by expense category item for the wastewater system.

The following is noteworthy about these tables:

There are six (6) divisions within the City's Water Fund, each with their own budget: Transfers, Utility Billing, Interlocal Agreement -Arlington, Water Capital Projects, Non-Departmental and Water Debt Service.

- **Interlocal Agreement – Arlington**, includes the Operation/Maintenance of the water and wastewater system, which is provided by the City of Arlington. It captures the primary operating expenses associated with the day-to-day management and maintenance of the water and wastewater operations.
- **Utility Billing** includes purchased water and fees charged for conveyance and treatment of wastewater from Arlington and Fort Worth, as well as Arlington's charge for monthly utility billing.
- **Non-Department**, which includes insurance, special services and telephone services.
- **Water Capital Projects**, includes capital projects funded through the water and wastewater utility budgets.
- **Water Debt Service**, these expenses include such items as debt service payments on outstanding fund debt.
- **Transfers**, includes transfers to the General Fund for administrative charges and the franchise fee.

Kennedale has contractual arrangements with Arlington to provide the following utility services:

1. Supply treated water
2. Collect and treat wastewater
3. Operate the Kennedale water and wastewater utility systems
4. Provide monthly billing for Kennedale utility services

Currently, Kennedale is in negotiations with Arlington regarding the operations contract. Once the contract is finalized, the rate plan may need to be revised.

Tables III-1 and **III-2** also allocate total budget expenses between the water and wastewater functions based on function and general ratemaking principles. As the tables show, total operating expenses, transfers, and capital outlays in the test year are **\$6,057,759** of which \$3,128,768 is for the water utility and \$2,928,991 is for the wastewater utility.

TABLE III-1

CITY OF KENNEDALE		WATER Operating Expenses, Transfers, Capital Outlays				
SCEN:	2024 07 23 -- Status Quo					
	Net Budget	Treatment	Distribution	Admin	Customer Billing	
Operating & Maintenance						
Personnel Svcs	\$ -	\$ -	\$ -	\$ -	\$ -	
Contractual	165,005	-	78,557	36,500	49,948	
Supplies	2,336	-	-	-	2,336	
Operations	2,596	-	2,596	-	-	
Utilities	91,304	-	91,304	-	-	
Fort Worth - Water	209,335	209,335	-	-	-	
Arlington Operation Contract	1,090,459	-	1,090,459	-	-	
Arlington Water Purchases	856,514	856,514	-	-	-	
Total Operating & Maintenance	2,417,550	1,065,849	1,262,916	36,500	52,285	
Transfers	346,218	-	-	346,218	-	
Capital Outlays	365,000	-	365,000	-	-	
Total	\$ 3,128,768	\$ 1,065,849	\$ 1,627,916	\$ 382,718	\$ 52,285	

TABLE III-2

CITY OF KENNEDALE		WASTEWATER Operating Expenses, Transfers, Capital Outlays				
SCEN:	2024 07 23 -- Status Quo					
	Net Budget	Treatment	Collection	Admin	Customer Billing	
Operating & Maintenance						
Personnel Svcs	\$ -	\$ -	\$ -	\$ -	\$ -	
Contractual	155,495	-	72,743	36,500	46,252	
Supplies	2,164	-	-	-	2,164	
Operations	2,404	-	2,404	-	-	
Utilities	84,546	-	84,546	-	-	
Fort Worth - Wastewater	27,540	27,540	-	-	-	
Arlington Operation Contract	1,009,753	-	1,009,753	-	-	
Arlington Wastewater Treatment	1,050,872	1,050,872	-	-	-	
Total Operating & Maintenance	2,332,774	1,078,412	1,169,446	36,500	48,415	
Transfers	346,218	-	-	346,218	-	
Capital Outlays	250,000	-	250,000	-	-	
Total	\$ 2,928,991	\$ 1,078,412	\$ 1,419,446	\$ 382,718	\$ 48,415	

Cost of Service – Ten Year Forecast

Table III-3 presents the water and wastewater utility operating expense, transfers and capital outlay forecast for the ten-year period FY 2024 – FY 2033. Details behind these calculations can be found in the rate model contained in Appendix A. This forecast is based on the following set of assumptions:

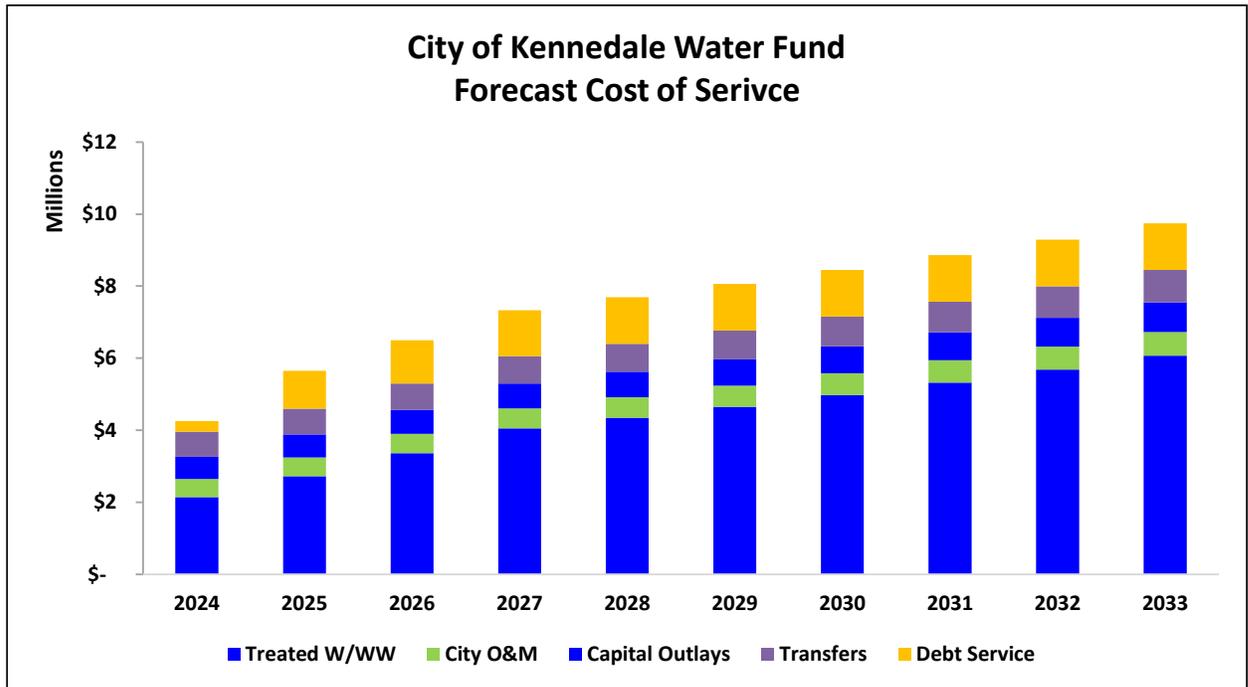
- Most operating costs are expected to increase at an annual rate of 3% - 4%, which is approximately equivalent to the rate of inflation.
- Certain expenses will increase at above-inflation rates, to reflect the rapid rate of increase of these costs. These expenses include chemicals, workers compensation, Medicare, and insurance.
- Arlington forecast is based on most recent estimated increases provided by Arlington staff.

TABLE III-2

CITY OF KENNEDALE							
FORECAST OPERATING EXPENSES AND CAPITAL OUTLAYS							
SCENARIO:							
2024 07 23 – Status Quo							
	City O&M Expenses	Arlington Operation	Treated W/WW Payments	Capital Outlays	Transfers & Contingencies	Debt Service	Total Cost of Service
WATER Revenue Requirement							
2024	\$ 261,242	\$ 1,090,459	\$ 1,065,849	\$ 365,000	\$ 346,218	\$ 221,484	\$ 3,350,252
2025	269,534	1,134,078	1,560,639	379,600	356,604	290,681	3,991,136
2026	278,095	1,179,441	2,111,513	394,784	367,302	314,365	4,645,500
2027	286,477	919,964	2,710,404	406,628	378,321	328,909	5,030,702
2028	295,114	947,563	2,902,156	418,826	389,671	202,943	5,156,273
2029	304,013	975,990	3,104,798	431,391	401,361	203,355	5,420,908
2030	313,183	1,005,269	3,319,763	444,333	413,402	202,766	5,698,716
2031	322,632	1,035,427	3,546,471	457,663	425,804	203,021	5,991,018
2032	332,369	1,066,490	3,786,503	471,393	438,578	203,002	6,298,335
2033	342,402	1,098,485	4,039,786	485,535	451,735	203,473	6,621,416
WASTEWATER Revenue Requirement							
2024	\$ 244,608	\$ 1,009,753	\$ 1,078,412	\$ 250,000	\$ 346,218	\$ 73,828	\$ 3,002,819
2025	252,395	1,050,143	1,161,333	260,000	356,604	764,786	3,845,262
2026	260,434	1,092,149	1,249,392	270,400	367,302	884,357	4,124,035
2027	268,284	851,876	1,342,792	278,512	378,321	956,409	4,076,194
2028	276,372	877,433	1,441,240	286,867	389,671	1,089,445	4,361,027
2029	284,705	903,756	1,545,352	295,473	401,361	1,091,658	4,522,305
2030	293,293	930,868	1,655,885	304,338	413,402	1,088,497	4,686,282
2031	302,141	958,794	1,772,530	313,468	425,804	1,089,866	4,862,604
2032	311,259	987,558	1,896,122	322,872	438,578	1,089,761	5,046,150
2033	320,654	1,017,185	2,026,619	332,558	451,735	1,092,290	5,241,041
TOTAL Revenue Requirement							
2024	\$ 505,850	\$ 2,100,213	\$ 2,144,261	\$ 615,000	\$ 692,435	\$ 295,312	\$ 6,353,071
2025	521,929	2,184,221	2,721,972	639,600	713,208	1,055,468	7,836,397
2026	538,529	2,271,590	3,360,905	665,184	734,604	1,198,723	8,769,535
2027	554,761	1,771,840	4,053,196	685,140	756,642	1,285,318	9,106,896
2028	571,486	1,824,995	4,343,396	705,694	779,342	1,292,388	9,517,300
2029	588,719	1,879,745	4,650,150	726,865	802,722	1,295,013	9,943,213
2030	606,476	1,936,137	4,975,648	748,670	826,804	1,291,263	10,384,997
2031	624,773	1,994,222	5,319,001	771,131	851,608	1,292,888	10,853,622
2032	643,628	2,054,048	5,682,626	794,264	877,156	1,292,763	11,344,485
2033	663,057	2,115,670	6,066,405	818,092	903,471	1,295,763	11,862,457

Chart III-4 the total water and wastewater annual cost of service through FY 2033. This includes operating expenses, capital outlays, transfers, and debt service.

CHART III-4



As shown in these charts, Arlington and Fort Worth charges for water and wastewater treatment are the largest annual expense paid by Kennedale’s water and wastewater utilities.

Additionally, Arlington and Fort Worth is likely to undergo significant financial challenges in the coming decade, including but not limited to the expansion of facilities to meet the needs of growth, etc. This makes it exceedingly difficult to forecast the overall impact on Kennedale.

The project team utilized Arlington’s most recent five-year rate forecast as the basis for its cost estimates. However, it should be noted that these are estimates and not guarantees. **Any changes in Arlington forecast rate estimates used in determining the City’s water and wastewater revenue requirement for this rate study could require significant changes to the rate plan presented in this report.**

Capital Improvement Plan

The City has developed a comprehensive long-term capital improvements plan for water and wastewater system that is intended to cover its needs over the next five years. The purpose of the CIP is to rehabilitate and maintain the existing system, expand the system and to service new growth.

The capital improvement plan is an integral part of any long-term rate and financing plan. The City finances its capital improvements through a combination of impact fees, grants and revenue-funded long-term debt. Only the revenue bonds impact the City’s rate plan.

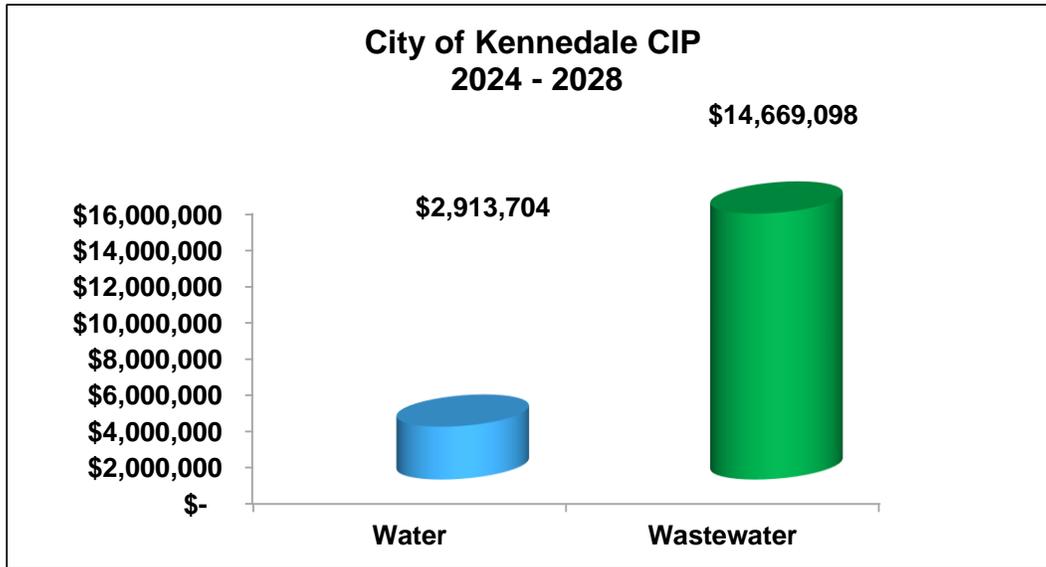
Table III-5 summarizes the City’s CIP. The CIP involves repairs and upgrades to pumps and distribution system and SCADA installation. The wastewater CIP includes wastewater collection system construction and SCADA installation.

Chart III-6 reveals that the City’s CIP over the next five years is estimated to be **\$2,913,704** for the water system and **\$14,669,098** for the wastewater system. The City intends to fund the CIP projects with impact fees and grants.

Table III-5

CITY OF KENNEDALE	
Capital Improvement Program	
	<u>Cost</u>
WATER PROJECTS	
Water Tank - 750,000 gallon	\$ 1,400,000
Elevated Water Tank refurbishing	900,000
3rd Street Water Improvements (County) - ARPA	275,506
SCADA	\$ 169,098
New Hope Rd Emergency Waterline - ARPA	120,924
Other Project Spending - ARPA	38,013
CDBG 3rd Street Water Rehab - ARPA	10,163
TOTAL WATER PROJECTS	\$ 2,913,704
WASTEWATER PROJECTS	
Sewer Line Installation - Per Capital Project Plan three phases	\$ 13,000,000
SB3 Requirement - (2) generators	1,500,000
SCADA	169,098
TOTAL WASTEWATER PROJECTS	\$ 14,669,098

Chart III-6



Existing and Forecast Debt Service

Table III-7 presents current and forecast debt service assumes that the City does not issue any new water and/or wastewater revenue bonds annually from FY 2024 through FY 2033. The City currently has three bond issues outstanding in the Test Year that were issued to fund both water and wastewater system improvements. Debt service on these issues is currently being paid from Utility System Revenue. For FY 2024 forward, it is projected that bonds will be repaid entirely with Utility System Revenues

These assumptions are preliminary in nature and subject to change. Should the City Council choose to issue more debt than assumed in this study, then the rate plans contained in this study may require revision.

Table III-7

CITY OF KENNEDALE						
CURRENT AND FORECAST DEBT SERVICE						
SCENARIO: 2024 07 23 -- Status Quo						
Year	Water		Wastewater		Total	
	Current	Forecast	Current	Forecast		
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	

Non-Rate Revenues

Although rate revenues constitute the majority of the revenue received by the City of Kennedale for water and wastewater service, a certain amount of revenue is accrued from non-rate sources. These revenues include transfers from the general fund, other general revenues, miscellaneous charges, and investment income. These non-rate revenues are subtracted from the overall budget to determine the revenue requirement to be raised from rates. Non-rate revenues are conservatively not forecasted to increase during the next ten years. Annual non-rate revenue totals are presented in **Table III-8**.

Table III-8

CITY OF KENNEDALE					
FORECAST NON-RATE REVENUES					
SCENARIO:					
2024 07 23 -- Status Quo					
	Water		Wastewater		Total Water & WW
2024	\$	517,103	\$	517,103	\$ 1,034,205
2025		217,103		217,103	434,205
2026		217,103		217,103	434,205
2027		217,103		217,103	434,205
2028		217,103		217,103	434,205
2029		217,103		217,103	434,205
2030		217,103		217,103	434,205
2031		217,103		217,103	434,205
2032		217,103		217,103	434,205
2033		217,103		217,103	434,205

Net Revenue Requirement

Table III-9 presents the test year and ten-year forecast for the City’s net revenue requirement to be raised from rates for the water and wastewater utility for the test year 2024 and forecast period. The water and wastewater net revenue requirement is expected to increase from **\$5,318,866** in FY 2024 to **\$11,428,252** in FY 2033.

Table III-9

CITY OF KENNEDALE									
CURRENT AND FORECAST NET REVENUE REQUIREMENT									
	City O&M Expenses	Arlington Operation	Treated W/WW Payments	Capital Outlays	Debt Service	Transfers & Contingencies	Total Cost of Service	Less Non-Rate Revenues	Net Revenue Requirement
WATER Revenue Requirement									
2024	\$ 261,242	\$ 1,090,459	\$ 1,065,849	\$ 365,000	\$ 221,484	\$ 346,218	\$ 3,350,252	\$ 517,103	\$ 2,833,149
2025	269,534	1,134,078	1,560,639	379,600	290,681	356,604	3,991,136	217,103	3,774,033
2026	278,095	1,179,441	2,111,513	394,784	314,365	367,302	4,645,500	217,103	4,428,397
2027	286,477	919,964	2,710,404	406,628	328,909	378,321	5,030,702	217,103	4,813,600
2028	295,114	947,563	2,902,156	418,826	202,943	389,671	5,156,273	217,103	4,939,170
2029	304,013	975,990	3,104,798	431,391	203,355	401,361	5,420,908	217,103	5,203,805
2030	313,183	1,005,269	3,319,763	444,333	202,766	413,402	5,698,716	217,103	5,481,613
2031	322,632	1,035,427	3,546,471	457,663	203,021	425,804	5,991,018	217,103	5,773,916
2032	332,369	1,066,490	3,786,503	471,393	203,002	438,578	6,298,335	217,103	6,081,232
2033	342,402	1,098,485	4,039,786	485,535	203,473	451,735	6,621,416	217,103	6,404,313
WASTEWATER Revenue Requirement									
2024	244,608	1,009,753	1,078,412	250,000	73,828	346,218	3,002,819	517,103	2,485,717
2025	252,395	1,050,143	1,161,333	260,000	764,786	356,604	3,845,262	217,103	3,628,159
2026	260,434	1,092,149	1,249,392	270,400	884,357	367,302	4,124,035	217,103	3,906,932
2027	268,284	851,876	1,342,792	278,512	956,409	378,321	4,076,194	217,103	3,859,092
2028	276,372	877,433	1,441,240	286,867	1,089,445	389,671	4,361,027	217,103	4,143,925
2029	284,705	903,756	1,545,352	295,473	1,091,658	401,361	4,522,305	217,103	4,305,203
2030	293,293	930,868	1,655,885	304,338	1,088,497	413,402	4,686,282	217,103	4,469,179
2031	302,141	958,794	1,772,530	313,468	1,089,866	425,804	4,862,604	217,103	4,645,501
2032	311,259	987,558	1,896,122	322,872	1,089,761	438,578	5,046,150	217,103	4,829,047
2033	320,654	1,017,185	2,026,619	332,558	1,092,290	451,735	5,241,041	217,103	5,023,939
TOTAL Revenue Requirement									
2024	505,850	2,100,213	2,144,261	615,000	295,312	692,435	6,353,071	1,034,205	5,318,866
2025	521,929	2,184,221	2,721,972	639,600	1,055,468	713,208	7,836,397	434,205	7,402,192
2026	538,529	2,271,590	3,360,905	665,184	1,198,723	734,604	8,769,535	434,205	8,335,330
2027	554,761	1,771,840	4,053,196	685,140	1,285,318	756,642	9,106,896	434,205	8,672,691
2028	571,486	1,824,995	4,343,396	705,694	1,292,388	779,342	9,517,300	434,205	9,083,095
2029	588,719	1,879,745	4,650,150	726,865	1,295,013	802,722	9,943,213	434,205	9,509,008
2030	606,476	1,936,137	4,975,648	748,670	1,291,263	826,804	10,384,997	434,205	9,950,792
2031	624,773	1,994,222	5,319,001	771,131	1,292,888	851,608	10,853,622	434,205	10,419,417
2032	643,628	2,054,048	5,682,626	794,264	1,292,763	877,156	11,344,485	434,205	10,910,280
2033	663,057	2,115,670	6,066,405	818,092	1,295,763	903,471	11,862,457	434,205	11,428,252

Again, the City is currently in negotiations with Arlington regarding the operation and billing services provided by Arlington. The financial implications of this new contract will need to be further analyzed once the contract is finalized.

Water Utility Cost Functionalization

Once the total water and wastewater system costs have been identified, the next step in the rate development process is to isolate the costs associated with each system function. Some of these expenditures are a function of base water demand; others are based on the peak demands placed on the system. Certain costs

are associated with serving customers regardless of the volume of water use or wastewater discharge. The basic steps used to allocate the City’s water revenue requirements include the following:

1. Each system’s costs (revenue requirements) are categorized by utility function (i.e., treatment, distribution, administrative, customer). This process is known as *functionalization*.
2. Functionalized costs are classified based on the service characteristics or the types of demand served by the utility (base and maximum day). This process is known as *classification*.
3. Costs by service characteristic are allocated to customer classes in proportion to the service demands demonstrated by each class.

This three-step process allows for the allocation of system costs in the same terms as customer classes. The approaches described in this section follow standard industry practices. Water system costs are allocated to the following functions:

Treatment – the process by which raw water is converted to potable water.

Distribution – the lines that carry water to individual customers’ properties.

Administration – miscellaneous overhead and other non-operating costs.

Customer Billing – the processes involved in billing and providing other services to customers.

The project team allocated operating budget line-item expenses individually to system functions based on general guidelines, specific research, and input from the City of Kennedale staff. The results of the allocation process for the test year are summarized in **Table III-10**.

TABLE III-10

CITY OF KENNEDALE			
TEST YEAR WATER COST FUNCTIONALIZATION			
SCENARIO: 2024 07 23 -- Status Quo			
Function	2024 Revenue Requirement	Percent	
Treatment	\$ 901,338	31.8%	
Distribution	1,563,950	55.2%	
Administration	323,646	11.4%	
Customer	44,215	1.6%	
Total	2,833,149	100.0%	

Water Utility Cost Classification

The allocation of functionalized water system costs to service characteristics follows the base-extra capacity cost allocation method recommended by AWWA. Using this method, costs are segregated into the following categories:

Base costs – capital costs and O&M expenses associated with service to customers under average demand conditions. This category does not include any costs attributable to variations in water use resulting from peaks in demand. Base costs tend to vary directly with the total quantity of water used.

Maximum Day/Extra Capacity costs – costs attributable to facilities that are designed to meet peaking requirements. These costs include capital and operating charges for additional plant and system capacity beyond that required for average usage.

Customer Billing costs – costs associated with any aspect of customer service, including billing, accounting, and meter services. These costs are independent of the amount of water used and the size of the customer’s meter and are not subject to peaking factors.

According to AWWA Manual M-1, in the base-extra capacity method, care must be taken in separating costs between those devoted to base capacity and those devoted to extra capacity. The peak to average factor is calculated by dividing the volume on the peak day of the year by the average daily volume. Facilities designed to meet maximum-day requirements, such as the treatment and distribution functions, are allocated 56% (1/1.80) to base, and 44% to extra capacity (Max Day). This means that facilities designed to meet maximum-day requirements, such as the treatment and distribution functions, are allocated 56% to base, and 44% to extra capacity.

All customer service-related costs are allocated 100% to customer billing. Administration costs are generally not directly assignable to individual classifications. Therefore, it is standard rate-making practice to allocate these costs on an indirect basis to service characteristics.

The system-wide costs by service characteristic are shown in **Table III-11**. As with cost functionalization, these percentages are not expected to change significantly in the forecast period.

TABLE III-11

CITY OF KENNEDALE			
TEST YEAR WATER COST CLASSIFICATION			
SCENARIO: 2024 07 23 – Status Quo			
	2024		
Function	Revenue	Requirement	Percent
Base	\$	1,545,985	54.57%
Maximum Day		1,236,788	43.65%
Customer		<u>50,377</u>	<u>1.78%</u>
Total		2,833,149	100.0%

Water Utility Cost Allocation

Allocation of costs by service characteristic to customer classes is based on the proportionate use levels of each characteristic by each class. The total water utility costs by customer class for the test year are summarized in **Table III-12** and for the ten-year forecast period in **Table III-13**.

TABLE III-12

CITY OF KENNEDALE		
TEST YEAR WATER COST ALLOCATION		
SCENARIO: 2024 07 23 -- Status Quo		
Function	2024	
	Revenue Requirement	Percent
Residential Inside	\$ 2,333,031	82.3%
Senior & Disabled	30,984	1.1%
Commercial Inside	196,486	6.9%
Industrial	30,327	1.1%
Apartment & Duplex	81,022	2.9%
Fire	420	0.0%
Institutional	88,707	3.1%
Construction	72,172	2.5%
Total	2,833,149	100.0%

TABLE III-13

CITY OF KENNEDALE									
FORECAST WATER COST ALLOCATION									
SCENARIO: 2024 07 23 -- Status Quo									
Year	Residential Inside	Senior & Disabled	Commercial Inside	Industrial	Apartment & Duplex	Fire	Institutional	Construction	Total
2024	\$ 2,333,031	\$ 30,984	\$ 196,486	\$ 30,327	\$ 81,022	\$ 420	\$ 88,707	\$ 72,172	\$ 2,833,149
2025	3,117,779	39,948	262,692	39,099	106,544	541	114,372	93,059	3,774,033
2026	3,669,392	45,408	309,301	44,441	123,450	615	130,005	105,787	4,428,397
2027	3,999,903	47,855	337,301	46,836	132,544	648	137,015	111,497	4,813,600
2028	4,115,109	47,667	347,156	46,651	134,395	645	136,479	111,067	4,939,170
2029	4,346,394	48,796	366,811	47,755	139,968	660	139,714	113,706	5,203,805
2030	4,589,289	49,973	387,459	48,905	145,775	676	143,084	116,453	5,481,613
2031	4,844,796	51,221	409,183	50,127	151,864	693	146,661	119,370	5,773,916
2032	5,113,501	52,528	432,035	51,405	158,226	711	150,405	122,421	6,081,232
2033	5,395,992	53,905	456,065	52,751	164,887	729	154,349	125,636	6,404,313

Wastewater Utility Cost Functionalization and Classification

Wastewater system costs are allocated to the following functions:

Treatment -- Volume – the costs associated with treating wastewater volume discharges.

Collection – the lines that transport wastewater from customers’ properties to the wastewater treatment plant.

Administration – miscellaneous overhead and other non-operating costs.

Customer Billing – the processes involved in billing and other services to customers.

As was the case for the water system, wastewater utility operating budget line-item expenses are allocated individually to functions. The results of the allocation process are presented on **Table III-14**. As with the water utility, these percentages are not forecast to change significantly during the next ten years.

TABLE III-14

CITY OF KENNEDALE			
TEST YEAR WASTEWATER COST FUNCTIONALIZATION			
SCENARIO: 2024 07 23 – Status Quo			
	2024		
Function	Revenue Requirement		Percent
Treatment	\$ 892,703		35.9%
Collection	1,236,124		49.7%
Administration	316,811		12.7%
Customer	40,078		1.6%
Total	2,485,717		100.0%

Wastewater Utility Cost Allocation

Allocation of wastewater utility costs by service characteristic to customer classes is performed in the same manner as described for the water utility. The total wastewater utility costs by customer class for the test year are summarized in **Table III-15** and for the ten-year forecast period in **Table III-16**.

TABLE III-15

CITY OF KENNEDALE			
TEST YEAR WASTEWATER COST ALLOCATION			
SCENARIO: 2024 07 23 – Status Quo			
Function	2024		Percent
	Revenue	Requirement	
Residential Inside	\$	1,892,582	76.1%
Senior & Disabled		26,251	1.1%
Commercial Inside		278,192	11.2%
Industrial		77,229	3.1%
Apartment & Duplex		66,003	2.7%
Institutional		145,227	5.8%
Builder		<u>232</u>	<u>0.0%</u>
Total		2,485,717	100.0%

TABLE III-16

CITY OF KENNEDALE									
FORECAST WASTEWATER COST ALLOCATION									
SCENARIO: 2024 07 23 – Status Quo									
Year	Residential Inside	Senior & Disabled	Commercial Inside	Industrial	Apartment & Duplex	Institutional	Builder	Total	
2024	\$ 1,892,582	\$ 26,251	\$ 278,192	\$ 77,229	\$ 66,003	\$ 145,227	\$ 232	\$ 2,485,717	
2025	2,767,145	36,887	414,303	109,113	95,052	205,336	324	3,628,159	
2026	2,985,995	38,381	453,877	113,585	100,994	213,764	337	3,906,932	
2027	2,955,097	36,661	455,567	108,589	98,469	204,387	321	3,859,092	
2028	3,178,995	38,130	496,375	112,989	104,420	212,680	334	4,143,925	
2029	3,308,598	38,424	522,600	113,827	107,169	214,248	336	4,305,203	
2030	3,440,432	38,716	549,311	114,655	109,927	215,799	339	4,469,179	
2031	3,581,844	39,101	577,629	115,763	112,948	217,875	343	4,645,501	
2032	3,728,982	39,519	607,014	116,967	116,086	220,133	346	4,829,047	
2033	3,884,998	40,008	637,961	118,383	119,447	222,791	351	5,023,939	

Section IV

SECTION IV

Water and Wastewater Rate Design



Rate design involves determining charges for each class of customers that will generate a desired level of revenue in accordance with AWWA and other industry cost of service rate-making principles.

The City last increased its water and wastewater rate in 2018. The water and wastewater rates developed in this study are designed, in part, to make up for revenue erosion occurring since the last rate adjustment and to recover the test year and forecast revenue requirement while providing funding for the current identified capital, transfers, and debt service.

The following is notable regarding both proposed rate plans to be presented:

- While the rate model presents a forecast of rates for ten years, **the project team recommends that the City adopt a 5-year rate plan**, with rates to be automatically implemented annually on October 1, 2024, through October 1, 2028.
- Given the growth in the City and potential for unexpected events, the project team recommends that the City not commit itself to a rate plan beyond five years. Further, the project team recommends that the City periodically review these rates during the next five years, to incorporate any changes to costs, volumes or growth assumptions that may occur during that time.
- The most significant impact on rates will be the cost of Arlington and Fort Worth treated water, wastewater treatment, and Arlington charges for utility operations and billing. Should Arlington make material changes to its rate forecasts and costs, the City should undertake an immediate review of its rate plan.
- 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
- Uniform adjustments are applied to the existing base and volumetric rates for each rate class.

- The project team recommends a 28% change to water rates in October 2024, 6% - 9% water rate adjustments are recommended for October 2025 through October 2028.
- Because wastewater rates are recovering nominally less revenues than the cost of service, the project team recommends that the City implement a 44% wastewater rate adjustment for October 2024, 15% wastewater increase in October 2025, 5% increase in October 2026 and October 2027 and 2% increase in October 2028.

Proposed Rate Plan

The rate plan and forecast revenues and expenses under this scenario is presented in **Appendix A**.

Table IV-1 presents a summary of the rate plan proposed for both City Residential and Senior customers.

Table IV-2 presents a summary of the rate plan proposed for non-residential customers.

Table IV-3 is the proposed rate plan for wastewater customers.

Table IV-4 presents the customer rate impact assuming the proposed rate structure is adopted by City Council.

The projected rate revenues developed are forecast to be sufficient to fund all operating and current scheduled capital obligations in each of the next ten years (FY 2024 through FY 2033). Forecast rate revenues by year are presented in Appendix A.

TABLE IV-1

CITY OF KENNEDALE PROPOSED WATER AND WASTEWATER RATE PLAN		Current	Forecast				
			FY 2025 Oct-24	FY 2026 Oct-25	FY 2027 Oct-26	FY 2028 Oct-27	FY 2029 Oct-28
WATER							
Residential & Multifamily							
<u>Monthly Minimum Charge</u>							
3/4"	\$	20.00	\$ 25.60	\$ 27.90	\$ 30.42	\$ 32.24	\$ 34.17
1"		43.34	55.48	60.47	65.91	69.86	74.06
1 1/2"		86.58	110.82	120.80	131.67	139.57	147.94
2"		138.58	177.38	193.35	210.75	223.39	236.80
3"		260.00	332.80	362.75	395.40	419.12	444.27
4"		433.42	554.78	604.71	659.13	698.68	740.60
<u>Volume Rate Per 1,000 Gal</u>							
-	5,000	2.75	3.52	3.84	4.18	4.43	4.70
5,001	20,000	5.36	6.86	7.48	8.15	8.64	9.16
20,001	50,000	6.70	8.58	9.35	10.19	10.80	11.45
50,001	Above	6.70	8.58	9.35	10.19	10.80	11.45
Senior & Disabled							
<u>Monthly Minimum Charge</u>							
Senior/Disability Credit Applied to Minimum		-\$7.50	-\$7.50	-\$7.50	-\$7.50	-\$7.50	-\$7.50
3/4"	\$	20.00	\$ 25.60	\$ 27.90	\$ 30.42	\$ 32.24	\$ 34.17
1"		43.34	55.48	60.47	65.91	69.86	74.06
1 1/2"		86.58	110.82	120.80	131.67	139.57	147.94
2"		138.58	177.38	193.35	210.75	223.39	236.80
3"		260.00	332.80	362.75	395.40	419.12	444.27
4"		433.42	554.78	604.71	659.13	698.68	740.60
<u>Volume Rate Per 1,000 Gal</u>							
-	5,000	2.75	3.52	3.84	4.18	4.43	4.70
5,001	20,000	5.36	6.86	7.48	8.15	8.64	9.16
20,001	50,000	6.70	8.58	9.35	10.19	10.80	11.45
50,001	Above	6.70	8.58	9.35	10.19	10.80	11.45

TABLE IV-2

CITY OF KENNEDALE PROPOSED WATER AND WASTEWATER RATE PLAN		Current	Forecast				
			FY 2025 Oct-24	FY 2026 Oct-25	FY 2027 Oct-26	FY 2028 Oct-27	FY 2029 Oct-28
WATER							
Commercial, Fire, Industrial, Institutional & Construction							
Monthly Minimum Charge							
3/4"	\$	28.00	\$ 33.28	\$ 36.28	\$ 39.54	\$ 41.91	\$ 44.43
1"		43.34	55.48	60.47	65.91	69.86	74.06
1 1/2"		86.58	110.82	120.80	131.67	139.57	147.94
2"		138.58	177.38	193.35	210.75	223.39	236.80
3"		260.00	332.80	362.75	395.40	419.12	444.27
4"		433.42	554.78	604.71	659.13	698.68	740.60
6"		433.42	554.78	604.71	659.13	698.68	740.60
8"		433.42	554.78	604.71	659.13	698.68	740.60
10"		433.42	554.78	604.71	659.13	698.68	740.60
12"		433.42	554.78	604.71	659.13	698.68	740.60
Volume Rate Per 1,000 Gal							
-	5,000	2.75	3.52	3.84	4.18	4.43	4.70
5,001	20,000	5.36	6.86	7.48	8.15	8.64	9.16
20,001	50,000	6.70	8.58	9.35	10.19	10.80	11.45
50,001	Above	8.38	10.73	11.69	12.74	13.51	14.32

TABLE IV-3

CITY OF KENNEDALE PROPOSED WATER AND WASTEWATER RATE PLAN		Current	Forecast				
			FY 2025 Oct-24	FY 2026 Oct-25	FY 2027 Oct-26	FY 2028 Oct-27	FY 2029 Oct-28
WASTEWATER							
Residential, Multifamily & Builder							
Monthly Minimum Charge							
	\$	30.00	\$ 43.20	\$ 49.68	\$ 52.16	\$ 54.77	\$ 55.87
Volume Rate/1,000 Gal							
		2.90	4.18	4.80	5.04	5.29	5.40
Senior & Disabled							
Senior/Disability Credit Applied to Minimum							
		-\$7.50	-\$7.50	-\$7.50	-\$7.50	-\$7.50	-\$7.50
<u>Monthly Minimum Charge</u>							
		30.00	43.20	49.68	52.16	54.77	55.87
Volume Rate/1,000 Gal							
		2.90	4.18	4.80	5.04	5.29	5.40
Commercial & Institutional							
<u>Monthly Minimum Charge</u>							
		55.00	79.20	91.08	95.63	100.42	102.42
Volume Rate/1,000 Gal							
		6.72	9.68	11.13	11.68	12.27	12.51
Industrial							
<u>Monthly Minimum Charge</u>							
		55.00	79.20	91.08	95.63	100.42	102.42
Volume Rate/1,000 Gal							
		4.50	6.48	7.45	7.82	8.22	8.38

TABLE IV-4

		Current	EFFECTIVE				
			FY 2025 Oct-24	FY 2026 Oct-25	FY 2027 Oct-26	FY 2028 Oct-27	FY 2029 Oct-28
CITY OF KENNEDALE							
IMPACT OF RATE PLAN ON MONTHLY CHARGES							
Scenario: 2024 07 23 -- Status Quo							
Residential Monthly Charges -- 3/4"							
5,000 Water	5,000 WW	\$ 78.25	\$ 107.28	\$ 120.78	\$ 128.70	\$ 135.65	\$ 140.54
	Increase -- \$		29.03	13.50	7.92	6.95	4.89
	Increase -- %		37.1%	12.6%	6.6%	5.4%	3.6%
10,000 Water	5,000 WW	105.05	141.58	158.17	169.46	178.85	186.33
	Increase -- \$		36.53	16.59	11.29	9.39	7.48
	Increase -- %		34.8%	11.7%	7.1%	5.5%	4.2%
30,000 Water	5,000 WW	225.65	295.95	326.43	352.86	373.26	392.41
	Increase -- \$		70.30	30.48	26.43	20.40	19.15
	Increase -- %		31.2%	10.3%	8.1%	5.8%	5.1%
Commercial Monthly Charges -- 1 1/2"							
20,000 Water	20,000 WW	370.13	504.07	565.80	604.18	637.13	661.53
	Increase -- \$		133.94	61.73	38.38	32.96	24.40
	Increase -- %		36.2%	12.2%	6.8%	5.5%	3.8%
Commercial Monthly Charges -- 2"							
40,000 Water	40,000 WW	\$ 690.53	\$ 935.69	\$ 1,047.87	\$ 1,120.73	\$ 1,182.35	\$ 1,229.64
	Increase -- \$		245.16	112.19	72.86	61.61	47.29
	Increase -- %		35.5%	12.0%	7.0%	5.5%	4.0%

Notes on Rate Recommendations

The forecast and recommendations presented in this study represent a combination of the best information available from the City of Kennedale and the project team’s expertise. However, this forecast relies in part on assumptions about future events and events beyond the control of the project team (such as account growth rates within the City). The forecast and recommendations contained in this study may be subject to revision if any of the following events occurs:

- Actual growth in accounts and consumed volumes is less than (or significantly greater than) forecast.
- Capital improvement plan funding costs increase significantly due to the rising cost of materials or other factors.
- Unforeseen/unplanned significant operating cost increases such as Arlington and Fort Worth costs.
- An unforeseen event impacts the City, such as an extended recession, natural catastrophe, or terrorist attack.
- Significant and long-lasting changes in weather patterns.
- Increases or decreases in interest rates, coverage requirements, or reserve requirements for long-term debt.
- The City of Kennedale budget levels or priorities change significantly from those forecast in this study.

It should be noted that none of these events are foreseen by the project team or the City of Kennedale at this time.

If any of these events occur, the City may be compelled to consider further adjustments to its water and wastewater rates.



Appendix A

City of Kennedale

Ten Year Rate Analysis and Pro Forma

Fiscal Years 2024 - 2033



Utility System

Water
Sewer
Combined

Dashboard

Projections
Bill Comparison
Comparable Utilities

Customer Class

All Classes

Years

10
5

Total Net Revenues

Debt Service

Total Revenues

Debt Coverage

Combined Projections

Future Debt Term: 20

Water Future Bond Issues		
Year	Alternative	Proposed
2024	\$ -	\$ -
2025	\$ -	\$ -
2026	\$ -	\$ -
2027	\$ -	\$ -
2028	\$ -	\$ -
2029	\$ -	\$ -
2030	\$ -	\$ -
2031	\$ -	\$ -
2032	\$ -	\$ -
2033	\$ -	\$ -
Total	\$ -	\$ -

Sewer Future Bond Issues		
Year	Alternative	Proposed
2024	\$ -	\$ -
2025	\$ -	\$ -
2026	\$ -	\$ -
2027	\$ -	\$ -
2028	\$ -	\$ -
2029	\$ -	\$ -
2030	\$ -	\$ -
2031	\$ -	\$ -
2032	\$ -	\$ -
2033	\$ -	\$ -
Total	\$ -	\$ -

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	
Water Rate Adjustments											
Meter Charge	0.00%	28.00%	9.00%	9.00%	6.00%	6.00%	5.00%	3.00%	2.00%	2.00%	
Volume Charge	0.00%	28.00%	9.00%	9.00%	6.00%	6.00%	5.00%	3.00%	2.00%	2.00%	
		146	76	38	31	39	57	83	112	140	166
Sewer Rate Adjustments											
Base Charge	0.00%	44.00%	15.00%	5.00%	5.00%	2.00%	2.00%	2.00%	2.00%	2.00%	
Volume Charge - Residential	0.00%	44.00%	15.00%	5.00%	5.00%	2.00%	2.00%	2.00%	2.00%	2.00%	
Volume Charge - Non-Residential	0.00%	44.00%	15.00%	5.00%	5.00%	2.00%	2.00%	2.00%	2.00%	2.00%	

Repay General Fund For Initial (2024) Payment of Series 2023
 Payment \$ 824,819 over

MASTER CONTROL	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Water Future Bond	0	0	0	0	0	0	0	0	0	0
Water Future Bond	-	-	-	-	-	-	-	-	-	-
Sewer Future Bond	0	0	0	0	0	0	0	0	0	0
Sewer Future Bond	-	-	-	-	-	-	-	-	-	-
W - Meter Charge	10000%	12800%	10900%	10900%	10600%	10600%	10500%	10300%	10200%	10200%
W - Volume Charge	10000%	12800%	10900%	10900%	10600%	10600%	10500%	10300%	10200%	10200%
W - Meter Charge	0.00%	28.00%	9.00%	9.00%	6.00%	6.00%	5.00%	3.00%	2.00%	2.00%
W - Volume Charge	0.00%	28.00%	9.00%	9.00%	6.00%	6.00%	5.00%	3.00%	2.00%	2.00%
WW - Meter Charge	10000%	14400%	11500%	10500%	10500%	10200%	10200%	10200%	10200%	10200%
WW - Volume Charge	10000%	14400%	11500%	10500%	10500%	10200%	10200%	10200%	10200%	10200%
WW - Meter Charge	0.00%	44.00%	15.00%	5.00%	5.00%	2.00%	2.00%	2.00%	2.00%	2.00%
WW - Volume Charge	0.00%	44.00%	15.00%	5.00%	5.00%	2.00%	2.00%	2.00%	2.00%	2.00%
WW - Meter Charge	10000%	14400%	11500%	10500%	10500%	10200%	10200%	10200%	10200%	10200%
WW - Volume Charge	0.00%	44.00%	15.00%	5.00%	5.00%	2.00%	2.00%	2.00%	2.00%	2.00%

Title Formula
2024 - 2033
Fiscal Years

Future Debt Term	15	20
		20

10 Years 3.0%

**CITY OF KENNEDALE
WATER/WASTEWATER COST OF SERVICE MODEL**

Current Effective Sep-18	Effective Oct-24	Effective Oct-25	Effective Oct-26	Effective Oct-27	Effective Oct-28	Effective Oct-29	Effective Oct-30	Effective Oct-31	Effective Oct-32
--------------------------------	---------------------	---------------------	---------------------	---------------------	---------------------	---------------------	---------------------	---------------------	---------------------

**City Rate Plan -- 10 Year Summary
Scen: 2024 07 23 -- Status Quo**

1 Water Monthly Rates and Charges

CITY Water Rate and Charges

W1 Residential Inside

Monthly Minimum Charge

3/4"	\$	20.00	\$	25.60	\$	27.90	\$	30.42	\$	32.24	\$	34.17	\$	35.88	\$	36.96	\$	37.70	\$	38.45
1"		43.34		55.48		60.47		65.91		69.86		74.06		77.76		80.09		81.69		83.33
1 1/2"		86.58		110.82		120.80		131.67		139.57		147.94		155.34		160.00		163.20		166.46
2"		138.58		177.38		193.35		210.75		223.39		236.80		248.64		256.10		261.22		266.44
3"		260.00		332.80		362.75		395.40		419.12		444.27		466.48		480.48		490.09		499.89
4"		433.42		554.78		604.71		659.13		698.68		740.60		777.63		800.96		816.98		833.32

Volume Rate/1,000 Gal

-	5,000	\$	2.75	\$	3.52	\$	3.84	\$	4.18	\$	4.43	\$	4.70	\$	4.93	\$	5.08	\$	5.18	\$	5.29
5,001	20,000		5.36		6.86		7.48		8.15		8.64		9.16		9.62		9.91		10.10		10.31
20,001	50,000		6.70		8.58		9.35		10.19		10.80		11.45		12.02		12.38		12.63		12.88
50,001	Above		6.70		8.58		9.35		10.19		10.80		11.45		12.02		12.38		12.63		12.88

W2 Senior & Disabled

Monthly Minimum Charge

3/4"	\$	12.50	\$	18.10	\$	20.40	\$	22.92	\$	24.74	\$	26.67	\$	28.38	\$	29.46	\$	30.20	\$	30.95
1"		35.84		47.98		52.97		58.41		62.36		66.56		70.26		72.59		74.19		75.83
1 1/2"		79.08		103.32		113.30		124.17		132.07		140.44		147.84		152.50		155.70		158.96
2"		131.08		169.88		185.85		203.25		215.89		229.30		241.14		248.60		253.72		258.94
3"		252.50		325.30		355.25		387.90		411.62		436.77		458.98		472.98		482.59		492.39
4"		425.92		547.28		597.21		651.63		691.18		733.10		770.13		793.46		809.48		825.82

Volume Rate/1,000 Gal

-	5,000	2.75	3.52	3.84	4.18	4.43	4.70	4.93	5.08	5.18	5.29
5,001	20,000		5.36		7.48		8.15		8.64		9.16
20,001	50,000		6.70		8.58		9.35		10.19		10.80
50,001	Above		6.70		8.58		9.35		10.19		10.80

**CITY OF KENNEDALE
WATER/WASTEWATER COST OF SERVICE MODEL**

Current Effective Sep-18	Effective Oct-24	Effective Oct-25	Effective Oct-26	Effective Oct-27	Effective Oct-28	Effective Oct-29	Effective Oct-30	Effective Oct-31	Effective Oct-32
--------------------------------	---------------------	---------------------	---------------------	---------------------	---------------------	---------------------	---------------------	---------------------	---------------------

**City Rate Plan -- 10 Year Summary
Scen: 2024 07 23 -- Status Quo**

W3 Commercial Inside

Monthly Minimum Charge

3/4"	\$	26.00	\$	33.28	\$	36.28	\$	39.54	\$	41.91	\$	44.43	\$	46.65	\$	48.05	\$	49.01	\$	49.99
1"		43.34		55.48		60.47		65.91		69.86		74.06		77.76		80.09		81.69		83.33
1 1/2"		86.58		110.82		120.80		131.67		139.57		147.94		155.34		160.00		163.20		166.46
2"		138.58		177.38		193.35		210.75		223.39		236.80		248.64		256.10		261.22		266.44
3"		260.00		332.80		362.75		395.40		419.12		444.27		466.48		480.48		490.09		499.89
4"		433.42		554.78		604.71		659.13		698.68		740.60		777.63		800.96		816.98		833.32

Volume Rate/1,000 Gal

-	5,000	2.75	3.52	3.84	4.18	4.43	4.70	4.93	5.08	5.18	5.29
5,001	20,000	5.36	6.86	7.48	8.15	8.64	9.16	9.62	9.91	10.10	10.31
20,001	50,000	6.70	8.58	9.35	10.19	10.80	11.45	12.02	12.38	12.63	12.88
50,001	Above	8.38	10.73	11.69	12.74	13.51	14.32	15.04	15.49	15.80	16.11

W4 Industrial

Monthly Minimum Charge

3/4"	\$	26.00	\$	33.28	\$	36.28	\$	39.54	\$	41.91	\$	44.43	\$	46.65	\$	48.05	\$	49.01	\$	49.99
1"		43.34		55.48		60.47		65.91		69.86		74.06		77.76		80.09		81.69		83.33
1 1/2"		86.58		110.82		120.80		131.67		139.57		147.94		155.34		160.00		163.20		166.46
2"		138.58		177.38		193.35		210.75		223.39		236.80		248.64		256.10		261.22		266.44
3"		260.00		332.80		362.75		395.40		419.12		444.27		466.48		480.48		490.09		499.89
4"		433.42		554.78		604.71		659.13		698.68		740.60		777.63		800.96		816.98		833.32

Volume Rate/1,000 Gal

-	5,000	2.75	3.52	3.84	4.18	4.43	4.70	4.93	5.08	5.18	5.29
5,001	20,000	5.36	6.86	7.48	8.15	8.64	9.16	9.62	9.91	10.10	10.31
20,001	50,000	6.70	8.58	9.35	10.19	10.80	11.45	12.02	12.38	12.63	12.88
50,001	Above	8.38	10.73	11.69	12.74	13.51	14.32	15.04	15.49	15.80	16.11

**CITY OF KENNEDALE
WATER/WASTEWATER COST OF SERVICE MODEL**

Current Effective Sep-18	Effective Oct-24	Effective Oct-25	Effective Oct-26	Effective Oct-27	Effective Oct-28	Effective Oct-29	Effective Oct-30	Effective Oct-31	Effective Oct-32
--------------------------------	---------------------	---------------------	---------------------	---------------------	---------------------	---------------------	---------------------	---------------------	---------------------

**City Rate Plan -- 10 Year Summary
Scen: 2024 07 23 -- Status Quo**

W5 Apartment & Duplex

Monthly Minimum Charge

3/4"	\$	20.00	\$	25.60	\$	27.90	\$	30.42	\$	32.24	\$	34.17	\$	35.88	\$	36.96	\$	37.70	\$	38.45
1"		43.34		55.48		60.47		65.91		69.86		74.06		77.76		80.09		81.69		83.33
1 1/2"		86.58		110.82		120.80		131.67		139.57		147.94		155.34		160.00		163.20		166.46
2"		138.58		177.38		193.35		210.75		223.39		236.80		248.64		256.10		261.22		266.44
3"		260.00		332.80		362.75		395.40		419.12		444.27		466.48		480.48		490.09		499.89
4"		433.42		554.78		604.71		659.13		698.68		740.60		777.63		800.96		816.98		833.32

Volume Rate/1,000 Gal

-	5,000	2.75	3.52	3.84	4.18	4.43	4.70	4.93	5.08	5.18	5.29
5,001	20,000	5.36	6.86	7.48	8.15	8.64	9.16	9.62	9.91	10.10	10.31
20,001	50,000	6.70	8.58	9.35	10.19	10.80	11.45	12.02	12.38	12.63	12.88
50,001	Above	6.70	8.58	9.35	10.19	10.80	11.45	12.02	12.38	12.63	12.88

W6 Fire

Monthly Minimum Charge

3/4"	\$	26.00	\$	33.28	\$	36.28	\$	39.54	\$	41.91	\$	44.43	\$	46.65	\$	48.05	\$	49.01	\$	49.99
1"		43.34		55.48		60.47		65.91		69.86		74.06		77.76		80.09		81.69		83.33
1 1/2"		86.58		110.82		120.80		131.67		139.57		147.94		155.34		160.00		163.20		166.46
2"		138.58		177.38		193.35		210.75		223.39		236.80		248.64		256.10		261.22		266.44
3"		260.00		332.80		362.75		395.40		419.12		444.27		466.48		480.48		490.09		499.89
4"		433.42		554.78		604.71		659.13		698.68		740.60		777.63		800.96		816.98		833.32

Volume Rate/1,000 Gal

-	5,000	2.75	3.52	3.84	4.18	4.43	4.70	4.93	5.08	5.18	5.29
5,001	20,000	5.36	6.86	7.48	8.15	8.64	9.16	9.62	9.91	10.10	10.31
20,001	50,000	6.70	8.58	9.35	10.19	10.80	11.45	12.02	12.38	12.63	12.88
50,001	Above	8.38	10.73	11.69	12.74	13.51	14.32	15.04	15.49	15.80	16.11

CITY OF KENNEDALE										
WATER/WASTEWATER COST OF SERVICE MODEL										
Current	Effective									
Effective	Oct-24	Oct-25	Oct-26	Oct-27	Oct-28	Oct-29	Oct-30	Oct-31	Oct-32	Oct-32
Sep-18										

City Rate Plan -- 10 Year Summary
Scen: 2024 07 23 -- Status Quo

2 Wastewater Monthly Rates and Charges

Residential Inside																				
Monthly Minimum Charge																				
3/4"	\$	30.00	\$	43.20	\$	49.68	\$	52.16	\$	54.77	\$	55.87	\$	56.98	\$	58.12	\$	59.29	\$	60.47
1"		30.00		43.20		49.68		52.16		54.77		55.87		56.98		58.12		59.29		60.47
1 1/2"		30.00		43.20		49.68		52.16		54.77		55.87		56.98		58.12		59.29		60.47
2"		30.00		43.20		49.68		52.16		54.77		55.87		56.98		58.12		59.29		60.47
Volume Rate/1,000 Gal																				
- Above		2.90		4.18		4.80		5.04		5.29		5.40		5.51		5.62		5.73		5.85
Senior & Disabled																				
Monthly Minimum Charge																				
3/4"		22.50		35.70		42.18		44.66		47.27		48.37		49.48		50.62		51.79		52.97
1"		22.50		35.70		42.18		44.66		47.27		48.37		49.48		50.62		51.79		52.97
1 1/2"		22.50		35.70		42.18		44.66		47.27		48.37		49.48		50.62		51.79		52.97
2"		22.50		35.70		42.18		44.66		47.27		48.37		49.48		50.62		51.79		52.97
3"		22.50		35.70		42.18		44.66		47.27		48.37		49.48		50.62		51.79		52.97
4"		22.50		35.70		42.18		44.66		47.27		48.37		49.48		50.62		51.79		52.97
Volume Rate/1,000 Gal																				
- Above		2.90		4.18		4.80		5.04		5.29		5.40		5.51		5.62		5.73		5.85

**CITY OF KENNEDALE
WATER/WASTEWATER COST OF SERVICE MODEL**

Current Effective Sep-18	Effective Oct-24	Effective Oct-25	Effective Oct-26	Effective Oct-27	Effective Oct-28	Effective Oct-29	Effective Oct-30	Effective Oct-31	Effective Oct-32
--------------------------------	---------------------	---------------------	---------------------	---------------------	---------------------	---------------------	---------------------	---------------------	---------------------

**City Rate Plan -- 10 Year Summary
Scen: 2024 07 23 -- Status Quo**

Commercial Inside

Monthly Minimum Charge

3/4"	55.00	79.20	91.08	95.63	100.42	102.42	104.47	106.56	108.69	110.87
1"	55.00	79.20	91.08	95.63	100.42	102.42	104.47	106.56	108.69	110.87
1 1/2"	55.00	79.20	91.08	95.63	100.42	102.42	104.47	106.56	108.69	110.87
2"	55.00	79.20	91.08	95.63	100.42	102.42	104.47	106.56	108.69	110.87
3"	55.00	79.20	91.08	95.63	100.42	102.42	104.47	106.56	108.69	110.87
4"	55.00	79.20	91.08	95.63	100.42	102.42	104.47	106.56	108.69	110.87

Volume Rate/1,000 Gal

- Above	6.72	9.68	11.13	11.68	12.27	12.51	12.76	13.02	13.28	13.55
---------	------	------	-------	-------	-------	-------	-------	-------	-------	-------

Industrial

Monthly Minimum Charge

3/4"	55.00	79.20	91.08	95.63	100.42	102.42	104.47	106.56	108.69	110.87
1"	55.00	79.20	91.08	95.63	100.42	102.42	104.47	106.56	108.69	110.87
1 1/2"	55.00	79.20	91.08	95.63	100.42	102.42	104.47	106.56	108.69	110.87
2"	55.00	79.20	91.08	95.63	100.42	102.42	104.47	106.56	108.69	110.87
3"	55.00	79.20	91.08	95.63	100.42	102.42	104.47	106.56	108.69	110.87
4"	55.00	79.20	91.08	95.63	100.42	102.42	104.47	106.56	108.69	110.87

Volume Rate/1,000 Gal

- Above	4.50	6.48	7.45	7.82	8.22	8.38	8.55	8.72	8.89	9.07
---------	------	------	------	------	------	------	------	------	------	------

**CITY OF KENNEDALE
WATER/WASTEWATER COST OF SERVICE MODEL**

Current Effective Sep-18	Effective Oct-24	Effective Oct-25	Effective Oct-26	Effective Oct-27	Effective Oct-28	Effective Oct-29	Effective Oct-30	Effective Oct-31	Effective Oct-32
--------------------------------	---------------------	---------------------	---------------------	---------------------	---------------------	---------------------	---------------------	---------------------	---------------------

**City Rate Plan -- 10 Year Summary
Scen: 2024 07 23 -- Status Quo**

Apartment & Duplex

Monthly Minimum Charge

3/4"	30.00	43.20	49.68	52.16	54.77	55.87	56.98	58.12	59.29	60.47
1"	30.00	43.20	49.68	52.16	54.77	55.87	56.98	58.12	59.29	60.47
1 1/2"	30.00	43.20	49.68	52.16	54.77	55.87	56.98	58.12	59.29	60.47
2"	30.00	43.20	49.68	52.16	54.77	55.87	56.98	58.12	59.29	60.47
3"	30.00	43.20	49.68	52.16	54.77	55.87	56.98	58.12	59.29	60.47
4"	30.00	43.20	49.68	52.16	54.77	55.87	56.98	58.12	59.29	60.47

Volume Rate/1,000 Gal

- Above	2.90	4.18	4.80	5.04	5.29	5.40	5.51	5.62	5.73	5.85
---------	------	------	------	------	------	------	------	------	------	------

**CITY OF KENNEDALE
WATER/WASTEWATER COST OF SERVICE MODEL**

Current Effective Sep-18	Effective Oct-24	Effective Oct-25	Effective Oct-26	Effective Oct-27	Effective Oct-28	Effective Oct-29	Effective Oct-30	Effective Oct-31	Effective Oct-32
---	-----------------------------	-----------------------------	-----------------------------	-----------------------------	-----------------------------	-----------------------------	-----------------------------	-----------------------------	-----------------------------

**City Rate Plan -- 10 Year Summary
Scen: 2024 07 23 -- Status Quo**

3 Residential Monthly Charges -- WATER

5,000 Gallons -- 3/4" Meter

Total	\$	33.75	\$	43.20	\$	47.09	\$	51.33	\$	54.41	\$	57.67	\$	60.55	\$	62.37	\$	63.62	\$	64.89
Dollar Inc		-		9.45		3.89		4.24		3.08		3.26		2.88		1.82		1.25		1.27
Percent Inc		0.0%		28.0%		9.0%		9.0%		6.0%		6.0%		5.0%		3.0%		2.0%		2.0%

10,000 Gallons -- 3/4" Meter

Total	60.55	77.50	84.48	92.08	97.61	103.46	108.64	111.90	114.13	116.42
Dollar Inc	-	16.95	6.98	7.60	5.52	5.86	5.17	3.26	2.24	2.28
Percent Inc	0.0%	28.0%	9.0%	9.0%	6.0%	6.0%	5.0%	3.0%	2.0%	2.0%

20,000 Gallons -- 3/4" Meter

Total	114.15	146.11	159.26	173.60	184.01	195.05	204.80	210.95	215.17	219.47
Dollar Inc	-	31.96	13.15	14.33	10.42	11.04	9.75	6.14	4.22	4.30
Percent Inc	0.0%	28.0%	9.0%	9.0%	6.0%	6.0%	5.0%	3.0%	2.0%	2.0%

30,000 Gallons -- 3/4" Meter

Total	181.15	231.87	252.74	275.49	292.02	309.54	325.01	334.76	341.46	348.29
Dollar Inc	-	50.72	20.87	22.75	16.53	17.52	15.48	9.75	6.70	6.83
Percent Inc	0.0%	28.0%	9.0%	9.0%	6.0%	6.0%	5.0%	3.0%	2.0%	2.0%

4 Commercial Monthly Charges -- WATER

20,000 Gallons -- 1 1/2" Meter

Total	180.73	231.33	252.15	274.85	291.34	308.82	324.26	333.99	340.67	347.48
Dollar Inc	-	50.60	20.82	22.69	16.49	17.48	15.44	9.73	6.68	6.81
Percent Inc	0.0%	28.0%	9.0%	9.0%	6.0%	6.0%	5.0%	3.0%	2.0%	2.0%

40,000 Gallons -- 1 1/2" Meter

Total	314.73	402.85	439.11	478.63	507.35	537.79	564.68	581.62	593.25	605.12
Dollar Inc	-	88.12	36.26	39.52	28.72	30.44	26.89	16.94	11.63	11.87
Percent Inc	0.0%	28.0%	9.0%	9.0%	6.0%	6.0%	5.0%	3.0%	2.0%	2.0%

**CITY OF KENNEDALE
WATER/WASTEWATER COST OF SERVICE MODEL**

Current Effective Sep-18	Effective Oct-24	Effective Oct-25	Effective Oct-26	Effective Oct-27	Effective Oct-28	Effective Oct-29	Effective Oct-30	Effective Oct-31	Effective Oct-32
--------------------------------	---------------------	---------------------	---------------------	---------------------	---------------------	---------------------	---------------------	---------------------	---------------------

**City Rate Plan -- 10 Year Summary
Scen: 2024 07 23 -- Status Quo**

5 Residential Monthly Charges -- WASTEWATER

5,000 Gallons -- 3/4" Meter										
Total 3/4"	\$ 44.50	\$ 64.08	\$ 73.69	\$ 77.38	\$ 81.25	\$ 82.87	\$ 84.53	\$ 86.22	\$ 87.94	\$ 89.70
Dollar Inc	-	19.58	9.61	3.68	3.87	1.62	1.66	1.69	1.72	1.76
Percent Inc	0.0%	44.0%	15.0%	5.0%	5.0%	2.0%	2.0%	2.0%	2.0%	2.0%
10,000 Gallons -- 3/4" Meter										
Total 3/4"	59.00	84.96	97.70	102.59	107.72	109.87	112.07	114.31	116.60	118.93
Dollar Inc	-	25.96	12.74	4.89	5.13	2.15	2.20	2.24	2.29	2.33
Percent Inc	0.0%	44.0%	15.0%	5.0%	5.0%	2.0%	2.0%	2.0%	2.0%	2.0%
15,000 Gallons -- 3/4" Meter										
Total 3/4"	73.50	105.84	121.72	127.80	134.19	136.88	139.61	142.41	145.25	148.16
Dollar Inc	-	32.34	15.88	6.09	6.39	2.68	2.74	2.79	2.85	2.91
Percent Inc	0.0%	44.0%	15.0%	5.0%	5.0%	2.0%	2.0%	2.0%	2.0%	2.0%
20,000 Gallons -- 3/4" Meter										
Total 3/4"	88.00	126.72	145.73	153.01	160.67	163.88	167.16	170.50	173.91	177.39
Dollar Inc	-	38.72	19.01	7.29	7.65	3.21	3.28	3.34	3.41	3.48
Percent Inc	0.0%	44.0%	15.0%	5.0%	5.0%	2.0%	2.0%	2.0%	2.0%	2.0%

6 Commercial Monthly Charges -- WASTEWATER

20,000 Gallons -- 1 1/2" Meter										
Total 1 1/2"	\$ 189.40	\$ 272.74	\$ 313.65	\$ 329.33	\$ 345.80	\$ 352.71	\$ 359.77	\$ 366.96	\$ 374.30	\$ 381.79
Dollar Inc	-	83.34	40.91	15.68	16.47	6.92	7.05	7.20	7.34	7.49
Percent Inc	0.0%	44.0%	15.0%	5.0%	5.0%	2.0%	2.0%	2.0%	2.0%	2.0%
40,000 Gallons -- 1 1/2" Meter										
Total 1 1/2"	323.80	466.27	536.21	563.02	591.17	603.00	615.06	627.36	639.91	652.70
Dollar Inc	-	142.47	69.94	26.81	28.15	11.82	12.06	12.30	12.55	12.80
Percent Inc	0.0%	44.0%	15.0%	5.0%	5.0%	2.0%	2.0%	2.0%	2.0%	2.0%

CITY OF KENNEDALE										
WATER/WASTEWATER COST OF SERVICE MODEL										
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033

Revenue Summary

Scenario: 2024 07 23 -- Status Quo

WATER Revenues -- Total

	W1 Residential Inside	\$	2,256,941	\$	2,939,744	\$	3,356,121	\$	3,783,683	\$	4,151,481	\$	4,540,310	\$	4,918,930	\$	5,226,211	\$	5,490,756	\$	5,758,997
	W2 Senior & Disabled		35,713		46,295		51,610		56,751		60,631		64,599		68,160		70,488		72,069		73,621
	W3 Commercial Inside		363,481		473,675		541,019		610,221		669,830		732,875		794,317		844,273		887,354		931,055
	W4 Industrial		59,026		74,176		81,787		89,147		94,702		100,384		105,483		108,815		111,080		113,301
	W5 Apartment & Duplex		141,135		180,907		203,337		225,805		244,192		263,348		281,427		295,080		306,040		316,999
	W6 Fire		1,311		1,648		1,817		1,980		2,104		2,230		2,343		2,417		2,468		2,517
	W7 Institutional		145,511		182,859		201,620		219,766		233,460		247,467		260,036		268,252		273,834		279,311
	Total Rate Revenue		3,065,747		3,978,006		4,524,088		5,081,940		5,556,880		6,057,723		6,542,615		6,930,991		7,261,459		7,596,016
	Non-Rate Revenue		517,103		217,103		217,103		217,103		217,103		217,103		217,103		217,103		217,103		217,103
	Total Revenue		3,582,849		4,195,109		4,741,190		5,299,043		5,773,982		6,274,825		6,759,718		7,148,094		7,478,561		7,813,119

Water Revenues -- Additional

	W1 Residential Inside		682,804		416,377		427,563		367,798		388,829		378,619		307,282		264,544		268,241		268,241
	W2 Senior & Disabled		10,581		5,315		5,141		3,880		3,969		3,561		2,328		1,582		1,552		1,552
	Total Rate Revenue		912,260		546,081		557,853		474,939		500,843		484,892		388,376		330,467		334,558		334,558
	Non-Rate Revenue		(300,000)		-		-		-		-		-		-		-		-		-
	Total Revenue		612,260		546,081		557,853		474,939		500,843		484,892		388,376		330,467		334,558		334,558

WASTEWATER Revenues -- Total

	WW1 Residential Inside	\$	1,341,382	\$	1,954,080	\$	2,364,955	\$	2,589,762	\$	2,812,037	\$	2,969,714	\$	3,126,494	\$	3,287,823	\$	3,454,841	\$	3,626,917
	WW2 Senior & Disabled		20,650		31,024		37,060		39,475		41,702		42,750		43,706		44,682		45,677		46,692
	WW3 Commercial Inside		260,847		386,201		474,434		526,735		579,188		618,826		658,636		699,652		742,194		786,082
	WW4 Industrial		45,274		63,534		74,158		78,409		82,330		84,173		85,856		87,574		89,325		91,112
	WW5 Apartment & Duplex		40,095		57,480		68,493		73,882		79,075		82,353		85,529		88,769		92,022		95,487
	WW6 Institutional		86,361		121,193		141,459		149,569		157,047		160,563		163,775		167,050		170,391		173,799
	WW7 Builder		406		570		666		704		739		756		771		786		802		818
	WW8 Other		-		-		-		-		-		-		-		-		-		-
	WW9 Other		-		-		-		-		-		-		-		-		-		-
	WW10 Other		-		-		-		-		-		-		-		-		-		-
	Total Rate Revenue		1,795,016		2,614,082		3,161,224		3,458,537		3,752,118		3,959,135		4,164,767		4,376,337		4,595,321		4,820,907
	Non-Rate Revenue		517,103		217,103		217,103		217,103		217,103		217,103		217,103		217,103		217,103		217,103
	Total Revenue		2,312,118		2,831,185		3,378,326		3,675,639		3,969,220		4,176,238		4,381,869		4,593,439		4,812,424		5,038,009

WASTEWATER Revenues -- Additional

	WW1 Residential Inside		612,698		410,875		224,807		222,275		157,677		156,779		161,330		167,017		172,077		172,077
	WW2 Senior & Disabled		10,374		6,036		2,415		2,227		1,047		956		976		995		1,015		1,015
	Total Rate Revenue		819,067		547,142		297,313		293,581		207,017		205,631		211,570		218,985		225,586		225,586
	Non-Rate Revenue		(300,000)		-		-		-		-		-		-		-		-		-
	Total Revenue		519,067		547,142		297,313		293,581		207,017		205,631		211,570		218,985		225,586		225,586

0 WATER/WASTEWATER COST OF SERVICE MODEL											
	Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Revenue and Expense Summary											
Scen: SCENARIO 4 METER EQUIVALENCY 10/1/24											
1	TOTAL Revenues and Expenses -- CASH BASIS										
Rate Revenues											
<u>Water Rate Revenue</u>											
W1	Residential	\$ 2,703,907	\$ 2,786,741	\$ 2,875,178	\$ 2,962,370	\$ 3,051,833	\$ 3,143,999	\$ 3,238,947	\$ 3,336,764	\$ 3,437,534	\$ 3,541,347
W2	Residential Reduced	235,085	242,160	249,750	257,316	265,087	273,093	281,340	289,837	298,590	307,607
W3	Commercial	1,027,948	1,109,649	1,183,643	1,222,811	1,259,739	1,297,784	1,336,977	1,377,353	1,418,949	1,461,802
W4	Multi.	1,431,746	1,499,199	1,564,354	1,613,278	1,661,999	1,712,191	1,763,899	1,817,169	1,872,047	1,928,583
	Total	5,398,685	5,637,750	5,872,926	6,055,774	6,238,658	6,427,066	6,621,163	6,821,122	7,027,120	7,239,339
<u>Wastewater Rate Revenue</u>											
WW1	Residential	2,428,210	2,567,208	2,724,949	2,892,356	3,070,017	3,230,000	3,305,608	3,374,897	3,476,905	3,584,866
WW2	Residential Reduced	261,010	275,857	292,708	310,587	329,557	346,618	354,617	361,935	372,758	384,213
WW3	Commercial	690,902	731,405	777,348	826,154	878,002	924,902	953,128	980,372	1,011,729	1,044,373
WW4	Multi.	1,277,688	1,351,117	1,434,440	1,522,884	1,616,762	1,701,362	1,746,804	1,789,688	1,844,650	1,902,300
	Total	4,657,809	4,925,587	5,229,446	5,551,981	5,894,338	6,202,882	6,360,157	6,506,892	6,706,042	6,915,752
	Non-Rate Revenues	1,199,928	1,201,605	1,203,332	1,205,112	1,206,944	1,208,832	1,210,776	1,212,778	1,214,841	1,216,965
	Total Revenues	11,256,422	11,764,941	12,305,704	12,812,867	13,339,941	13,838,779	14,192,096	14,540,793	14,948,002	15,372,056
Cost of Service											
<u>Division Code</u>											
P	Personnel	2,984,378	3,074,911	3,168,209	3,264,359	3,363,449	3,465,569	3,570,814	3,679,280	3,791,068	3,906,279
SU	Supplies	150,360	155,793	161,472	167,408	173,614	180,103	186,889	193,987	201,411	209,177
M	Maintenance	446,510	456,037	465,809	475,831	486,113	496,659	507,480	518,581	529,971	541,659
SE	Services	842,785	872,414	903,297	935,491	969,056	1,004,055	1,040,554	1,078,622	1,118,331	1,159,757
SWH	Sewer Wholesale Costs	4,290,000	4,464,335	4,645,725	4,834,454	5,030,818	5,235,125	5,447,696	5,668,863	5,898,974	6,138,389
	Total	8,714,033	9,023,490	9,344,512	9,677,544	10,023,050	10,381,513	10,753,433	11,139,333	11,539,755	11,955,260
<u>Department Code</u>											
SEC	Sewer Collection	693,874	714,708	736,240	758,494	781,497	805,278	829,863	855,283	881,569	908,752
SR	Site Restoration	972,726	1,003,997	1,036,326	1,069,750	1,104,310	1,140,044	1,176,997	1,215,212	1,254,735	1,295,612
SWH	Sewer Wholesale Costs	2,757,384	2,866,172	2,979,330	3,097,036	3,219,472	3,346,831	3,479,311	3,617,119	3,760,470	3,909,588
F	Finance	600,934	620,853	641,473	662,819	684,918	707,799	731,491	756,025	781,432	807,746
UTB	Utility Billing	325,951	335,119	344,597	354,398	364,533	375,015	385,858	397,075	408,680	420,689
WD	Water Debt Services	20,400	22,420	22,491	23,616	24,796	26,036	27,338	28,705	30,140	31,647
WA	Water Administration	687,797	709,138	731,164	753,900	777,368	801,594	826,602	852,420	879,074	906,593
WDI	Water Distribution	764,967	786,483	808,666	831,538	855,122	879,441	904,520	930,384	957,060	984,573
WH	Water Wholesale Purchases	1,890,000	1,965,600	2,044,224	2,125,993	2,211,033	2,299,474	2,391,453	2,487,111	2,586,596	2,690,059
	Total	8,714,033	9,023,490	9,344,512	9,677,544	10,023,050	10,381,513	10,753,433	11,139,333	11,539,755	11,955,260
	Total Operating Expenses	8,714,033	9,023,490	9,344,512	9,677,544	10,023,050	10,381,513	10,753,433	11,139,333	11,539,755	11,955,260
	Net Revenues for Transfers,Capital Outlays and Debt Service	2,542,389	2,741,451	2,961,192	3,135,323	3,316,891	3,457,267	3,438,663	3,401,460	3,408,248	3,416,796
	Capital Outlays	1,911,000	2,398,932	2,454,892	2,512,531	2,571,899	2,633,048	2,162,429	2,227,302	2,294,121	2,362,944
	Contingencies & Transfers	870,184	896,290	923,178	950,874	979,400	1,008,782	1,039,045	1,070,217	1,102,323	1,135,393
	Net Revenues for Debt Service and Coverage	(238,795)	(553,771)	(416,878)	(328,081)	(234,408)	(184,563)	237,189	103,941	11,804	(81,541)
Debt Service											
	Debt Service -- Current	945,770	950,020	948,670	946,870	950,370	630,095	628,095	265,590	-	-
	Debt Service -- Future	-	-	-	-	-	-	-	-	-	-
	Total Debt Service	945,770	950,020	948,670	946,870	950,370	630,095	628,095	265,590	-	-
	Total Cost of Service	12,440,987	13,268,732	13,671,252	14,087,818	14,524,718	14,653,437	14,583,002	14,702,442	14,936,198	15,453,597
	Net Revenues	(1,184,565)	(1,503,791)	(1,365,548)	(1,274,951)	(1,184,778)	(814,658)	(390,906)	(161,649)	11,804	(81,541)
	Percent of COS	-10.5%	-12.8%	-11.1%	-10.0%	-8.9%	-5.9%	-2.8%	-1.1%	0.1%	-0.5%
Debt Coverage											
	1) Excludes Debt, Cap Outlays, G/F Transfers	2.69	2.89	3.12	3.31	3.49	5.49	5.47	12.81	-	-
	2) All Inclusive	(0.25)	(0.58)	(0.44)	(0.35)	(0.25)	(0.29)	0.38	0.39	-	-

0 WATER/WASTEWATER COST OF SERVICE MODEL											
	Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Revenue and Expense Summary											
Scen: SCENARIO 4 METER EQUIVALENCY 10/1/24											
2	WATER Revenues and Expenses -- CASH BASIS										
Water Revenues											
<u>Water Rate Revenue</u>											
W1	Residential	\$ 2,703,907	\$ 2,786,741	\$ 2,875,178	\$ 2,962,370	\$ 3,051,833	\$ 3,143,999	\$ 3,238,947	\$ 3,336,764	\$ 3,437,534	\$ 3,541,347
W2	Residential Reduced	235,085	242,160	249,750	257,316	265,087	273,093	281,340	289,837	298,590	307,607
W3	Commercial	1,027,948	1,109,649	1,183,643	1,222,811	1,259,739	1,297,784	1,336,977	1,377,353	1,418,949	1,461,802
W4	Multi.	1,431,746	1,499,199	1,564,354	1,613,278	1,661,999	1,712,191	1,763,899	1,817,169	1,872,047	1,928,583
		5,398,685	5,637,750	5,872,926	6,055,774	6,238,658	6,427,066	6,621,163	6,821,122	7,027,120	7,239,339
	Non-Rate Revenues	1,054,928	1,056,005	1,057,114	1,058,257	1,059,434	1,060,646	1,061,895	1,063,181	1,064,505	1,065,870
	Total Revenues	6,453,613	6,693,755	6,930,040	7,114,031	7,298,092	7,487,712	7,683,058	7,884,303	8,091,626	8,305,209
Water Cost of Service											
<u>Division Code</u>											
P	Personnel	1,673,480	1,724,199	1,776,465	1,830,326	1,885,831	1,943,031	2,001,979	2,062,728	2,125,333	2,189,853
SU	Supplies	76,546	79,527	82,648	85,916	89,340	92,925	96,682	100,617	104,740	109,059
M	Maintenance	263,198	268,894	274,739	280,737	286,892	293,210	299,694	306,349	313,181	320,194
SE	Services	454,705	470,420	486,789	503,842	521,610	540,125	559,421	579,534	600,501	622,360
WH	Water Wholesale Purchases	1,890,000	1,965,600	2,044,224	2,125,993	2,211,033	2,299,474	2,391,453	2,487,111	2,586,596	2,690,059
	Total	4,357,930	4,508,640	4,664,865	4,826,815	4,994,706	5,168,766	5,349,229	5,536,339	5,730,350	5,931,526
<u>Department Code</u>											
CM	City Managers Office	-	-	-	-	-	-	-	-	-	-
F	Finance	414,393	428,738	443,613	459,041	475,042	491,639	508,857	526,720	545,254	564,486
UTB	Utility Billing	357,384	367,437	377,829	388,575	399,687	411,180	423,069	435,367	448,092	461,258
UTM	Utility Meter Services	222,988	229,825	236,878	244,153	251,659	259,402	267,390	275,632	284,135	292,909
WD	Water Debt Services	20,400	21,420	22,491	23,616	24,796	26,036	27,338	28,705	30,140	31,647
WA	Water Administration	687,797	709,138	731,164	753,900	777,368	801,594	826,602	852,420	879,074	906,593
WDI	Water Distribution	764,967	786,483	808,666	831,538	855,122	879,441	904,520	930,384	957,060	984,573
WH	Water Wholesale Purchases	1,890,000	1,965,600	2,044,224	2,125,993	2,211,033	2,299,474	2,391,453	2,487,111	2,586,596	2,690,059
	Total	4,357,930	4,508,640	4,664,865	4,826,815	4,994,706	5,168,766	5,349,229	5,536,339	5,730,350	5,931,526
	Total Operating Expenses	4,357,930	4,508,640	4,664,865	4,826,815	4,994,706	5,168,766	5,349,229	5,536,339	5,730,350	5,931,526
	Net Revenues for Transfers,Capital Outlays and Debt Service	2,095,683	2,185,115	2,265,175	2,287,216	2,303,386	2,318,946	2,333,829	2,347,964	2,361,275	2,373,683
	Capital Outlays	761,000	783,830	807,345	831,565	856,512	882,208	908,674	935,934	964,012	992,932
	Total Contingencies & Transfers	507,076	522,288	537,957	554,096	570,719	587,840	605,475	623,640	642,349	661,619
	Net Revenues for Debt Service and Coverage	827,607	878,997	919,873	901,555	876,155	848,898	819,680	788,391	754,915	719,131
<u>Debt Service</u>											
	Debt Service -- Current	632,123	634,248	633,573	632,673	634,423	315,048	314,048	132,795	-	-
	Debt Service -- Future	-	-	-	-	-	-	-	-	-	-
	Total Debt Service	632,123	634,248	633,573	632,673	634,423	315,048	314,048	132,795	-	-
	Total Cost of Service	6,258,128	6,449,006	6,643,740	6,845,148	7,056,360	6,953,861	7,177,425	7,228,707	7,336,711	7,586,078
	Net Revenues	195,485	244,749	286,300	268,883	241,732	533,851	505,632	655,596	754,915	719,131
	Percent of COS	3.0%	3.7%	4.1%	3.8%	3.3%	7.1%	6.6%	8.3%	9.3%	8.7%
<u>Debt Coverage</u>											
	1) Excludes Debt, Cap Outlays, G/F Transfers	3.32	3.45	3.58	3.62	3.63	7.36	7.43	17.68	-	-
	2) All Inclusive	1.31	1.39	1.45	1.42	1.38	2.69	2.61	5.94	-	-

0											
WATER/WASTEWATER COST OF SERVICE MODEL											
	Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033

Revenue and Expense Summary
Scen: SCENARIO 4 | METER EQUIVALENCY 10/1/24

3 WASTEWATER Revenues and Expenses – CASH BASIS

	Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Wastewater Revenues											
<u>Wastewater Rate Revenue</u>											
WW1 Residential	\$ 2,428,210	\$ 2,567,208	\$ 2,724,949	\$ 2,892,356	\$ 3,070,017	\$ 3,230,000	\$ 3,305,608	\$ 3,374,897	\$ 3,476,905	\$ 3,584,866	
WW2 Residential Reduced	261,010	275,857	292,708	310,587	329,557	346,618	354,617	361,935	372,758	384,213	
WW3 Commercial	690,902	731,405	777,348	826,154	878,002	924,902	953,128	980,372	1,011,729	1,044,373	
WW4 Multi.	1,277,688	1,351,117	1,434,440	1,522,884	1,616,762	1,701,362	1,746,804	1,789,688	1,844,650	1,902,300	
	4,657,809	4,925,587	5,229,446	5,551,981	5,894,338	6,202,882	6,360,157	6,506,892	6,706,042	6,915,752	
Non-Rate Revenues	145,000	145,600	146,218	146,855	147,510	148,185	148,881	149,597	150,335	151,095	
Total Revenues	4,802,809	5,071,187	5,375,664	5,698,836	6,041,848	6,351,067	6,509,038	6,656,490	6,856,377	7,066,847	
Wastewater Cost of Service											
<u>Division Code</u>											
P Personnel	1,310,898	1,350,712	1,391,744	1,434,033	1,477,618	1,522,538	1,568,836	1,616,553	1,665,735	1,716,426	
SU Supplies	73,814	76,266	78,824	81,492	84,274	87,178	90,208	93,370	96,671	100,117	
M Maintenance	183,312	187,143	191,069	195,094	199,220	203,450	207,786	212,231	216,790	221,464	
SE Services	388,080	401,994	416,508	431,649	447,446	463,930	481,133	499,088	517,831	537,397	
SWH Sewer Wholesale Costs	2,400,000	2,498,735	2,601,501	2,708,461	2,819,785	2,935,651	3,056,243	3,181,752	3,312,378	3,448,330	
Total	4,356,103	4,514,850	4,679,646	4,850,729	5,028,343	5,212,747	5,404,205	5,602,995	5,809,405	6,023,734	
<u>Department Code</u>											
SEC Sewer Collection	693,874	714,708	736,240	758,494	781,497	805,278	829,863	855,283	881,569	908,752	
SR Site Restoration	558,333	575,260	592,713	610,710	629,268	648,405	668,140	688,492	709,480	731,126	
SWH Sewer Wholesale Costs	2,400,000	2,498,735	2,601,501	2,708,461	2,819,785	2,935,651	3,056,243	3,181,752	3,312,378	3,448,330	
F Finance	377,945	391,028	404,596	418,666	433,260	448,398	464,101	480,393	497,297	514,837	
UTB Utility Billing	325,951	335,119	344,597	354,398	364,533	375,015	385,858	397,075	408,680	420,689	
Total	4,356,103	4,514,850	4,679,646	4,850,729	5,028,343	5,212,747	5,404,205	5,602,995	5,809,405	6,023,734	
Total Operating Expenses	4,356,103	4,514,850	4,679,646	4,850,729	5,028,343	5,212,747	5,404,205	5,602,995	5,809,405	6,023,734	
Net Revenues for Transfers,Capital Outlays and Debt Service	446,705	556,336	696,017	848,107	1,013,505	1,138,321	1,104,834	1,053,495	1,046,972	1,043,113	
Capital Outlays	1,150,000	1,615,102	1,647,547	1,680,966	1,715,387	1,750,840	1,253,755	1,291,368	1,330,109	1,370,012	
Contingencies & Transfers	363,108	374,001	385,221	396,778	408,681	420,942	433,570	446,577	459,974	473,774	
Net Revenues for Debt Service and Coverage	(1,066,403)	(1,432,767)	(1,336,751)	(1,229,636)	(1,110,563)	(1,033,461)	(582,491)	(684,449)	(743,110)	(800,672)	
Debt Service											
Debt Service -- Current	313,648	315,773	315,098	314,198	315,948	315,048	314,048	132,795	-	-	
Debt Service -- Future	-	-	-	-	-	-	-	-	-	-	
Total Debt Service	313,648	315,773	315,098	314,198	315,948	315,048	314,048	132,795	-	-	
Total Cost of Service	6,182,859	6,819,726	7,027,512	7,242,670	7,468,359	7,699,576	7,405,577	7,473,734	7,599,487	7,867,520	
Net Revenues	(1,380,050)	(1,748,540)	(1,651,849)	(1,543,834)	(1,426,510)	(1,348,508)	(896,539)	(817,244)	(743,110)	(800,672)	
Percent of COS	-28.7%	-34.5%	-30.7%	-27.1%	-23.6%	-21.2%	-13.8%	-12.3%	-10.8%	-11.3%	
Debt Coverage											
1) Excludes Debt, Cap Outlays, G/F Transfers	1.42	1.76	2.21	2.70	3.21	3.61	3.52	7.93	-	-	
2) All Inclusive	(3.40)	(4.54)	(4.24)	(3.91)	(3.52)	(3.28)	(1.85)	(5.15)	-	-	

**CITY OF KENNEDALE
WATER/WASTEWATER COST OF SERVICE MODEL**

Current 2024 2025 2026 2027 2028 2029 2030 2031 2032 2033

Model Summary

Scenario: 2024 07 23 -- Status Quo

1 Water and Wastewater Rates

Water Rates -- Residential

Monthly Minimum Charge--3/4"	\$	20.00	\$	20.00	\$	25.60	\$	27.90	\$	30.42	\$	32.24	\$	34.17	\$	35.88	\$	36.96	\$	37.70	\$	38.45	
Volume Rate Per 1,000 Gal																							
- 5,000		2.75		2.75		3.52		3.84		4.18		4.43		4.70		4.93		5.08		5.18		5.29	
5,001 20,000		5.36		5.36		6.86		7.48		8.15		8.64		9.16		9.62		9.91		10.10		10.31	
20,001 50,000		6.70		6.70		8.58		9.35		10.19		10.80		11.45		12.02		12.38		12.63		12.88	
50,001 Above		6.70		6.70		8.58		9.35		10.19		10.80		11.45		12.02		12.38		12.63		12.88	

Wastewater Rates - Residential

Monthly Minimum Charge	\$	30.00	\$	30.00	\$	43.20	\$	49.68	\$	52.16	\$	54.77	\$	55.87	\$	56.98	\$	58.12	\$	59.29	\$	60.47
Volume Rate/1,000 Gal		2.90		2.90		4.18		4.80		5.04		5.29		5.40		5.51		5.62		5.73		5.85

2 Residential Standard Monthly Bill

5,000 Gal	Total	\$	78.25	\$	78.25	\$	107.28	\$	120.78	\$	128.70	\$	135.65	\$	140.54	\$	145.08	\$	148.59	\$	151.56	\$	154.59
Water & WW	Increase -- \$		-		29.03		13.50		7.92		6.95		4.89		4.54		3.51		2.97		3.03		3.03
	Increase -- %		0.0%		37.1%		12.6%		6.6%		5.4%		3.6%		3.2%		2.4%		2.0%		2.0%		2.0%
10,000 Gal	Total		105.05		105.05		141.58		158.17		169.46		178.85		186.33		193.16		198.11		202.08		206.12
Water; 5K WW	Increase -- \$		-		36.53		16.59		11.29		9.39		7.48		6.83		4.95		3.96		4.04		4.04
	Increase -- %		0.0%		34.8%		11.7%		7.1%		5.5%		4.2%		3.7%		2.6%		2.0%		2.0%		2.0%
15,000 Gal	Total		131.85		131.85		175.89		195.56		210.22		222.05		232.13		241.25		247.64		252.59		257.65
Water; 5K WW	Increase -- \$		-		44.04		19.67		14.65		11.84		10.07		9.12		6.39		4.95		5.05		5.05
	Increase -- %		0.0%		33.4%		11.2%		7.5%		5.6%		4.5%		3.9%		2.6%		2.0%		2.0%		2.0%
30,00 Gal	Total	\$	225.65	\$	225.65	\$	295.95	\$	326.43	\$	352.86	\$	373.26	\$	392.41	\$	409.54	\$	420.98	\$	429.40	\$	437.99
Water; 5K WW	Increase -- \$		-		70.30		30.48		26.43		20.40		19.15		17.13		11.44		8.42		8.59		8.59
	Increase -- %		0.0%		31.2%		10.3%		8.1%		5.8%		5.1%		4.4%		2.8%		2.0%		2.0%		2.0%

**CITY OF KENNEDALE
WATER/WASTEWATER COST OF SERVICE MODEL**

Current 2024 2025 2026 2027 2028 2029 2030 2031 2032 2033

Model Summary
Scenario: 2024 07 23 -- Status Quo

3 Fund Balance, Revenues and Expenses																				
Beginning Fund Balance	\$	2,760,132	\$	2,302,029	\$	1,491,925	\$	841,907	\$	709,693	\$	935,596	\$	1,443,446	\$	2,200,035	\$	3,087,947	\$	4,034,447
Revenues and Expenses																				
Water Rate Revenues	\$	3,065,747	\$	3,978,006	\$	4,524,088	\$	5,081,940	\$	5,556,880	\$	6,057,723	\$	6,542,615	\$	6,930,991	\$	7,261,459	\$	7,596,016
WW Rate Revenues		1,795,016		2,614,082		3,161,224		3,458,537		3,752,118		3,959,135		4,164,767		4,376,337		4,595,321		4,820,907
Non-Rate Revenues		1,034,205		434,205		434,205		434,205		434,205		434,205		434,205		434,205		434,205		434,205
Total Revenues		5,894,967		7,026,294		8,119,517		8,974,682		9,743,203		10,451,063		11,141,587		11,741,533		12,290,985		12,851,128
Operating Expenses		4,750,324		5,428,122		6,171,024		6,379,797		6,739,877		7,118,614		7,518,261		7,937,996		8,380,301		8,845,131
Net Revenues for Transfers, Capital Outlays and Debt		1,144,644		1,598,172		1,948,493		2,594,885		3,003,326		3,332,449		3,623,326		3,803,538		3,910,684		4,005,997
Capital Outlays		615,000		639,600		665,184		685,140		705,694		726,865		748,670		771,131		794,264		818,092
Current Debt Service		295,312		1,055,468		1,198,723		1,285,318		1,292,388		1,295,013		1,291,263		1,292,888		1,292,763		1,295,763
Future Debt Service		-		-		-		-		-		-		-		-		-		-
Total Debt Service		295,312		1,055,468		1,198,723		1,285,318		1,292,388		1,295,013		1,291,263		1,292,888		1,292,763		1,295,763
Total Contingencies & Transfers		692,435		713,208		734,604		756,642		779,342		802,722		826,804		851,608		877,156		903,471
Total Cost of Service		6,353,071		7,836,397		8,769,535		9,106,896		9,517,300		9,943,213		10,384,997		10,853,622		11,344,485		11,862,457
Net Revenues		(458,103)		(810,104)		(650,018)		(132,214)		225,903		507,850		756,590		887,912		946,500		988,672
Percent of COS		-7.2%		-10.3%		-7.4%		-1.5%		2.4%		5.1%		7.3%		8.2%		8.3%		8.3%
Debt Coverage																				
Excluding Transfers, CO, Debt		3.88		1.51		1.63		2.02		2.32		2.57		2.81		2.94		3.03		3.09
All Inclusive		(0.55)		0.23		0.46		0.90		1.17		1.39		1.59		1.69		1.73		1.76
Ending Water & Sewer Combined Fund Balance		2,302,029		1,491,925		841,907		709,693		935,596		1,443,446		2,200,035		3,087,947		4,034,447		5,023,119
Unrestricted/Capital Fund Balance from CIP Funding		11,920,773		8,172,646		4,244,372		3,676,816		2,865,571		2,894,227		2,923,169		2,952,401		2,981,925		3,011,744
One Day Operating Expenditures (Op.Exp+Det Svc)		15,721		19,717		22,204		23,073		24,141		25,250		26,401		27,623		28,905		30,259
Days of Operating Expenditures		146		76		38		31		39		57		83		112		140		166
Fund Balance Goal Days		90																		
Over (Short) of Requirement		1,414,867		1,774,553		1,998,333		2,076,598		2,172,725		2,272,524		2,376,081		2,486,094		2,601,424		2,723,268
		887,162		(282,628)		(1,156,426)		(1,366,905)		(1,237,129)		(829,078)		(176,045)		601,853		1,433,023		2,299,851

**CITY OF KENNEDALE
WATER/WASTEWATER COST OF SERVICE MODEL**

Current 2024 2025 2026 2027 2028 2029 2030 2031 2032 2033

Model Summary

Scenario: 2024 07 23 -- Status Quo

5 Total Accounts

Water Accounts

Total Accounts	3,233	3,344	3,457	3,570	3,681	3,793	3,905	4,017	4,129	4,241
New Accounts	-	112	112	113	112	111	112	112	112	112
Avg. Annual Growth Rate		3.46%	3.36%	3.26%	3.13%	3.03%	2.96%	2.86%	2.79%	2.71%

Wastewater Accounts

Total Accounts	2,993	3,105	3,218	3,330	3,442	3,553	3,666	3,777	3,890	4,002
New Accounts	-	112	112	113	112	111	112	112	112	112
Avg. Annual Growth Rate		3.74%	3.62%	3.50%	3.35%	3.24%	3.16%	3.05%	2.97%	2.88%

6 Annual Volume

Water Volume

Residential Inside	332,455,906	344,590,546	356,790,774	369,032,266	381,154,976	393,258,552	405,459,399	417,594,799	429,788,567	441,946,211
Senior & Disabled	4,060,000	4,060,000	4,060,000	4,060,000	4,060,000	4,060,000	4,060,000	4,060,000	4,060,000	4,060,000
Commercial Inside	36,800,341	38,161,953	39,531,586	40,906,494	42,268,680	43,629,309	45,001,451	46,366,795	47,739,252	49,108,175
Industrial	5,822,000	5,822,000	5,822,000	5,822,000	5,822,000	5,822,000	5,822,000	5,822,000	5,822,000	5,822,000
Apartment & Duplex	17,686,546	18,040,277	18,390,258	18,735,995	19,073,243	19,405,117	19,735,004	20,058,658	20,379,597	20,695,481
Fire	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000
Institutional	13,914,000	13,914,000	13,914,000	13,914,000	13,914,000	13,914,000	13,914,000	13,914,000	13,914,000	13,914,000
Construction	5,438,000	5,438,000	5,438,000	5,438,000	5,438,000	5,438,000	5,438,000	5,438,000	5,438,000	5,438,000
Other	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total System	416,199,792	430,049,776	443,969,618	457,931,755	471,753,899	485,549,979	499,452,854	513,277,252	527,164,416	541,006,866

Wastewater Billing Units

Residential Inside	136,880,031	142,091,835	147,331,809	152,589,506	157,796,187	162,994,649	168,234,889	173,447,020	178,684,219	183,905,904
Senior & Disabled	1,876,000	1,876,000	1,876,000	1,876,000	1,876,000	1,876,000	1,876,000	1,876,000	1,876,000	1,876,000
Commercial Inside	20,344,065	21,463,655	22,589,840	23,720,363	24,840,426	25,959,207	27,087,455	28,210,114	29,338,622	30,464,223
Industrial	5,673,000	5,673,000	5,673,000	5,673,000	5,673,000	5,673,000	5,673,000	5,673,000	5,673,000	5,673,000
Apartment & Duplex	4,794,909	4,898,277	5,000,550	5,101,581	5,200,133	5,297,114	5,393,514	5,488,093	5,581,878	5,674,186
Institutional	10,707,000	10,707,000	10,707,000	10,707,000	10,707,000	10,707,000	10,707,000	10,707,000	10,707,000	10,707,000
Builder	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000
Other	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total System	180,291,005	186,725,768	193,194,199	199,683,451	206,108,745	212,522,970	218,987,858	225,417,226	231,876,719	238,316,313

CITY OF KENNEDALE											
WATER/WASTEWATER COST OF SERVICE MODEL											
	Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033

Water Summary

Scen: 2024 07 23 -- Status Quo

1 Water Monthly Rates and Charges

Residential Inside

Monthly Minimum Charge

Base Charge		\$	20.00	\$	20.00	\$	25.60	\$	27.90	\$	30.42	\$	32.24	\$	34.17	\$	35.88	\$	36.96	\$	37.70	\$	38.45
-------------	--	----	-------	----	-------	----	-------	----	-------	----	-------	----	-------	----	-------	----	-------	----	-------	----	-------	----	-------

Volume Rate/1,000 Gal

-	5,000	2.75	2.75	3.52	3.84	4.18	4.43	4.70	4.93	5.08	5.18	5.29
5,001	20,000	5.36	5.36	6.86	7.48	8.15	8.64	9.16	9.62	9.91	10.10	10.31
20,001	50,000	6.70	6.70	8.58	9.35	10.19	10.80	11.45	12.02	12.38	12.63	12.88
50,001	Above	6.70	6.70	8.58	9.35	10.19	10.80	11.45	12.02	12.38	12.63	12.88

Commercial

Monthly Minimum Charge

3/4"	\$	26.00	\$	26.00	\$	33.28	\$	36.28	\$	39.54	\$	41.91	\$	44.43	\$	46.65	\$	48.05	\$	49.01	\$	49.99
1"		43.34		43.34		55.48		60.47		65.91		69.86		74.06		77.76		80.09		81.69		83.33
1 1/2"		86.58		86.58		110.82		120.80		131.67		139.57		147.94		155.34		160.00		163.20		166.46
2"		138.58		138.58		177.38		193.35		210.75		223.39		236.80		248.64		256.10		261.22		266.44
3"		260.00		260.00		332.80		362.75		395.40		419.12		444.27		466.48		480.48		490.09		499.89
4"		433.42		433.42		554.78		604.71		659.13		698.68		740.60		777.63		800.96		816.98		833.32
6"		433.42		433.42		554.78		604.71		659.13		698.68		740.60		777.63		800.96		816.98		833.32

Volume Rate Per 1,000 Gal - Commercial

-	5,000	\$	2.75	\$	2.75	\$	3.52	\$	3.84	\$	4.18	\$	4.43	\$	4.70	\$	4.93	\$	5.08	\$	5.18	\$	5.29
5,001	20,000		5.36		5.36		6.86		7.48		8.15		8.64		9.16		9.62		9.91		10.10		10.31
20,001	50,000		6.70		6.70		8.58		9.35		10.19		10.80		11.45		12.02		12.38		12.63		12.88
50,001	Above		8.38		8.38		10.73		11.69		12.74		13.51		14.32		15.04		15.49		15.80		16.11

2.1 Residential Monthly Charge

5,000 Gallons	Total	\$	33.75	\$	33.75	\$	43.20	\$	47.09	\$	51.33	\$	54.41	\$	57.67	\$	60.55	\$	62.37	\$	63.62	\$	64.89
	Dollar Inc		-		9.45		3.89		4.24		3.08		3.26		2.88		1.82		1.25		1.27		1.27
	Percent Inc		0.0%		28.0%		9.0%		9.0%		6.0%		6.0%		5.0%		3.0%		2.0%		2.0%		2.0%
10,000 Gallons	Total		60.55		60.55		77.50		84.48		92.08		97.61		103.46		108.64		111.90		114.13		116.42
	Dollar Inc		-		16.95		6.98		7.60		5.52		5.86		5.17		3.26		2.24		2.28		2.28
	Percent Inc		0.0%		28.0%		9.0%		9.0%		6.0%		6.0%		5.0%		3.0%		2.0%		2.0%		2.0%
20,000 Gallons	Total		114.15		114.15		146.11		159.26		173.60		184.01		195.05		204.80		210.95		215.17		219.47
	Dollar Inc		-		31.96		13.15		14.33		10.42		11.04		9.75		6.14		4.22		4.30		4.30
	Percent Inc		0.0%		28.0%		9.0%		9.0%		6.0%		6.0%		5.0%		3.0%		2.0%		2.0%		2.0%
30,000 Gallons	Total		181.15		181.15		231.87		252.74		275.49		292.02		309.54		325.01		334.76		341.46		348.29
	Dollar Inc		-		50.72		20.87		22.75		16.53		17.52		15.48		9.75		6.70		6.83		6.83
	Percent Inc		0.0%		28.0%		9.0%		9.0%		6.0%		6.0%		5.0%		3.0%		2.0%		2.0%		2.0%

<div style="border: 1px solid black; padding: 5px; display: inline-block; background-color: white; color: black;"> CITY OF KENNEDALE WATER/WASTEWATER COST OF SERVICE MODEL </div>												
	Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	

Water Summary
Scen: 2024 07 23 -- Status Quo

2.2 Commercial Monthly Charge -- 1 1/2" Meter

10,000 Gallons	Total	127.13	127.13	162.73	177.37	193.34	204.94	217.23	228.09	234.94	239.63	244.43
	Dollar Inc		-	35.60	14.65	15.96	11.60	12.30	10.86	6.84	4.70	4.79
	Percent Inc		0.0%	28.0%	9.0%	9.0%	6.0%	6.0%	5.0%	3.0%	2.0%	2.0%
20,000 Gallons	Total	180.73	180.73	231.33	252.15	274.85	291.34	308.82	324.26	333.99	340.67	347.48
	Dollar Inc		-	50.60	20.82	22.69	16.49	17.48	15.44	9.73	6.68	6.81
	Percent Inc		0.0%	28.0%	9.0%	9.0%	6.0%	6.0%	5.0%	3.0%	2.0%	2.0%
40,000 Gallons	Total	314.73	314.73	402.85	439.11	478.63	507.35	537.79	564.68	581.62	593.25	605.12
	Dollar Inc		-	88.12	36.26	39.52	28.72	30.44	26.89	16.94	11.63	11.87
	Percent Inc		0.0%	28.0%	9.0%	9.0%	6.0%	6.0%	5.0%	3.0%	2.0%	2.0%

3 Total Accounts

Total Accounts		3,233	3,344	3,457	3,570	3,681	3,793	3,905	4,017	4,129	4,241	
New Accounts			112	112	113	112	111	112	112	112	112	
Avg. Annual Growth Rate			3.46%	3.36%	3.26%	3.13%	3.03%	2.96%	2.86%	2.79%	2.71%	

4 Annual Water Consumption

W.1 Residential Inside		332,455,906	344,590,546	356,790,774	369,032,266	381,154,976	393,258,552	405,459,399	417,594,799	429,788,567	441,946,211	
W.2 Senior & Disabled		4,060,000	4,060,000	4,060,000	4,060,000	4,060,000	4,060,000	4,060,000	4,060,000	4,060,000	4,060,000	
W.3 Commercial Inside		36,800,341	38,161,953	39,531,586	40,906,494	42,268,680	43,629,309	45,001,451	46,366,795	47,739,252	49,108,175	
W.4 Industrial		5,822,000	5,822,000	5,822,000	5,822,000	5,822,000	5,822,000	5,822,000	5,822,000	5,822,000	5,822,000	
W.5 Apartment & Duplex		17,686,546	18,040,277	18,390,258	18,735,995	19,073,243	19,405,117	19,735,004	20,058,658	20,379,597	20,695,481	
W.6 Fire		23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	
W.7 Institutional		13,914,000	13,914,000	13,914,000	13,914,000	13,914,000	13,914,000	13,914,000	13,914,000	13,914,000	13,914,000	
W.8 Construction		5,438,000	5,438,000	5,438,000	5,438,000	5,438,000	5,438,000	5,438,000	5,438,000	5,438,000	5,438,000	
W.9 Other		-	-	-	-	-	-	-	-	-	-	
W.10 Other		-	-	-	-	-	-	-	-	-	-	
Total System		416,199,792	430,049,776	443,969,618	457,931,755	471,753,899	485,549,979	499,452,854	513,277,252	527,164,416	541,006,866	



CITY OF KENNEDALE										
WATER/WASTEWATER COST OF SERVICE MODEL										
Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033

Water Summary
Scen: 2024 07 23 -- Status Quo

5 Revenues and Expenses -- CASH BASIS

Water Revenues																				
<u>Water Rate Revenue</u>																				
W.1 Residential Inside	\$	2,256,941	\$	2,939,744	\$	3,356,121	\$	3,783,683	\$	4,151,481	\$	4,540,310	\$	4,918,930	\$	5,226,211	\$	5,490,756	\$	5,758,997
W.2 Senior & Disabled		35,713		46,295		51,610		56,751		60,631		64,599		68,160		70,488		72,069		73,621
W.3 Commercial Inside		363,481		473,675		541,019		610,221		669,830		732,875		794,317		844,273		887,354		931,055
W.4 Industrial		59,026		74,176		81,787		89,147		94,702		100,384		105,483		108,815		111,080		113,301
W.5 Apartment & Duplex		141,135		180,907		203,337		225,805		244,192		263,348		281,427		295,080		306,040		316,999
W.6 Fire		1,311		1,648		1,817		1,980		2,104		2,230		2,343		2,417		2,468		2,517
W.7 Institutional		145,511		182,859		201,620		219,766		233,460		247,467		260,036		268,252		273,834		279,311
W.8 Construction		62,628		78,702		86,777		94,587		100,481		106,510		111,919		115,455		117,858		120,215
W.9 Other		-		-		-		-		-		-		-		-		-		-
W.10 Other		-		-		-		-		-		-		-		-		-		-
		3,065,747		3,978,006		4,524,088		5,081,940		5,556,880		6,057,723		6,542,615		6,930,991		7,261,459		7,596,016
Non-Rate Revenues		517,103		217,103		217,103		217,103		217,103		217,103		217,103		217,103		217,103		217,103
Total Revenues		3,582,849		4,195,109		4,741,190		5,299,043		5,773,982		6,274,825		6,759,718		7,148,094		7,478,561		7,813,119

Water Cost of Service																				
<u>Cost Center Code</u>																				
1002 Operating Agreement - Arlington	\$	172,457	\$	177,721	\$	183,147	\$	188,681	\$	194,384	\$	200,261	\$	206,319	\$	212,562	\$	218,997	\$	225,629
1001 Utility Billing		52,285		53,853		55,469		57,133		58,847		60,612		62,431		64,304		66,233		68,220
FTW-W Fort Worth Water		209,335		159,372		105,792		39,618		40,701		41,856		43,093		44,411		45,820		47,322
1009 Non-Departmental		36,500		37,960		39,478		40,663		41,883		43,139		44,433		45,766		47,139		48,553
AR-W Arlington Water Purchases		856,514		1,401,267		2,005,721		2,670,785		2,861,456		3,062,942		3,276,670		3,502,060		3,740,684		3,992,464
AR-WW Arlington Wastewater Treatment		-		-		-		-		-		-		-		-		-		-
1003 Water Debt Service		-		-		-		-		-		-		-		-		-		-
AR-O&M Arlington Operation Contract		1,090,459		1,134,078		1,179,441		919,964		947,563		975,990		1,005,269		1,035,427		1,066,490		1,098,485
Total		2,417,550		2,964,250		3,569,048		3,916,844		4,144,833		4,384,801		4,638,215		4,904,530		5,185,363		5,480,673

<u>Budget Code</u>																				
100 Personnel Svcs	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
200 Contractual		165,005		170,354		175,881		181,197		186,675		192,321		198,141		204,138		210,320		216,692
300 Supplies		2,336		2,407		2,479		2,553		2,630		2,709		2,790		2,874		2,960		3,049
400 Operations		2,596		2,700		2,808		2,892		2,979		3,068		3,160		3,255		3,353		3,453
500 Utilities		91,304		94,073		96,927		99,835		102,830		105,915		109,092		112,365		115,736		119,208
FTW-W Fort Worth - Water		209,335		159,372		105,792		39,618		40,701		41,856		43,093		44,411		45,820		47,322
TW-WW Fort Worth - Wastewater		-		-		-		-		-		-		-		-		-		-
AR-O&M Arlington Operation Contract		1,090,459		1,134,078		1,179,441		919,964		947,563		975,990		1,005,269		1,035,427		1,066,490		1,098,485
AR-W Arlington Water Purchases		856,514		1,401,267		2,005,721		2,670,785		2,861,456		3,062,942		3,276,670		3,502,060		3,740,684		3,992,464
Total		2,417,550		2,964,250		3,569,048		3,916,844		4,144,833		4,384,801		4,638,215		4,904,530		5,185,363		5,480,673

Total Operating Expenses	2,417,550	2,964,250	3,569,048	3,916,844	4,144,833	4,384,801	4,638,215	4,904,530	5,185,363	5,480,673
Net Revenues for Transfers, Capital Outlays and Debt Service	1,165,299	1,230,858	1,172,142	1,382,199	1,629,150	1,890,025	2,121,503	2,243,564	2,293,198	2,332,446

CITY OF KENNEDALE WATER/WASTEWATER COST OF SERVICE MODEL											
	Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Water Summary											
Scen: 2024 07 23 -- Status Quo											
Capital Outlays		365,000	379,600	394,784	406,628	418,826	431,391	444,333	457,663	471,393	485,535
Debt Service											
Debt Service -- Current		221,484	290,681	314,365	328,909	202,943	203,355	202,766	203,021	203,002	203,473
Debt Service -- Future		-	-	-	-	-	-	-	-	-	-
Total Debt Service		221,484	290,681	314,365	328,909	202,943	203,355	202,766	203,021	203,002	203,473
Net Revenues for Contingencies & Transfers		578,815	560,577	462,992	646,662	1,007,381	1,255,279	1,474,404	1,582,880	1,618,804	1,643,438
Total Contingencies & Transfers		346,218	356,604	367,302	378,321	389,671	401,361	413,402	425,804	438,578	451,735
Total Cost of Service		3,350,252	3,991,136	4,645,500	5,030,702	5,156,273	5,420,908	5,698,716	5,991,018	6,298,335	6,621,416
Net Revenues		232,597	203,973	95,690	268,341	617,710	853,918	1,061,002	1,157,076	1,180,226	1,191,703
Percent of COS		6.5%	4.9%	2.0%	5.1%	10.7%	13.6%	15.7%	16.2%	15.8%	15.3%
Debt Coverage											
Excludes Capital Outlays, G/F Transfers		5.26	4.23	3.73	4.20	8.03	9.29	10.46	11.05	11.30	11.46
All Inclusive		2.05	1.70	1.30	1.82	4.04	5.20	6.23	6.70	6.81	6.86

CITY OF KENNEDALE											
WATER/WASTEWATER COST OF SERVICE MODEL											
	Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033

Wastewater Summary
Scen: 2024 07 23 -- Status Quo

1 Wastewater Monthly Rates and Charges

Residential Inside

Monthly Minimum Charge	\$	30.00	\$	30.00	\$	43.20	\$	49.68	\$	52.16	\$	54.77	\$	55.87	\$	56.98	\$	58.12	\$	59.29	\$	60.47
Volume Rate/1,000 Gal		2.90		2.90		4.18		4.80		5.04		5.29		5.40		5.51		5.62		5.73		5.85

Commercial

Monthly Minimum Charge	\$	55.00	\$	55.00	\$	79.20	\$	91.08	\$	95.63	\$	100.42	\$	102.42	\$	104.47	\$	106.56	\$	108.69	\$	110.87
Volume Rate/1,000 Gal	\$	6.72	\$	6.72	\$	9.68	\$	11.13	\$	11.68	\$	12.27	\$	12.51	\$	12.76	\$	13.02	\$	13.28	\$	13.55

2.1 Residential Monthly Charge

5,000 Gallons	Total	\$	44.50	\$	44.50	\$	64.08	\$	73.69	\$	77.38	\$	81.25	\$	82.87	\$	84.53	\$	86.22	\$	87.94	\$	89.70
	Dollar Inc		-		19.58		9.61		3.68		3.87		1.62		1.66		1.69		1.72		1.76		1.76
	Percent Inc		0.0%		44.0%		15.0%		5.0%		5.0%		2.0%		2.0%		2.0%		2.0%		2.0%		2.0%
10,000 Gallons	Total	59.00	59.00	84.96	97.70	102.59	107.72	109.87	112.07	114.31	116.60	118.93											
	Dollar Inc	-	25.96	12.74	4.89	5.13	2.15	2.20	2.24	2.29	2.33												
	Percent Inc	0.0%	44.0%	15.0%	5.0%	5.0%	2.0%	2.0%	2.0%	2.0%	2.0%												
20,000 Gallons	Total	88.00	88.00	126.72	145.73	153.01	160.67	163.88	167.16	170.50	173.91	177.39											
	Dollar Inc	-	38.72	19.01	7.29	7.65	3.21	3.28	3.34	3.41	3.48												
	Percent Inc	0.0%	44.0%	15.0%	5.0%	5.0%	2.0%	2.0%	2.0%	2.0%	2.0%												
30,000 Gallons	Total	117.00	117.00	168.48	193.75	203.44	213.61	217.88	222.24	226.69	231.22	235.84											
	Dollar Inc	-	51.48	25.27	9.69	10.17	4.27	4.36	4.44	4.53	4.62												
	Percent Inc	0.0%	44.0%	15.0%	5.0%	5.0%	2.0%	2.0%	2.0%	2.0%	2.0%												

CITY OF KENNEDALE WATER/WASTEWATER COST OF SERVICE MODEL												
	Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	
Wastewater Summary												
Scen: 2024 07 23 -- Status Quo												
2.2 Commercial Monthly Bill -- 1 1/2" Meter												
10,000 Gallons	Total	122.20	122.20	175.97	202.36	212.48	223.11	227.57	232.12	236.76	241.50	246.33
	Dollar Inc		-	53.77	26.40	10.12	10.62	4.46	4.55	4.64	4.74	4.83
	Percent Inc		0.0%	44.0%	15.0%	5.0%	5.0%	2.0%	2.0%	2.0%	2.0%	2.0%
20,000 Gallons	Total	189.40	189.40	272.74	313.65	329.33	345.80	352.71	359.77	366.96	374.30	381.79
	Dollar Inc		-	83.34	40.91	15.68	16.47	6.92	7.05	7.20	7.34	7.49
	Percent Inc		0.0%	44.0%	15.0%	5.0%	5.0%	2.0%	2.0%	2.0%	2.0%	2.0%
40,000 Gallons	Total	323.80	323.80	466.27	536.21	563.02	591.17	603.00	615.06	627.36	639.91	652.70
	Dollar Inc		-	142.47	69.94	26.81	28.15	11.82	12.06	12.30	12.55	12.80
	Percent Inc		0.0%	44.0%	15.0%	5.0%	5.0%	2.0%	2.0%	2.0%	2.0%	2.0%
3 Total Accounts												
	Total Accounts		2,993	3,105	3,218	3,330	3,442	3,553	3,666	3,777	3,890	4,002
	New Accounts			112	112	113	112	111	112	112	112	112
	Avg. Annual Growth Rate			3.74%	3.62%	3.50%	3.35%	3.24%	3.16%	3.05%	2.97%	2.88%
4 Annual Wastewater Billing Units												
WW.1 Residential Inside		136,880,031	142,091,835	147,331,809	152,589,506	157,796,187	162,994,649	168,234,889	173,447,020	178,684,219	183,905,904	
WW.2 Senior & Disabled		1,876,000	1,876,000	1,876,000	1,876,000	1,876,000	1,876,000	1,876,000	1,876,000	1,876,000	1,876,000	
WW.3 Commercial Inside		20,344,065	21,463,655	22,589,840	23,720,363	24,840,426	25,959,207	27,087,455	28,210,114	29,338,622	30,464,223	
WW.4 Industrial		5,673,000	5,673,000	5,673,000	5,673,000	5,673,000	5,673,000	5,673,000	5,673,000	5,673,000	5,673,000	
WW.5 Apartment & Duplex		4,794,909	4,896,277	5,000,550	5,101,581	5,200,133	5,297,114	5,393,514	5,488,093	5,581,878	5,674,186	
WW.6 Institutional		10,707,000	10,707,000	10,707,000	10,707,000	10,707,000	10,707,000	10,707,000	10,707,000	10,707,000	10,707,000	
WW.7 Builder		16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	
WW.8 Other		-	-	-	-	-	-	-	-	-	-	
WW.9 Other		-	-	-	-	-	-	-	-	-	-	
WW.10 Other		-	-	-	-	-	-	-	-	-	-	
Total System		180,291,005	186,725,768	193,194,199	199,683,451	206,108,745	212,522,970	218,987,858	225,417,226	231,876,719	238,316,313	

CITY OF KENNEDALE											
WATER/WASTEWATER COST OF SERVICE MODEL											
	Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033

Wastewater Summary
Scen: 2024 07 23 -- Status Quo

5 Revenues and Expenses -- CASH BASIS

	Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Wastewater Revenues											
Wastewater Rate Revenue											
WW.1 Residential Inside		1,341,382	1,954,080	2,364,955	2,589,762	2,812,037	2,969,714	3,126,494	3,287,823	3,454,841	3,626,917
WW.2 Senior & Disabled		20,650	31,024	37,060	39,475	41,702	42,750	43,706	44,682	45,677	46,692
WW.5 Commercial Inside		260,847	386,201	474,434	526,735	579,188	618,826	658,636	699,652	742,194	786,082
WW.6 Industrial		45,274	63,534	74,158	78,409	82,330	84,173	85,856	87,574	89,325	91,112
WW.5 Apartment & Duplex		40,095	57,480	68,493	73,882	79,075	82,353	85,529	88,769	92,092	95,487
WW.6 Institutional		86,361	121,193	141,459	149,569	157,047	160,563	163,775	167,050	170,391	173,799
WW.7 Builder		406	570	666	704	739	756	771	786	802	818
WW.8 Other		-	-	-	-	-	-	-	-	-	-
WW.9 Other		-	-	-	-	-	-	-	-	-	-
WW.1C Other		-	-	-	-	-	-	-	-	-	-
		1,795,016	2,614,082	3,161,224	3,458,537	3,752,118	3,959,135	4,164,767	4,376,337	4,595,321	4,820,907
Non-Rate Revenues		517,103	217,103	217,103	217,103	217,103	217,103	217,103	217,103	217,103	217,103
Total Revenues		2,312,118	2,831,185	3,378,326	3,675,639	3,969,220	4,176,238	4,381,869	4,593,439	4,812,424	5,038,009
Wastewater Cost of Service											
Cost Center Code											
1002 Operating Agreement - Arlington	\$	159,693	\$ 164,567	\$ 169,592	\$ 174,717	\$ 179,997	\$ 185,440	\$ 191,049	\$ 196,830	\$ 202,789	\$ 208,930
1004 Water Capital Projects		-	-	-	-	-	-	-	-	-	-
1001 Utility Billing		48,415	49,868	51,364	52,905	54,492	56,126	57,810	59,545	61,331	63,171
FTW-W Fort Worth Water		-	-	-	-	-	-	-	-	-	-
TW-W Fort Worth Wastewater		27,540	29,419	31,422	33,556	35,821	38,230	40,797	43,525	46,428	49,514
1009 Non-Departmental		36,500	37,960	39,478	40,663	41,883	43,139	44,433	45,766	47,139	48,553
AR-W Arlington Water Purchases		-	-	-	-	-	-	-	-	-	-
AR-WW Arlington Wastewater Treatment		1,050,872	1,131,914	1,217,970	1,309,236	1,405,419	1,507,122	1,615,087	1,729,006	1,849,694	1,977,105
\R-O&M Arlington Operation Contract		1,009,753	1,050,143	1,092,149	851,876	877,433	903,756	930,868	958,794	987,558	1,017,185
Total		2,332,774	2,463,871	2,601,976	2,462,952	2,595,044	2,733,813	2,880,046	3,033,466	3,194,939	3,364,458
Budget Code											
100 Personnel Svcs	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
200 Contractual		155,495	160,556	165,786	170,796	175,959	181,280	186,765	192,417	198,243	204,248
300 Supplies		2,164	2,228	2,295	2,364	2,435	2,508	2,583	2,661	2,741	2,823
400 Operations		2,404	2,500	2,600	2,678	2,758	2,841	2,926	3,014	3,105	3,198
500 Utilities		84,546	87,111	89,753	92,446	95,219	98,076	101,018	104,049	107,170	110,385
TW-W Fort Worth - Wastewater		27,540	29,419	31,422	33,556	35,821	38,230	40,797	43,525	46,428	49,514
\R-O&M Arlington Operation Contract		1,009,753	1,050,143	1,092,149	851,876	877,433	903,756	930,868	958,794	987,558	1,017,185
AR-WW Arlington Wastewater Treatment		1,050,872	1,131,914	1,217,970	1,309,236	1,405,419	1,507,122	1,615,087	1,729,006	1,849,694	1,977,105
Total		2,332,774	2,463,871	2,601,976	2,462,952	2,595,044	2,733,813	2,880,046	3,033,466	3,194,939	3,364,458
Total Operating Expenses		2,332,774	2,463,871	2,601,976	2,462,952	2,595,044	2,733,813	2,880,046	3,033,466	3,194,939	3,364,458
Net Revenues for Transfers,Capital Outlays and Debt Service		(20,655)	367,314	776,351	1,212,687	1,374,177	1,442,425	1,501,824	1,559,974	1,617,485	1,673,552

CITY OF KENNEDALE WATER/WASTEWATER COST OF SERVICE MODEL											
	Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Wastewater Summary											
Scen: 2024 07 23 -- Status Quo											
Capital Outlays		250,000	260,000	270,400	278,512	286,867	295,473	304,338	313,468	322,872	332,558
Debt Service											
Debt Service -- Current		73,828	764,786	884,357	956,409	1,089,445	1,091,658	1,088,497	1,089,866	1,089,761	1,092,290
Debt Service -- Future		-	-	-	-	-	-	-	-	-	-
Total Debt Service		73,828	764,786	884,357	956,409	1,089,445	1,091,658	1,088,497	1,089,866	1,089,761	1,092,290
Net Revenues for Contingencies & Transfers		(344,483)	(657,473)	(378,406)	(22,234)	(2,136)	55,294	108,989	156,640	204,852	248,704
Total Contingencies & Transfers		346,218	356,604	367,302	378,321	389,671	401,361	413,402	425,804	438,578	451,735
Total Cost of Service		3,002,819	3,845,262	4,124,035	4,076,194	4,361,027	4,522,305	4,686,282	4,862,604	5,046,150	5,241,041
Net Revenues		(690,701)	(1,014,077)	(745,709)	(400,555)	(391,807)	(346,067)	(304,412)	(269,164)	(233,726)	(203,032)
Percent of COS		-29.9%	-35.8%	-22.1%	-10.9%	-9.9%	-8.3%	-6.9%	-5.9%	-4.9%	-4.0%
Debt Coverage											
Excludes Debt, Cap Outlays, G/F Transfers		(0.28)	0.48	0.88	1.27	1.26	1.32	1.38	1.43	1.48	1.53
All Inclusive		(8.36)	(0.33)	0.16	0.58	0.64	0.68	0.72	0.75	0.79	0.81



5500 Democracy Drive, Suite 130

Plano, TX 75024

972.378.6588

www.willdan.com

BUDGET GLOSSARY

Accrual Accounting - A basis of accounting in which revenues are recognized in the accounting period in which they are earned, and expenses are recognized in the period in which they are incurred.

ACFR – Annual Comprehensive Financial Report. Government financial statements that comply with generally accepted accounting principles (GAAP).

Ad Valorem - Latin for "value of". Refers to the tax assessed against real (land and buildings) and personal (equipment and furniture) property.

Appraised Value - To make an estimate of value for the purpose of taxation. (The Tarrant Appraisal District establishes Property values).

Audit - The objective of the ordinary audit of financial statements by the independent auditor is the expression of an opinion in the fairness with which they present, in all material respects, financial position, results of operations, and it's cash flow in conformity with generally accepted accounting practices.

Balanced Budget - A financial plan for a fiscal year that matches all planned revenues and expenditures with the services provided to the residents of the City based on established policies.

Bond - A written promise to pay a sum of money on a specific date(s) at a specific interest rate. The interest payments and the repayment of the principal are detailed in a bond ordinance.

Bonded Debt - That portion of indebtedness represented by outstanding bonds.

Budget - A financial plan, for a specified period, of operations that matches all planned revenues and expenditures with the services provided the residents of the City.

Budget Calendar - The schedule of key dates, which the City follows in the preparation and adoption of the budget.

Budgetary Control - The control or management of a government or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitations of available appropriations and available revenues.

Calculated Effective Tax Rate - State law in Texas prescribes a formula for calculating the effective tax rate for cities. The net effect of the formula is to produce a tax rate that goes down when property values rise because of inflation and vice versa. The intent is to generate a rate that produces approximately the same revenue as the year before. The formula does make adjustments for newly annexed property and newly constructed property for the effective tax rate calculation.

Capital Improvement Program - A plan for purchasing capital expenditures over a period of years to meet capital needs arising from the long-term work program or otherwise. It sets forth each project or other contemplated expenditure in which the government is to have part and specifies the full resources estimated to be available to finance the projected expenditures.

Capital Projects Fund - A fund created to account for financial resources to be used for the acquisition or the construction of major capital facilities or equipment.

Capital Outlays - Expenditures which result in the acquisition of or addition to, the fixed assets.

CDBG – Community Development Block Grant.

Certificates of Obligation - Tax supported bonds that are similar to general obligation bonds and can be issued after meeting strict publication requirements and with final approval by the City Council.

Home Rule Charter - The document of a home rule City similar to a constitution, which establishes the City's government structure and provides for the distribution of powers and duties among the various branches of government.

City Council - The Mayor and five (5) Council members collectively acting as the legislative and policy making body of the City.

Community Development Block Grant (CDBG) - A type of federal grant to improve infrastructure in specified portions of the community.

Current Taxes - Taxes levied and due within one year.

Debt Service Fund - A fund established to account for the accumulation of resources for, and the payment of, long-term debt principal and interest.

Department - A major administrative organizational unit of the City, which indicates overall management responsibility for one or more divisions.

Depreciation - A means of allocating a portion of a fixed asset's cost to each period that the asset helps generate revenue.

Distinguished Budget Presentation Program - A voluntary program administered by the Government Finance Officers Association to encourage governments to publish efficiently organized and easily readable budget documents and to provide peer recognition and technical assistance to the fiscal officers preparing them.

EDC – Approved by voters in 1996, the Kennedale Economic Development Corporation was created to undertake projects authorized by Section 4B of the Development Corporation Act of 1979. For financial reporting purposes, this entity is a discretely presented component unit of the City of Kennedale.

Encumbrance - The commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for a future expenditure.

Enterprise Fund - A fund established to account for operations of the water and sewer system. It is operated in a manner similar to private business enterprises where the intent is cost recovery.

Estimated - The amount of projected revenues or expenditures to be collected during the fiscal year.

Expenditures/Expenses - A decrease in the net financial resources of the City due to the acquisition of goods and services.

Financial Policies - Financial policies are used to enable the City to achieve a sound financial position. They are in writing and are updated and endorsed on an annual basis.

Fiscal Year (FY) - A 12-month period to which the Annual Budget applies. The City of Kennedale has specified October 1 to September 30 as its fiscal year.

Franchise Fee - A fee paid by public service utilities for use of public property in providing their services to the citizens of the community.

Full Time Equivalent (FTE) – the hours worked by one employee on a full-time basis. The concept is used to convert the hours worked by several part-time employees in to the hours worked by full-time employees.

Fund - An accounting entity with a self-balancing set of accounts that record financial transactions for specific activities or government function.

Fund Accounting - A governmental accounting system, which is organized and operated on a fund basis.

Fund Balance - The excess of assets over liabilities.

Fund Type - In governmental accounting, all funds are classified into eight fund types: General, Special Revenue, Debt Service, Capital Projects, Permanent, Enterprise, Internal Service, and Trust and Agency.

GAAP - Generally accepted accounting principles as determined through common practice or as promulgated by the Governmental Accounting Standards Board, Financial Accounting Standards Board, or various other accounting standard setting bodies.

GASB – (Governmental Accounting Standards Board) GASB was established in 1984 as the body authorized to establish accounting standards for state and local government.

General Fund - The fund used to account for all financial resources except those required to be accounted for in another fund.

General Obligation Bonds - Bonds that finance a variety of public projects, which pledge the full faith, and credit of the City.

GFOA – Government Finance Officers Association

Goals - Broad, general statements of each division's desired social or organizational outcomes.

Governmental Funds – Applies to all funds except for the profit and loss funds (e.g., Enterprise Funds, EDC Funds)

Grant - A contribution by a government or other organization to support a particular function. Grants may be classified as either categorical or block depending upon the amount of discretion allowed the grantee.

Homestead Exemption - A deduction from the total taxable assessed value of owner-occupied property.

Infrastructure - The underlying permanent foundation or basic framework.

Interest Earnings - The earnings from available funds invested during the year in U.S. Treasury Bonds, Government agencies, Money Market Accounts, and Certificates of Deposits.

Intergovernmental Revenues - Revenues from other governments in the form of grants, entitlements, shared revenues or payments in lieu of taxes.

Internal Service Funds - Funds established to finance and account for services and commodities furnished by a designated department to other departments within a single governmental unit or to other governmental units. Amounts expended by the fund are restored thereto, either from operating earnings or by transfers from other funds, so that the original fund capital is kept intact.

Investments - Securities, bonds, and real property (land or buildings) held for the production of revenues in the form of interest, dividends, rentals or lease payments. The term does not include fixed assets used in the normal course of governmental operations.

LEOSE – Law Enforcement Officer Standards and Education Fund. This is a state treasury account that funds training for law enforcement officers. Funds are captured from court costs and distributed to local law enforcement agencies within Texas.

Liabilities - Debts or other legal obligations arising out of transactions in the past, which must be liquidated, renewed or refunded at some future date.

Line Items - Expenditure classifications established to account for approved appropriations. Line Item budgets for all departments are available upon request in the Fiscal Services Department.

Long-Term Debt - Unmatured debt of a government expected to be repaid from government funds. An average repayment schedule is 20 years.

M&O – Maintenance and Operations

Maintenance - All materials or contract expenditures covering repair and upkeep of City buildings, machinery and equipment, systems, and land.

Major Fund – Governmental Fund or enterprise fund reported as a separate column in the basic fund financial statements and subject to a separate opinion in the independent auditor’s report.

Materials and Supplies - Expendable materials and operating supplies necessary to conduct departmental activity.

Modified Accrual Accounting - A basis of accounting in which revenues are recognized in the accounting period when they become available and measurable. Expenditures are recognized in the accounting period in which the fund liability is incurred.

Multi Year Financial Overview - A financial overview with three years of history and five years of projections for all operating funds is presented in July prior to City Council budget workshop in August.

NCTCOG or COG – North Central Texas Council of Governments, is a voluntary association of, by and for local governments, established to assist local governments in planning for common needs, cooperating for mutual benefit, and coordinating for sound regional development.

Non- Major Funds - Funds not classified as major funds that should be reported in the aggregate in a separate column in the basic fund financial statements.

Objectives - Specific statements of desired ends, which can be measured.

Operating Budget - Plans of current expenditures and the proposed means of financing them. The annual operating budget is the primary means by which most of the financing acquisition, spending and service delivery activities of a government are controlled. The use of an annual operating budget is usually required by law.

Operating Costs – Outlays for such current period items as expendable supplies, contractual services, and utilities.

Ordinance - A formal legislative enactment by the governing board of a municipality. If it is not in conflict with any higher form of law, such as a State statute or constitutional provision, it has the full force and effect of law within the boundaries of the municipality to which it applies. The difference between an ordinance and a resolution is that the latter requires less legal formality and has a lower legal status. Revenue raising measures, such as the imposition of taxes, special assessments and service charges, universally require ordinances. Ordinances and other legislation are not passed until the plans for and costs of endorsements are known.

Performance Measures - Specific quantitative measures of work performed within an activity or program. They may also measure results obtained through an activity or program.

Projected - The amount of projected revenues, expenditures or activity to be collected or accomplished during the fiscal year.

Property Taxes - Used to describe all revenues received in a period from current taxes, delinquent taxes, penalties, and interest on delinquent taxes. Property taxes are levied on both real and personal property according to the property's valuation and tax rate.

Proprietary Funds – Such as the City's Enterprise and Internal Service funds are used to account for services provided by one department or agency of a government to other departments, other governmental units, or the general public on a user charge basis.

Public Hearing - The portions of open meetings held to present evidence and provide information on both sides of an issue.

No New Revenue Rate - The no-new-revenue tax rate enables the public to evaluate the relationship between taxes for the prior year and for the current year, based on a tax rate that would produce the same amount of taxes if applied to the same properties taxed in both years.

Reserve - An amount that exceeds the operating needs of the Fund. This is measured in days.

Revenue - Funds that the government receives as income.

Revenue Bonds - Bonds whose principal and interest are payable exclusively from a revenue source pledged as the payment source before issuance.

Risk Management - An organized attempt to protect a government's assets against accidental loss in the most economic method.

Special Revenue Fund - A fund used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts or for major capital projects) that are legally restricted to expenditures for specified purposes.

Tarrant Appraisal District (TAD) – A governing body responsible for appraising property for property tax purposes within Tarrant County.

Tax Base - The total value of all real and personal property in the City as of January 1st of each year, as certified by the Appraisal Review Board. The tax base represents net value after all exemptions.

Tax Levy - The resultant product when the tax rate per one hundred dollars is multiplied by the tax base.

Tax Rate - Total tax rate is set by Council and is made up of two components: debt service and operations rates.

Truth In Taxation – Concept embodied in the Texas Constitution that requires local taxing units to make taxpayers aware of tax rate proposals and to afford taxpayers the opportunity to limit tax increases.

Truth In Taxation Calculation - Requires taxing units to calculate two rates after receiving a certified appraisal roll from the chief appraiser.

Voter-Approval Rate - If the governing body of a taxing unit adopts a tax rate that exceeds the voter approval tax rate, it must automatically hold an election for voters to approve the tax increase.

Working Capital – Current assets minus current liabilities.