

Community Driven

Creating Positive Outcomes



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

**Adopted Budget Fiscal Year 2026
October 1, 2025 through September 30, 2026**



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October 1, 2025 through September 30, 2026**



FY25-26 ADOPTED BUDGET

OCTOBER 1, 2025 to SEPTEMBER 30, 2026

Presented to City Council
August 5, 2025

Adopted Budget
August 27, 2025

Approval of Tax Rate
August 27, 2025

Submitted By
DARRELL HULL, CITY MANAGER

JONATHAN HORTON, DIRECTOR OF FINANCE

405 Municipal Drive
Kennedale, TX 76060
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CITYOFKENNEDEALE.COM/FINANCE

City of Kennedale
Fiscal Year 2025/2026

THIS BUDGET WILL RAISE MORE TOTAL PROPERTY TAXES THAN LAST YEAR'S BUDGET BY \$103,959.45 OR 1.22% AND, OF THAT AMOUNT, \$63,518.64 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 adoption of the budget as follows:

For: David Glover, Thelma Kobeck, Kenneth Michels, Jeff Nevarez

Against: None

Present and Not Voting: Brad Horton

Absent: None

MUNICIPAL PROPERTY TAX RATES

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

Tax Rate	FY25 Adopted	FY26 Adopted
Property Tax Rate	\$0.706190/100	\$0.696190/100
No-New-Revenue Tax Rate	\$0.686241/100	\$0.687818/100
No-New-Revenue Maintenance & Operations Rate	\$0.491025/100	\$0.502334/100
Voter Approval Tax Rate	\$0.727523/100	\$0.745716/100
Debt Rate	\$0.195216/100	\$0.213117/100
Maintenance & Operations Tax Rate	\$0.510974/100	\$0.483073/100
De Minimus Rate	\$0.735474/\$100	\$0.763635/100

MUNICIPAL DEBT OBLIGATIONS

The total amounts of outstanding municipal debt obligations (including principal and interest) secured by property taxes is \$33,144,167.

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 2025 -2026

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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

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

APPOINTED OFFICIALS

Darrell Hull, City Manger
 Barbara Dahl, City Secretary
 Carvan Adkins of TOASE, City Attorney
 Honorable Bill Lane, Municipal Judge

BOARDS AND COMMISSIONS

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)
 Tax Increment Reinvestment Zone Board (TIRZ)
 TownCenter Development District (TDD)
 Utility and Infrastructure Board (UIB)

MANAGEMENT TEAM

Danielle Clarke, Director of HR
 Nathan Gonzales, Director of
 Community Development
 Michael Holguin, Chief of Police
 Jon Horton, Director of Finance
 Elizabeth Partridge, Director of Library and
 Communications
 Eric Peterson, Fire Chief
 Kristian Sugrim, Director of Public Works
 Bertha Vindel, Court Administrator

August 20, 2025

To: Honorable Mayor and City Council Members
From: Darrell Hull, City Manager
Subject: Adopted FY 2025-2026 Budget for the City of Kennedale

Honorable Mayor and Council Members,

I am pleased to present the recommended operating budget for the City of Kennedale for the fiscal year 2025-2026 (FY 2025-2026) for your consideration. This adopted budget will take effect on October 1, 2025, and will close on September 30, 2026. The development of this budget has been a collaborative effort involving input from all members of the City of Kennedale leadership team. The recommended budget for FY 2025-2026 is balanced and represents a responsible spending plan while effectively addressing the city's development and growth needs. Notably, the budget includes only a minimal increase in operating expenditures. The budget development process takes into account the city council's vision and priorities, the economic outlook at the national, state, and local levels, as well as existing and projected financial commitments. Additionally, the budget development considers multi-year capital planning and strategic investments in available resources based on priority. Consistent with previous years, the recommended budget continues to prioritize our residents, businesses, and workforce while addressing the needs of a growing community.

The FY 2025-2026 budget anticipates continued positive growth in city revenues. The local and regional economies have shown resilience despite the inflation-driven changes occurring nationwide. This budget reflects anticipated increases in property and sales tax revenues, which are based on the latest appraisals in the city.

The recommended budget proposes an increase of \$103,959.45. While the general fund is the primary source for most city operations, this budget also includes all necessary funds, such as those for water and sewer services, stormwater management, franchise fees, investments, and the Economic Development Corporation (EDC) fund. The most significant expenditure increases in this year's adopted budget are attributed to employee recruitment and retention, equitable market compensation, new debt service, and adjustments for inflation.

Budget Overview

The budget serves as the essential planning tool used by the City Council and city staff to provide services. The city offers a comprehensive range of municipal services using operating funds, special revenue funds, capital project funds, and utility funds. This budget is balanced in accordance with state law; as well as the City Charter, ordinances, and budget policies. The combined expenditures and transfers of the city’s operating funds total \$14,297,059, representing an 8% increase from the previous year's operating budget.

GENERAL FUND	FY 2024/25	FY 2025/2026	% CHANGE
MAYOR AND COUNCIL	\$213,950	\$211,550	-1%
CITY ADMINISTRATION	\$804,698	\$868,804	8%
MUNICIPAL COURT	\$356,164	\$332,256	-7%
FINANCE	\$629,703	\$663,129	5%
POLICE	\$3,916,051	\$4,002,396	2%
FIRE	\$3,448,570	\$3,303,997	-4%
LIBRARY	\$590,536	\$560,638	-5%
SENIOR CENTER	\$101,900	\$60,850	-40%
PUBLIC WORKS	\$1,542,429	\$2,087,788	35%
COMMUNITY DEVELOPMENT	\$693,806	\$ 695,940	0%
COMMUNICATIONS	\$23,500	\$ 19,900	-15%
NON-DEPARTMENT	\$904,968	\$ 1,483,723	64%

One measure of the city’s financial strength is its general fund balance level. The city's financial policy mandates a minimum of 18% for the general fund balance. We budget to surpass this minimum and aim to exceed 25% of the reserve fund. The water and sewer funds exceed the minimum standard as well.

Fund type	FY2024/2025	FY2025/2026	NUMBER OF DAYS	AMOUNT
GENERAL FUND	\$3,332,285	\$4,417,329	106	29%
WATER/SEWER	\$2,044,222	\$3,166,302	61	17%
STORMWATER	\$1,214,368	\$1,180,759	399	810%
ECONOMIC DEVELOPMENT	\$2,055,365	1,766,217	288	79%

The reserve fund generates interest, improves cash flow, and is accessible for unexpected expenses or city-wide emergencies. As a non-recurring revenue source, parts of the initial fund balance may be allocated for capital or other one-time expenses.

City Personnel

In 2024, a committee of employees and department heads was asked to create an acronym identifying 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 organization's values 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 being an example for others to follow.

As in any organization, capable and experienced city employees are vital to achieving the Council's vision and goals, as well as meeting the needs and expectations of our citizens. It is widely known that municipal government and private sector organizations are competing for a shrinking, qualified pool of available employees in the current job market. Necessary market salary adjustments have become the new standard, as municipal governments continue to face personnel shortages across the state and the nation. However, I am pleased to report that city staffing levels have remained stable over the past several years. To continue retaining our employees, this budget proposes a three percent increase in compensation for all civilian employees for skills relevant to their current positions. While this is a positive step, salaries in some positions will still fall below the current market average. Future compensation strategies will need to address the market pay gap as soon as it is feasible.

The adopted budget also includes the addition of a new employee. This new position will be essential to meet the needs of our growing community. It will increase customer service and enhance productivity for public works. A project manager will oversee and coordinate infrastructure projects and services within the city.

In our FY 2025-2026 budget, we outlined professional expectation goals for city staff members. I am proud to announce that we achieved goals that were within our control. Previous goals that went unmet were due to financial constraints or the inability to meet the fiscal year timeframe. Goals not met last year will be incorporated into the objectives for the new budget year.

Community Development

One of our FY 2024-2025 budget goals included implementing a new online permitting and licensing system. This new program has enhanced our ability to improve work quality and streamline processes. It has also increased proficiency and professionalism in our work. With the latest software, we have updated the fee schedule, nuisance ordinances related to lighting concerns, and obtained new signs through a TRA-awarded grant to help reduce illegal dumping. As we move into FY 2026, additional Community Development goals include establishing a rental registration and inspection program and adopting the 2021 ICC I-codes. We intend to increase training, certifications, and licenses within our department to improve the city's ISO rating. Plans also include achieving accreditation as a code enforcement department through the American Association of Code Enforcement. Additionally, we want to become more involved with Keep Kennedale Beautiful to help establish beautification programs throughout the city.

Quality of Life and Infrastructure Improvements

Our ongoing efforts to improve the quality of life for residents, visitors, and property owners include completing key infrastructure projects for water, sewer, and streets. This year, we finished several initiatives, such as fully reconstructing Collett Sublett Road with concrete pavement, curb and gutter, sidewalks, water, sewer, stormwater drains, and street lighting. We also repaired two bridges and improved stormwater drainage in the Oak Forest bridge channel. Our SCADA software was upgraded to boost service across our water systems and improve operational efficiency. In addition, we completed sewer improvements at an aerial crossing and performed other repairs. To enhance public safety, we installed flashing red stop signs at busy intersections and added six new streetlights to improve visibility. A new 750,000-gallon groundwater storage tank was installed to support water pressure and supply the entire city. We replaced all failing, manually read Neptune water meters with new digital wireless meters to enhance accuracy and efficiency.

The FY 2026 budget includes more street improvements. We will install six new streetlights to improve visibility at intersecting streets in heavy traffic areas and reduce our overall inventory of roads classified as in poor condition by 33%. Improvements to our neighborhoods' concrete streets are also planned for the upcoming fiscal year. We will continue our partnership with Tarrant County Precinct 2 to support future projects. We will recondition our elevated water storage tank for routine maintenance. We will improve our water and sewer infrastructure with over 1100 feet of sewer line and eliminate existing bottleneck junctions, remove three dead-end waterlines to improve water circulation and prevent stagnation.

With regard to outdoor spaces, plans include installing new playground equipment at Rodgers Farm Park and adding more lighting at Sonora and Rodgers Farm Parks to improve the satisfaction and safety of our visitors. As we continue our partnership with the YMCA to enhance Sonora Park Ballfields, we will add new soccer, T-ball, and Little League fields, along with more sports-related play and practice areas across the city to provide increased access to outdoor activities for residents and visitors.

During FY 2024-2025, 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 funds were used to replace over one thousand feet of water and sewer lines on West 3rd Street. We have been approved for the same grant for North Road, and the project is scheduled for completion within the upcoming fiscal year. To address ongoing infrastructure needs, we plan to continue our partnership with HUD to secure additional CDBG funding for replacing more water and sewer lines throughout the city. Additionally, we are continuing to collaborate with Tarrant County Precinct 2 to assist with stormwater drainage and culvert debris cleanouts.

Communications and Community Outreach

The communications team offers transparent, innovative, and creative information, alerts, notices, and advertisements to promote our mission, programs, events, and community-wide initiatives. Our goal is to consistently produce and share effective messaging that is recognized as the most accurate, dependable, and trusted source of city information. Over the past year, the team developed a new communications and social media policy and established new branding standards. It expanded outreach efforts, leading to a significant increase in community participation at city events. As a result of these efforts, community attendance at city events has more than doubled compared to the previous year.

In FY 2025-2026, we will partner with the YMCA to enhance youth sports and activities in our city. We established a Recreation Department to utilize our parks and green spaces better. This new department will handle scheduling, programming, and recreation services. It will also promote the use of facilities and resources at Sonora Park, TownCenter Plaza, Rodgers Farm Park, and the upcoming Kennedale Sports Complex.

Over the past year, we provided a variety of resources and programs for all ages through our Public Library and Senior Center. These included programs for enhancing life skills, providing workforce training via reading programs, and delivering classes to learn basic computer skills. During this period, both the library and Senior Center saw a significant increase in visitor traffic compared to previous years. The Senior Center remains popular by hosting a range of events specifically designed for our seniors, such as health and exercise programs, game days, and arts and crafts activities. It also continues to offer lunch and breakfast through the Meals on Wheels program.

The library hosted a variety of additional programs and free events in FY 2024-2025 and encouraged citizens to take advantage of the resources available to everyone with a library card. We partnered with Red's Road House to use their event center to boost attendance at our summer reading programs and our popular live animal presentations.

The library also received a much-needed facelift last year, with plans to expand into the old community room in FY 2026. With approved grant funding, we can enhance programs, technology, furniture, and renovations. With FY 2026 funds, we will install a new RFID system to better manage the inventory of books and other materials for the public and improve efficiency.

The police department also launched a series of new and engaging programs to build partnerships and enhance communication within the community, such as Coffee with a Cop and Civilian Response to Active Shooter Events (CRASE), to raise awareness of active shooter threats. Last year, the police department ranked 6th in the nation for the National Association of Town Watch Award for participating in National Night Out. This has been a valuable event not only for the police department, but for all city departments as they actively engage

with neighbors and share city resources. The police department will continue its leadership training for all command staff and implement the Active Attack Integrated Response program for coordinated active attack response between the fire department and the police department. Through outreach programs and a community-oriented policing approach, the police department has achieved a 34% decrease in crime. Next year, the police department will develop a five-year strategic plan for its future.

With the highly anticipated opening of the remodeled fire station in July 2026, the fire department continues to be involved in the community, engaging with individuals and groups through annual fire safety education programs and participation in several career day events at local schools, showcasing their passion for serving the community. Throughout the year, the department also hosts other public events, including open houses for public safety and Fire Prevention Week. During these open houses, the fire and police departments display their equipment and gear, which illustrate their capabilities in serving and assisting the public. The fire department also supports the community through the Angel Tree Christmas Program, which helps meet the needs of residents during the holiday season. In FY2025, the department launched a new program providing residential smoke detectors to promote fire safety inside homes. This initiative supplies smoke detectors that are functional and meet industry standards at no cost to residents. For FY 2026, the Kennedale Fire Department will launch its first Citizen Fire Academy to improve public safety through enhanced fire protection education for the public. Additionally, the department will begin pursuing a best practices accreditation from the Texas Fire Chiefs Association. This program emphasizes firefighter safety, high training standards, and practical emergency response training.

The Kennedale Public Works Department supports all aspects of city activities and services. The staff collaborates on many projects with the Keep Kennedale Beautiful Commission and the Parks Board. Each year, Public Works helps organize and manage the Adopt-A-Spot program, where local citizens and businesses partner to clean designated areas of the city. They also manage the annual Bring-It campaign to help control residential waste and debris accumulation inside and outside homes. Public Works supports all city events, including hosting KidFish, in conjunction with the National Take a Kid Fishing program, which draws families to Sonora Park, where a small lake provides opportunities for fishing and outdoor activities. They play a major role in setting up and taking down multiple city events, as hosting events is part of their responsibilities. Additionally, they manage infrastructure projects related to water, sewer, and street repairs throughout the city. Citizen involvement on city boards and commissions is another vital aspect that fosters better communication with residents. The city has upgraded its communication technology to improve audio and visual capabilities through an online system, increasing transparency. We will continue to build on these efforts to boost citizen participation and seek new ways to enhance communication. The city will continue to improve messaging via

social media and the official website. We will continue hosting town hall meetings, increasing our presence at homeowner association meetings, and participating in other community events. Partnerships with the Kennedale Rotary and the Kennedale Area Chamber of Commerce will also continue. Looking ahead to 2026, we will collaborate with the YMCA to develop more community-driven programs aimed at strengthening our neighborhoods.

We recognize the importance of keeping our citizens informed about issues affecting the community. The city has made improvements in 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 explore additional ways to do so now and in the coming year.

Over the past year, we have made significant progress in supporting and funding a variety of city-sponsored events. These included our Kennedale Hometown Christmas, Kennedale BBQ Showdown in partnership with Kennedale Speedway Park, Kidfish and Bark in the Park at Sonora Park, the 911 Memorial Commemoration at TownCenter Plaza, the Veterans Day Memorial at TownCenter Plaza, the annual Halloween Trunk or Treat in TownCenter, and the Juneteenth Parade. We have received strong community support and positive feedback for our efforts to add value through these well-organized, family-friendly events. We plan to keep improving these events and possibly introduce more community-focused activities in the coming year.

Municipal Court

The Kennedale Municipal Court remains committed to statutory requirements and providing the highest standards in customer service. It promotes the timely resolution of cases while ensuring accuracy to foster a positive public perception of our local judicial system. This past year, the court implemented new software that has increased efficiency within the department. The court also continues to participate in citywide events and community education efforts. It took part in the Great Texas Warrant Roundup in March in cooperation with the police department, Texas Municipal Courts Week in November, and met with community members at various National Night Out neighborhood parties in October. Additionally, our court was recognized by the Texas Municipal Courts Education Center and received the 2025 Municipal Traffic Safety Award. Along with a focus on education and community outreach, the municipal court also introduced a diversion program aimed at early intervention for at-risk youth, adults, and families in crisis. The program emphasizes identifying underlying concerns and connecting participants with appropriate community resources. The court staff experienced a 28% decrease in all court filings, maintaining a 96% disposal rate and a low case backlog last year. There was also a 5% decrease in fines collected in FY 2024-2025.

In conclusion, I want to thank every employee of the City of Kennedale team. Our department directors and

administrative staff dedicated many hours to meetings, giving feedback, and providing information to finalize this year's adopted budget. I especially want to recognize Finance Director Jonathon Horton and his team for their efforts in bringing everything together.

I also want 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 achieved several important accomplishments this past year. From repairing our streets to enhancing our parks, City Council leadership and the support of our citizens will help us continue to make Kennedale one of the most desirable places to live, work, and do business in the Dallas-Fort Worth area. Together, we will keep up with the demands of our growing city while focusing on delivering exceptional customer service to foster a safe and family-friendly community. I look forward to managing our great city and serving our citizens in the new fiscal year, and I respectfully submit this budget for your consideration.

Sincerely,

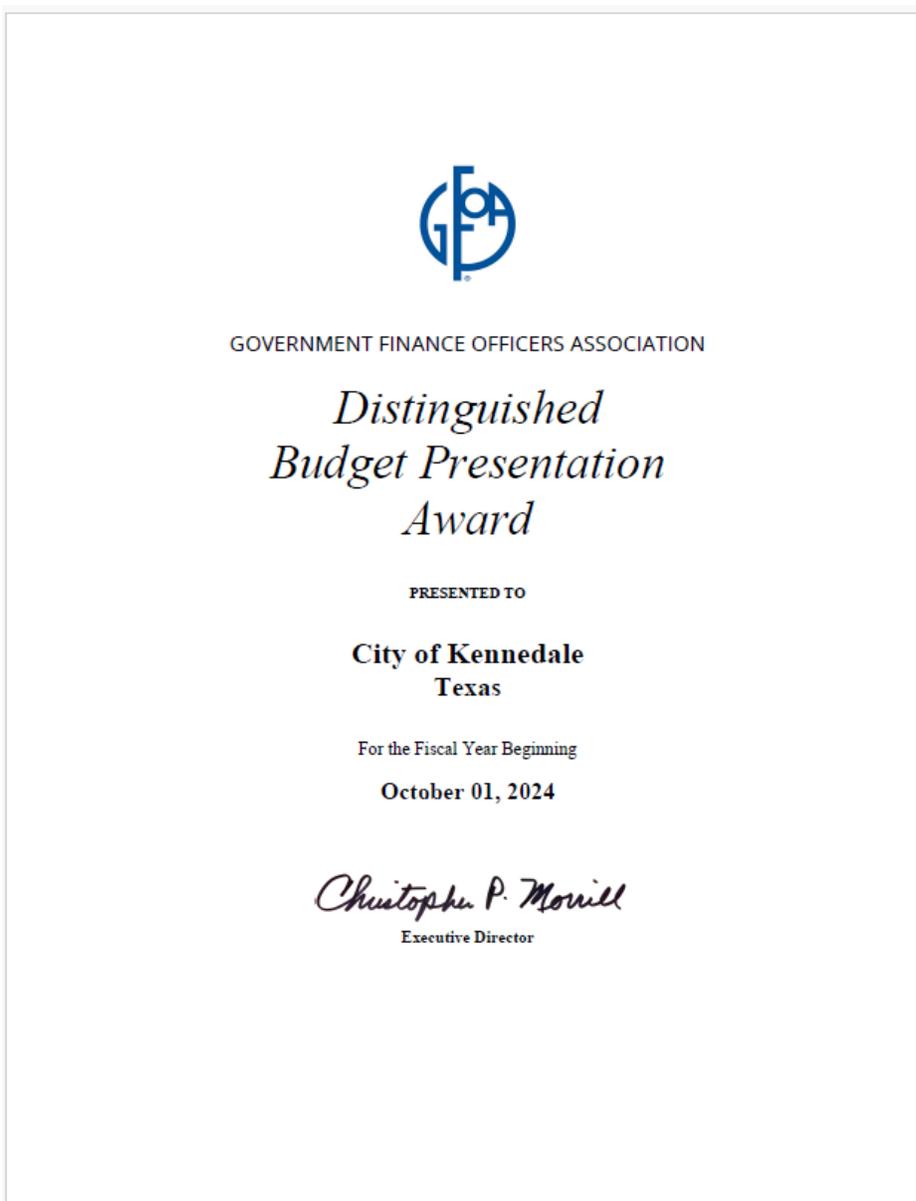
A handwritten signature in black ink that reads "Darrell Hull". The signature is written in a cursive style with a large, prominent initial "D".

Darrell Hull
City Manager

DISTINGUISHED BUDGET AWARD

Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Kennedale for its Annual Budget for the fiscal year beginning October 1, 2024 and ending September 30, 2025. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



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.

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 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	Park Recovery/Donation
Capital Bond	Disaster Recovery	Tree Restoration
Park Dedication	Capital Replacement	Unclaimed Property
Library Building	Court Security	
Roadway Impact	Court Technology	
TIF #1 New Hope	Court Building Security and Tech	
Hotel Occupancy Tax	Juvenile Case Manager	
Public Seizure	Grants	

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	CB	YD	GR	PR	TR	SU	WS	EDC	
City Administration	x																			x	
Mayor/Council	x																				
Municipal Court	x										x	x	x	x							
Finance	x	x																			x
Police	x							x	x												
Fire	x																				
Community Development	x																				
Senior Center	x																				
Library	x																				
Communications	x							x													
Public Works	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 Recovery
CS	Court Security
CT	Court Technology
CB	Building Security & Tech
YD	Local Youth Diversion
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. Forty three percent of revenue will come from property taxes, the rates of which are provided in the front of this document. Revenue is determined by applying the City's adopted tax rates to values established by the Tarrant Appraisal District. Sales taxes, which will make up 27% of General Fund revenues, are indirectly budgeted using a weighted average method. This method is applied to project the remaining FY25 revenue and then further applied to project FY26. A material growth in the City's tax base is not expected for FY26. 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 FY26, the City Manager's Office, Human Resources Department, and City Secretary Department have been consolidated into the City Administration Department. This document presents the City Administration Department as if it existed in FY24 onward for comparative purposes.

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 for 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. Starting May 29, 2025, court security revenue has been directed to the Municipal Court Building Security and Technology Fund. This fund will cease to exist once the balance reaches zero.

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. Starting May 29, 2025, court security revenue has been

directed to the Municipal Court Building Security and Technology Fund. This fund will cease to exist once the balance reaches zero.

Municipal Court Building Security and Technology Fund

This new fund, created by House Bill 1950, combines resources previously designated for the Court Security and Court Technology Funds, effectively consolidating those uses. Revenue for this fund will come from a separate \$3 and \$4 fees assessed to defendants convicted of misdemeanors as costs of the court. Expenditures may only be used for security personnel, services, and items related to buildings that house the operations of the Municipal Court or for technological advances for the Municipal Court.

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 that is 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 the 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. For budgeting purposes, the basis of each fund mirrors the basis used for recording purposes. 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.

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 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	19 Court Building and Tech	45 Roadway Impact Fee
07 Stormwater Utility	21 TIF #1 New Hope	61 Water Impact Fee
10 Water/Sewer	30 Hotel/Motel Tax	62 Sewer Impact Fee
12 Court Security	31 Police Seizure	83 Tree Restoration
13 Capital Bond	32 Library Building	85 Unclaimed Property
14 Park Dedication	34 LEOSE Police Training	95 EDC Bond Reserve Fund

The object code represents the type of revenue, incoming transfer, expense, or outgoing transfer. The list of object codes are shown 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

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 financial reports 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/unauthorized use of reserves.

If necessary, budget amendments are presented to the Director of Finance and the City Manager. If approved by the City Manager, an ordinance detailing the proposed amendment is presented to the City Council for approval. Upon approval, the budget is updated in the City's accounting software and the ordinance is posted to the City website. Subsequent reporting and discussion will be based on the amended budget.

BUDGET CALENDAR

FISCAL YEAR 2026

Date	Entity/Department	Description of Action/Requirements	Occurred
1/2/2025	Finance	Distribute draft budget calendar	√
3/5/2025-5/15/2025	City Manager, City Staff	Meetings with City Manager and Department Directors on proposed FY2025-2026 Budget	√
4/30/2025	Tarrant Appraisal District	Chief Appraiser sends notice of 2025 preliminary appraised values	√
5/20/2025	Tarrant Appraisal District	Chief Appraiser sends updated notice of appraised values	√
5/29/2025	City Council, City Staff	Initial Budget Workshop - Capital Requests	√
5/30/2025	Finance	Receive retirement rates from Texas Municipal Retirement System	√
6/6/2025	Finance	Update Tarrant County Assessor Collector Entity Contact Information	√
6/20/2025	Tarrant Appraisal District	Chief Appraiser sends updated notice of appraised values	√
6/30/2025	City Manager, City Staff	Additional meetings with Departments throughout the week	√
7/15/2025	Finance	Submit proposed budget to City Manager and City Secretary	√
7/15/2025	City Secretary	Post proposed budget on City website	√
7/23/2025	Tarrant Appraisal District	Chief Appraiser delivers 2025 certified appraisal	√
7/24/2025	Finance	Submit TNT Calculation Worksheet to Tarrant County	√
7/30/2025	Finance	Renewal meeting with benefits broker (Brinson Benefits)	√
7/31/2025	Finance, City Secretary	Submit Tax Rates to City Council	√
7/31/2025	City Secretary	Notice of Public Hearing for budget posted on City Website and sent for publishing in the Star-Telegram	√
7/31/2025	City Secretary	Notice of Public Hearing for the tax rate posted on City Website and sent for publishing in the Star-Telegram	√
8/5/2025	City Council, City Staff	Budget Workshop	√
8/5/2025	Tarrant County	Receive Completed Tax Rate Calculation Worksheet	√
8/13/2025	City Secretary	Notice of Public Hearing for budget posted on City Website and sent for publishing in the Star-Telegram	√
8/13/2025	City Secretary	Notice of Public Hearing for the tax rate posted on City Website and sent for publishing in the Star-Telegram	√
8/27/2025	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	√
10/9/2025	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 in the appendix of this document. They are also 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 10,052. 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 49 miles of streets, 126 miles of water and sewer lines, and 28 acres of parkland. The City supports 7 buildings – City Hall, Law Enforcement Center, 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, Clock Tower, and is 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 3,039 active water accounts with 10,052 people. The median income for a household in the city is \$117,853 and per capita income is \$47,542.

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 throughout 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, Bravo Eats, Chicken Express, Valentino's Pizza, and Thrive Coffee.

Over 15 new structures are scheduled for completion in FY26, including the new 3-story national brand hotel and a 7,000 SF national brand retailer. The 24-acre RMC Business Park, providing over 100,000 SF of industrial space, is slated to begin site construction in the Fall of 2025. Notable residential projects currently in development include 10 new single-family homes at Russell Ranch, 34 new single-family homes in the Moderno Addition on S New Hope Rd, a 39-unit townhome site called Harris Hills on Mansfield Cardinal Rd., and a 32-unit townhome project on Crestview Dr.

Top 10 Taxpayers

Property Owner	Taxable Value
Atla 287 Owner LLC	\$ 48,000,000
Oncor Electric Delivery Co LLC	13,476,856
Sabre-FWT Ventures LLC	12,393,243
Hawk Steel Ventures LLC	11,465,465
OldCastle Infastructure Inc	10,616,775
Harrison Jet Guns II LP/Harrison Jet Guns Inc	9,405,139
Smyrna Ready Mix Concrete/Smyrna Ready Mix	8,204,492
Atmos Energy/Mid Tex Division	8,003,750
Pennington Family LP INC/ODAAT 52 LLC	6,355,446
HexPol Compounding LLC/Excel Polymers LLC	5,646,998

Provided by the Tarrant Appraisal District as of 10/1/2025

Top 10 Employers

Employer	Employees
Sabre Industries/Fort Worth Tower	450-500
Kennedale Independent School District	400-450
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
Quick Roofing	25-50

Source: City of Kennedale September 30, 2024 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%
2025	0.483073	0.213117	0.696190	-1.4%

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 5% 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. The five-year rate plan within the study was adopted by the City Council in FY24.

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.

Capital Projects

In March, 2025 the City Council conducted a strategic planning retreat. During that exercise four major categories were listed. These are shown below with descriptions of how this budget addresses each category.

- **Public Safety:** The Capital Bond Fund (13) is projecting over \$4MM of spending toward remodels of the Law Enforcement Center and Fire Station. This covers the second half of this project with much of the foundational work taking place in FY25. Preliminary work has started to secure funding for a quint fire apparatus. The anticipated cost is \$2,400,000.
- **Public Works/Infrastructure:** The General Fund (01) has an increase of \$160,000 toward street repairs and \$50,000 for new streetlights, the Roadway Impact Fund (45) has a \$200,000 budget for an overlay on Hilltop Drive, and the Capital Bond Fund (13) has \$1,800,000 budgeted for resurfacing of Eden and New Hope Roads. Regarding our water system, \$1,250,000 is budgeted in Fund 35 for continued work on installing a new 750,000-gallon water tank on Caruthers Lane and the refurbishment of the elevated storage tank on Gail Drive. Preliminary work has started to secure funding for an extension of Little School Road that will include a bridge over the Union Pacific railroad tracks. Total project cost is estimated to be over \$40,000,000.
- **Community Development:** The Economic Development Corporation (Fund 15) has budgeted \$758,405 to remodel 10,000 square feet of EDC owned space for the YMCA. This action was approved by the City Council on August 5, 2025. The anticipated opening date is in early 2026.
- **Economic Development:** The Economic Development Corporation has also budgeted \$125,000 for grants to support Kennedale-based businesses. Remaining in the budget from the previous year is \$84,000 for monuments to be placed at the City's limits. The timing of this project is greatly impacted by the Southeast Connector Project being managed by the Texas Department of Transportation. More information on that project can be found here:
<https://www.txdot.gov/southeastconnector.html>.

The following chart lists current and future (Current-to-3-year projected start time) capital projects with their status and funding sources. A funding source starting with “Series 20XX” matches with a bond issuance as seen in the Debt Service Fund. A listing of TBD indicates the funding source has not been identified. If the General Fund concludes a Fiscal Year with a surplus, any amount exceeding the reserve target is applied to capital projects.

Street Projects	Status	Funding Source(s)
North Little School Road Extension	3% - in Engineering Design	Series 2024, TBD
Valley Lane Streambank Stabilization	FEMA Review	Series 2019, Series 2021
Eden Road S: Kennedale Pkwy - Hudson Village	Construction Scheduled	Series 2021
New Hope Road: Hudson Village Creek	Construction Ongoing	Series 2021
Eden Road E: City Limit - Mansfield Cardinal	On Hold	Series 2021
Kennedale Sublet Road: New Hope - Little School	On Hold	Tarrant Bond Program, ILA
Bridge Rehabilitation - Eden and New Hope	Need Identified	TBD
Peggy Lane Improvements	Design Complete	TBD
Kennedale Sublet Road: Peggy Lane- Vera Lane	Need Identified	General Fund
E. Mistletoe Dr: Reeves Ln - Ruth Dr	Need Identified	General Fund
Hilltop Dr: Reeves Ln - Hillside Dr	Need Identified	General Fund
Cloverlane Dr: Kennedale Pkwy - Crestview Dr	Need Identified	TBD
Border Ln: Bluebonnet Ln - Caruthers Ln	Need Identified	TBD
Mansfield Ave: S New Hope - Dead End	Need Identified	TBD
Hudson Village Crk: Eden Rd S - Ken. New Hope	Need Identified	TBD
Kennedale Sublett Road: Ken. Pkwy - Little School	Need Identified	TBD
Swiney Hiatt Rd: Mansfield Cardinal - Collett Sublett	Need Identified	Series 2024

Water/Sewer Projects	Status	Funding Source(s)
Sanitary Sewer-Wastewater Interceptor	In Design	Series 2023
Ground Storage Tank	Construction Ongoing	American Rescue Plan Act
Hillside Addition SS Upgrade	In Design	Series 2023
SCADA Upgrade	In Progress	Water/Sewer Fund
Looping of Dead-End Mains	Need Identified	TBD
Elevated Storage Tank	Need Identified	American Rescue Plan Act, Series 2023

Facility Projects	Status	Funding Source(s)
Fire Station Renovation	Construction Ongoing	Series 2024
Law Enforcement Center Remodel	Construction Ongoing	Series 2024
Renovation of Former Dollar General Space	In Design	EDC Fund

CITY OF KENNEDALE
Long Range Financial Plan - General Fund
Fiscal Year 2026-2031

Description	Fiscal Year Projected 2024-25	Fiscal Year Adopted 2025-26	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	Fiscal Year Projected 2030-31
REVENUES								
Property Taxes	\$ 6,327,254	\$ 5,998,567	\$ 5,998,567	\$ 6,298,495	\$ 6,613,420	\$ 6,944,091	\$ 7,291,296	\$ 7,655,860
Sales Taxes	2,818,445	3,647,834	3,647,834	3,830,226	4,021,737	4,222,824	4,433,965	4,655,663
Licenses and Permits	425,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000
Fines and Fees	1,027,915	1,033,500	1,033,500	1,033,500	1,033,500	1,033,500	1,033,500	1,033,500
Charges for Services	321,662	325,000	325,000	325,000	325,000	325,000	325,000	325,000
Intergovernmental	228,785	230,000	230,000	230,000	230,000	230,000	230,000	230,000
All Other Revenues	475,907	425,000	425,000	425,000	425,000	425,000	425,000	425,000
Transfers In	1,517,154	1,628,453	1,628,453	1,628,453	1,628,453	1,628,453	1,628,453	1,628,453
Total Revenues	13,142,122	13,738,354	13,738,354	14,220,674	14,727,110	15,258,868	15,817,214	16,403,477
EXPENDITURES								
City Administration - Dept 01	760,384	868,804	868,804	886,180	903,904	921,982	940,421	959,230
Mayor/Council - Dept 02	210,575	210,550	210,550	214,761	219,056	223,437	227,906	232,464
Municipal Court - Dept 04	318,374	332,256	332,256	338,901	345,679	352,593	359,645	366,837
Finance - Dept 07	587,050	663,129	663,129	676,392	689,919	703,718	717,792	732,148
Police - Dept 09	3,692,484	4,002,396	4,002,396	4,082,444	4,164,093	4,247,375	4,332,323	4,418,969
Fire - Dept 10	2,855,569	3,303,997	3,303,997	3,370,077	3,437,478	3,506,228	3,576,352	3,647,879
Community Development - Dept 12	612,971	695,940	695,940	709,858	724,055	738,537	753,307	768,373
Senior Citizen Center - Dept 16	85,300	60,850	60,850	62,067	63,308	64,575	65,866	67,183
Library - Dept 17	606,006	560,638	560,638	571,850	583,287	594,953	606,852	618,989
Communications - Dept 18	17,600	19,900	19,900	20,298	20,704	21,118	21,540	21,971
Public Works - Dept 20	1,411,825	2,087,877	2,087,877	1,837,409	1,874,157	1,911,640	1,949,873	1,988,870
Non Departmental - Dept 90	1,021,609	1,151,808	1,151,808	1,174,844	1,198,341	1,222,308	1,246,754	1,271,689
Transfers Out	331,915	331,915	331,915	275,593	275,593	275,593	275,593	275,593
Total Expenditures	12,511,662	14,290,059	14,290,059	14,220,674	14,499,576	14,784,055	15,074,225	15,370,197
Revenues Over (Under) Expenditures	630,460	(551,705)	(551,705)	(0)	227,534	474,813	742,989	1,033,280
Beginning Fund Balance	4,149,173	4,779,633	4,779,633	4,227,928	4,227,928	4,455,462	4,930,275	5,673,264
Prior Period Adjustment	-	-	-	-	-	-	-	-
Ending Fund Balance	\$ 4,779,633	\$ 4,227,928	\$ 4,227,928	\$ 4,227,928	\$ 4,455,462	\$ 4,930,275	\$ 5,673,264	\$ 6,706,544
Average Daily Annual Expenditures	\$ 34,279	\$ 39,151	\$ 39,151	\$ 38,961	\$ 39,725	\$ 40,504	\$ 41,299	\$ 42,110
Days of Working Capital	139	108	108	109	112	122	137	159
Days of Working Capital Goal = 75-100 days								
Assumptions:								
Total Tax Rate	\$0.69619							
M&O Tax Rate (for General Fund operations)	\$0.48307							
I&S Tax Rate (for debt service)	\$0.21312							
General Property Tax revenue growth from values and new development			5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Property Tax revenue from increased M&O tax rate (one penny generates approx. \$120,000)								
One penny of M&O tax rate generates approx. \$120,000 in FY2026			\$120,000	\$126,000	\$132,300	\$138,915	\$145,861	
City Sales Tax revenue growth			5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Expenditure growth in all departments			2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
All other revenues and expenditures are set numbers								

PERSONNEL SUMMARY

Position	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
CITY MANAGER				
City Manager	1.0	1.0	1.0	1.0
City Secretary	1.0	1.0	1.0	1.0
Director (HR)	1.0	1.0	1.0	1.0
Deputy City Secretary	-	-	-	1.0
Administrative Assistant	1.0	1.0	1.0	-
File Clerk (Temporary)	-	-	-	0.3
TOTAL POSITIONS	4.00	4.00	4.00	4.30
COURT				
Court Administrator	1.0	1.0	1.0	1.0
Juvenile Case Manager	-	1.0	1.0	1.0
Court Clerk	1.0	1.0	1.0	1.0
TOTAL POSITIONS	2.00	3.00	3.00	3.00
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	0.75	0.75	0.75	0.75
TOTAL POSITIONS	3.75	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	4.0	4.0	4.0	4.0
Corporal	4.0	4.0	4.0	4.0
Detective	2.0	2.0	2.0	2.0
Officer	4.0	4.0	4.0	4.0
Community Engagement Officer	1.0	1.0	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	21.00	21.00	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	26.00	26.00	26.00	26.00

PERSONNEL SUMMARY (Cont.)

Position	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
FIRE				
Fire Chief	1.0	1.0	1.0	1.0
Assistant Chief	-	-	-	1.0
Fire Captain	-	1.0	1.0	-
Fire Inspector	-	1.0	1.0	1.0
Fire Marshal	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	22.00	22.00	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	1.0	1.0
TOTAL POSITIONS	4.00	5.00	5.00	5.00
LIBRARY				
Director	1.0	1.0	1.0	1.0
Adult Services Librarian	-	-	-	1.0
Library Assistant II	2.0	2.0	2.0	2.0
Library Assistant I (Part Time, per FTE)	1.0	1.0	1.0	1.0
Programming and Events	1.0	1.0	1.0	-
TOTAL POSITIONS	5.00	5.00	5.00	5.00
PUBLIC WORKS				
Director	1.0	1.0	1.0	1.0
Project Manager	-	-	-	1.0
Supervisor	1.0	1.0	1.0	1.0
Field Worker - Full Time	6.0	6.0	6.0	6.0
Field Worker - Part Time by FTE	0.7	1.8	1.8	1.75
Administrative Assistant	1.00	1.00	1.00	1.00
TOTAL POSITIONS	9.70	10.75	10.75	11.75
TOTAL STRENGTH OF FORCE	75.45	79.50	79.50	80.80

REVENUE SUMMARY BY FUND					
Fund	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
01	GENERAL FUND	10,920,923	10,891,963	11,624,968	12,109,901
TOTAL GENERAL FUND		\$ 10,920,923	\$ 10,891,963	\$ 11,624,968	\$ 12,109,901

Fund	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
02	DEBT SERVICE	2,891,472	2,431,447	2,431,447	2,705,369
TOTAL DEBT SERVICE		\$ 2,891,472	\$ 2,431,447	\$ 2,431,447	\$ 2,705,369

Fund	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
07	STORMWATER UTILITY FUND	309,099	311,150	320,781	345,200
10	WATER/SEWER FUND	6,557,214	14,548,481	10,498,045	18,817,166
61	WATER IMPACT FEE FUND	29,245	24,100	27,766	19,000
62	SEWER IMPACT FEE FUND	25,392	30,700	20,877.00	20,000
TOTAL UTILITY FUNDS		\$ 6,920,950	\$ 14,914,431	\$ 10,867,469	\$ 19,201,366

Fund	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
04	CAPITAL PROJECTS FUND	147,322	128,200	131,632	127,950
13	CAPITAL BOND FUND	14,363,438	356,600	1,962,184	356,600
14	PARK DEDICATION FUND	31,973	32,100	20,647	16,000
32	LIBRARY BUILDING FUND	499	210	248	241
45	ROADWAY IMPACT FEE FUND	160,137	56,200	58,201	34,000
TOTAL CAPITAL PROJECT FUNDS		\$ 14,703,368	\$ 573,310	\$ 2,172,912	\$ 534,791

Fund	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
21	TIF #1 NEW HOPE FUND	92,814	80,006	83,274	95,000
30	HOTEL/MOTEL TAX FUND	40,810	20,900	31,579	29,750
31	PUBLIC SEIZURE FUND	13,003	160	9,192	9,150
34	LEOSE FUND	3,818	3,790	2,493	3,790
35	DISASTER RECOVERY FUND	84,750	1,300,000	1,340,628	1,295,000
TOTAL SPECIAL REVENUE FUNDS		\$ 235,195	\$ 1,404,856	\$ 1,467,166	\$ 1,432,690

Fund	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
05	CAPITAL REPLACEMENT FUND	66,125	15,000	23,000	15,000
12	COURT SECURITY FUND	10,462	9,235	5,445	-
16	COURT TECHNOLOGY FUND	8,030	7,140	5,315	-
18	JUVENILE CASE MANAGER FUND	497	685	570	550
40	GRANTS	687,776	65	685,886	-
41	PARK RECOVERY/DONATION FUND	36,630	6,683	2,519	2,550
83	TREE RESTORATION FUND	3,349	2,931	4,695	4,500
85	UNCLAIMED PROPERTY FUND	-	-	-	-
TOTAL OTHER FUNDS		\$ 812,868	\$ 41,739	\$ 727,429	\$ 22,600

Fund	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
15	EDC FUND	1,496,062	1,416,780	1,445,329	1,438,223
95	EDC BOND RESERVE FUND	5,959	5,457	7,809	6,500
TOTAL EDC FUNDS		\$ 1,502,021	\$ 1,422,237	\$ 1,453,138	\$ 1,444,723

TOTAL REVENUES		\$ 37,986,797	\$ 31,679,983	\$ 30,744,529	\$ 37,451,440
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EXPENDITURE SUMMARY BY FUND					
Fund	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
01	GENERAL FUND	10,841,767	12,926,805	12,259,746	13,959,144
TOTAL GENERAL FUND		\$ 10,841,767	\$ 12,926,805	\$ 12,259,746	\$ 13,959,144

Fund	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
02	DEBT SERVICE	2,937,850	2,603,770	2,603,770	2,732,972
TOTAL DEBT SERVICE		\$ 2,937,850	\$ 2,603,770	\$ 2,603,770	\$ 2,732,972

Fund	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
07	STORMWATER UTILITY FUND	89,804	45,800	44,367	145,800
10	WATER/SEWER FUND	6,369,299	13,465,637	8,426,932	18,033,528
61	WATER IMPACT FEE FUND	-	-	-	-
62	SEWER IMPACT FEE FUND	-	-	-	-
TOTAL UTILITY FUNDS		\$ 6,459,103	\$ 13,511,437	\$ 8,471,299	\$ 18,179,328

Fund	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
04	CAPITAL PROJECTS FUND	147,322	128,200	131,632	127,950
13	CAPITAL BOND FUND	3,578,867	12,279,097	5,831,606	7,989,549
14	PARK DEDICATION FUND	311,383	100,000	75,000	160,000
32	LIBRARY BUILDING FUND	-	-	-	-
45	ROADWAY IMPACT FEE FUND	192,723	-	15,000	250,000
TOTAL CAPITAL PROJECT FUNDS		\$ 4,230,295	\$ 12,507,297	\$ 6,053,238	\$ 8,527,499

Fund	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
21	TIF #1 NEW HOPE FUND	94,084	150,000	2,000	150,000
30	HOTEL/MOTEL TAX FUND	17,304	15,000	25,406	20,000
31	PUBLIC SEIZURE FUND	-	-	1,155	32,000
34	LEOSE FUND	2,440	1,500	2,950	5,500
35	DISASTER RECOVERY FUND	43,418	1,250,000	1,250,000	1,250,000
TOTAL SPECIAL REVENUE FUNDS		\$ 157,246	\$ 1,416,500	\$ 1,281,511	\$ 1,457,500

Fund	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
05	CAPITAL REPLACEMENT FUND	115,919	79,668	34,920	4,650
12	COURT SECURITY FUND	6,853	(26,570)	20,570	18,146
16	COURT TECHNOLOGY FUND	7,444	10,000	6,825	13,202
18	JUVENILE CASE MANAGER FUND	-	7,000	-	10,000
40	GRANTS	676,997	-	685,886	-
41	PARK RECOVERY/DONATION FUND	21,659	19,500	3,975	9,500
83	TREE RESTORATION FUND	-	-	-	-
85	UNCLAIMED PROPERTY FUND	-	-	-	-
TOTAL OTHER FUNDS		\$ 828,871	\$ 89,598	\$ 752,176	\$ 55,498

Fund	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
15	EDC FUND	725,577	937,953	457,851	1,552,359
95	EDC BOND RESERVE FUND	-	-	-	-
TOTAL EDC FUNDS		\$ 725,577	\$ 937,953	\$ 457,851	\$ 1,552,359

TOTAL EXPENDITURES		\$ 26,180,708	\$ 43,993,360	\$ 31,879,591	\$ 46,464,299
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2026 Adopted Common Cost Analysis

Department	01 GF Total	07 Storm Water Allocation 5%	10 Water/Sewer Allocation 20%	15 EDC Allocation 15%
Dept 1 City Manager Expenditures	\$ 868,804	\$ 43,440	\$ 173,761	\$ 130,321
Dept 2 Council Expenditures	\$ 211,550	\$ 10,578	\$ 42,310	\$ 31,733
Dept 7 Finance Expenditures	\$ 663,129	\$ 33,156	\$ 132,626	\$ 99,469
Dept 12 Community Development Exp.	\$ 695,940	\$ 34,797	\$ 139,188	\$ 104,391
WC/Admin Fees/Unemployment	\$ 245,333	\$ 12,267	\$ 49,067	\$ 36,800
Insurance	\$ 176,334	\$ 8,817	\$ 35,267	\$ 26,450
IT Support, Internet, and Phones	\$ 170,500	\$ 8,525	\$ 34,100	\$ 25,575
Total Allocated from Fund 1 to Other Funds	\$ 3,031,589	\$ 151,579	\$ 606,318	\$ 454,738

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)	\$ 924,927	\$ 92,493	\$ 231,232	\$ 92,493
Total Allocated from Dept 20 to Other Funds	\$ 924,927	\$ 92,493	\$ 231,232	\$ 92,493

FUND / ACCOUNT		FY 24 Actual	FY 25 Budget	FY 25 Projected	FY 26 Budget	Notes
GENERAL FUND TRANSFERS IN						
01-4509-00-00	ADMIN CHARGE - STREET	136,035	-	-	-	Value of services provided from General Fund
01-4510-00-00	ADMIN CHARGE-WATER/SEWER	544,140	757,935	757,935	837,550	Value of services provided from General Fund
01-4512-00-00	ADMIN CHARGE-EDC	447,522	540,545	540,545	547,231	Added in audit and value of services provided
01-4514-00-00	TRANSFER IN STORM WATER	136,035	218,674	218,674	244,072	Value of services provided from General Fund
GENERAL FUND TRANSFERS OUT						
01-5705-90-01	TRANSFER OUT-CAPITAL REPLAC FUND	(120,000)	(139,200)	(139,200)	(139,200)	Enterprise Lease
01-5717-90-00	TRANSFER OUT-STREET IMPROVEMENT	(68,958)	-	-	-	For Pavement Management System and Repairs
01-5498-90-01	INCREMENTAL PROP TAX TO TIF	(160,000)	(160,000)	(160,000)	(192,715)	City payment for incremental property tax
STREET IMPROVEMENT FUND TRANSFERS IN						
17-4076-00-00	FRANCHISE FEES-WATER/SEWER	140,310	-	-	-	Services provided by Street Personnel
17-4511-00-00	ADMIN CHARGE-STORM WATER	61,520	-	-	-	Services provided by Street Personnel
17-4515-00-00	TRANSFER IN EDC	61,520	-	-	-	Services provided by Street Personnel
17-4906-00-00	TRANSFER IN-GENERAL	68,958	-	-	-	For Pavement Management System and Repairs
STREET IMPROVEMENT FUND TRANSFERS OUT						
17-5701-12-02	TRANSFER OUT - GENERAL FUND	(136,035)	-	-	-	Value of services provided from General Fund
17-5705-12-04	TRANSFER OUT-CAP REPLAC FUND	(19,200)	-	-	-	Enterprise Lease
DEBT SERVICE FUND TRANSFERS IN						
02-4960-00-00	CAPITAL PROJECTS FUND	108,055	108,055	108,055	104,475	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	(544,140)	(757,935)	(757,935)	(837,350)	Value of services provided from General Fund
10-5596-90-00	PAYMENT IN LIEU OF	(140,310)	-	-	-	Services provided by Street Personnel
STORMWATER FUND TRANSFERS OUT						
07-5598-35-01	ADMIN CHARGE-STREET	(61,520)	(77,841)	(77,841)	(92,493)	Value of services provided from Public Works
07-5701-35-01	TRANSFER OUT - GENER	(136,035)	(140,833)	(140,833)	(151,579)	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	160,000	160,000	160,000	192,715	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	139,200	139,200	139,200	Enterprise Lease
05-4917-00-00	TRANSFER IN-STREET FUND	19,200	-	-	-	Enterprise Lease
EDC FUND TRANSFERS OUT						
15-5595-06-01	ADMIN CHARGE-GENERAL	(447,522)	(540,545)	(540,545)	(547,231)	Added in audit and value of services provided
15-5717-00-00	TRANSFER OUT STREETS	(61,520)	-	-	-	Services provided by Street Personnel
CAPITAL PROJECTS FUND TRANSFERS OUT						
04-5702-00-00	DEBT SERVICE FUND	(108,055)	(108,055)	(108,055)	(104,475)	Dick Price Road Set By Debt Schedule



General Fund



25TH ANNIVERSARY
KENNEDALE HOMETOWN
CHRISTMAS
 SATURDAY, NOVEMBER 30
 2:00 PM TO 8:00 PM

SANTA'S ELVES WILL BE GIVING OUT SWEETS AND TREATS ALL DAY!

- DECORATE COOKIES AND ORNAMENTS
- WRITE YOUR LETTER TO SANTA
- LISTEN TO LOCAL SINGERS
- GET AN AIRBRUSH TATTOO
- WIN THE UGLY SWEATER CONTEST
- VISIT WITH SANTA!

TREE LIGHTING & FIREWORKS BEGIN AT 6:00 PM!!

TownCenter Park, 405 Municipal Drive
 817-985-2105
www.KennedaleHometownChristmas.com

City of **KENNEDALE**, Texas
 EST. 1887
 YOU'RE HERE YOUR HOME



GENERAL FUND REVENUE AND INCOMING TRANSFERS					
Department	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
	PROPERTY TAXES	6,197,098	6,209,872	6,327,254	5,998,567
	SALES TAXES	2,285,133	2,391,591	2,818,445	3,647,834
	GRANTS AND CONTRIBUTIONS	56,688	-	-	-
	LICENSES AND PERMITS	425,507	450,000	425,000	450,000
	FINES AND FEES	1,096,671	1,033,500	1,027,915	1,033,500
	CHARGES FOR SERVICES	335,446	292,000	321,662	325,000
	INTERGOVERNMENTAL	172,657	165,000	228,785	230,000
	ALL OTHER REVENUE	351,722	350,000	475,907	425,000
	TRANSFERS IN	1,319,695	1,517,154	1,517,154	1,628,853
TOTAL REVENUE AND TRANSFERS IN		\$ 12,240,618	\$ 12,409,117	\$ 13,142,122	\$ 13,738,754

GENERAL FUND EXPENDITURES					
Department	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
01	CITY ADMINISTRATION	742,130	804,698	760,384	868,804
02	MAYOR AND COUNCIL	-	213,950	210,575	211,550
04	MUNICIPAL COURT	232,195	356,164	318,374	332,256
07	FINANCE	546,767	629,703	587,050	663,129
09	POLICE	3,630,904	3,916,051	3,772,484	4,002,396
10	FIRE	2,852,962	3,448,570	2,855,569	3,303,997
12	COMMUNITY DEVELOPMENT	667,746	693,806	612,971	695,940
16	SENIOR CITIZEN CENTER	46,029	101,900	85,300	60,850
17	LIBRARY	457,922	590,536	606,006	560,638
18	COMMUNICATIONS	13,705	23,500	17,600	19,900
20	PUBLIC WORKS	1,112,306	1,542,429	1,411,825	2,087,877
90	NON DEPARTMENTAL	539,101	605,498	1,021,609	1,151,808
TOTAL EXPENDITURES		\$ 10,841,767	\$ 12,926,805	\$ 12,259,746	\$ 13,959,144

Department	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
90	NON DEPARTMENTAL	400,873	299,200	331,915	331,915
TOTAL OUTGOING TRANSFERS		\$ 400,873	\$ 299,200	\$ 331,915	\$ 331,915

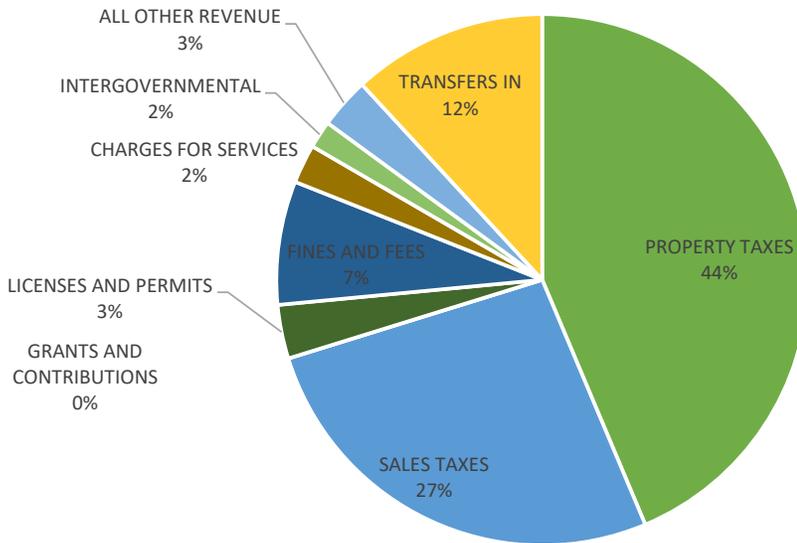
TOTAL OUTGOING FUNDS	\$ 11,242,639	\$ 13,226,005	\$ 12,591,661	\$ 14,291,059
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NET CHANGE IN FUND BALANCE	\$ 997,978	\$ (816,889)	\$ 550,461	\$ (552,305)
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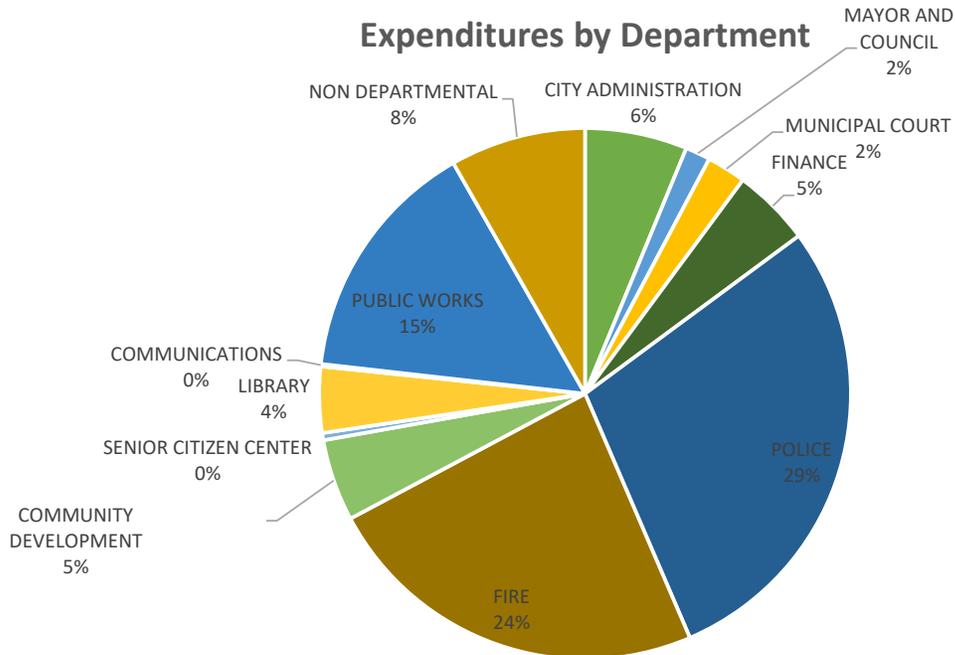
BEGINNING FUND BALANCE — OCT 1	\$ 3,151,195	\$ 4,149,173	\$ 4,149,173	\$ 4,699,634
ENDING FUND BALANCE — SEPT 30	\$ 4,149,173	\$ 3,332,285	\$ 4,699,634	\$ 4,147,329

AVERAGE DAILY ANNUAL EXPENDITURES	\$ 30,802	\$ 36,236	\$ 34,498	\$ 39,154
DAYS OF FUND BALANCE	135	92	136	106

Revenue by Source



Expenditures by Department





TRUNK-OR-TREAT

5PM - 7PM - OCTOBER 26, 2024

TOWNCENTER PARKING LOT - 405 MUNICIPAL DRIVE

Wear your costumes and bring your candy bag to TownCenter Plaza to see all the cool creatures and collect some delicious treats!

**Do you want to host a trunk?
Contact Silvia Castro at 817-985-2160,
scastro@cityofkennedale.com
or fill out the form online.**



<https://www.cityofkennedale.com>



DEPARTMENT OUTLINE: CITY ADMINISTRATION

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 Administration 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

- Partnered with the YMCA for a new facility within the TownCenter
- Attendance at the Hometown Christmas event increased by over 56%
- Decreased in terminations from 15 to a projection of 5
- Continued healthy participation in the City's benefits plan

NEW FOR FY26

- The City Manager, City Secretary, and Human Resources Departments have been consolidated into the City Administration Department. This removed two departments that only featured a single FTE each.

SHORT-TERM GOALS

- Continue to improve the City's financial strength and integrity through efficient budget, financial, and debt management practices
- 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
- Secure legislative options for transportation funding
- Increase pedestrian traffic in the TownCenter development complex by 10% and complete final phase of the TownCenter Development

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	FY24 Actual	FY25 Target	FY25 Projected	FY26 Target
General Fund Reserve %	Effectiveness	40.3%	30.0%	38.0%	29.0%
Christmas Event Attendance	Effectiveness	2793	4000	4364	5000
TownCenter Available Pads	Effectiveness	2	1	2	2
PIRs Processed	Output	150	175	250	300
Meetings Posted	Output	75	75	75	75
Annual Terminations	Workload	15	10	5	8
Benefit Participation (%)	Effectiveness	84%	82%	84%	85%

GENERAL FUND EXPENDITURES BY DEPARTMENT					
01 CITY ADMINISTRATION					
Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
Personnel		527,625	577,048	568,632	626,854
Operations		214,505	227,650	191,752	241,950
TOTAL CITY ADMINISTRATION		\$ 742,130	\$ 804,698	\$ 760,384	\$ 868,804

Positions					
City Manager		1.0	1.0	1.0	1.0
City Secretary		1.0	1.0	1.0	1.0
Director (HR)		1.0	1.0	1.0	1.0
Deputy City Secretary		-	-	-	1.0
Administrative Assistant		1.0	1.0	1.0	-
File Clerk (Temporary)		-	-	-	0.3
TOTAL POSITIONS		4.00	4.00	4.00	4.30

Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
01-5101-01-01	SALARIES	391,472	414,251	414,251	454,717
01-5107-01-01	OVERTIME	1,727	2,000	1,200.00	2,000
01-5109-01-01	TEMPORARY / PART-TIME	-	-	-	9,750
01-5114-01-01	LONGEVITY PAY	3,072	3,168	3,168	3,136
01-5115-01-01	RETIREMENT	59,669	71,804	71,000	79,415
01-5117-01-01	FICA	29,515	32,086	32,000	35,178
01-5118-01-01	MEDICAL INSURANCE	36,752	47,265	42,000	36,824
01-5120-01-01	LIFE INSURANCE	2,152	3,400	2,600	3,500
01-5121-01-01	DENTAL INSURANCE	2,122	1,774	1,200	1,230
01-5122-01-01	VISION INSURANCE	282	480	350	103
01-5126-01-01	DISABILITY	863	820	863	1,000
TOTAL PERSONNEL		\$ 527,625	\$ 577,048	\$ 568,632	\$ 626,854

Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
01-5125-01-01	TUITION REIMBURSEMENT	1,976	10,000	4,500	5,000
01-5240-01-01	PRINTED SUPPLIES	601	400	550	2,500
01-5260-01-01	GENERAL OFFICE SUPPLIES	3,037	2,750	1,259	2,750
01-5261-01-01	POSTAGE	340	800	371	800
01-5280-01-01	MINOR EQUIP/SMALL TOOLS	1,474	-	-	1,500
01-5285-01-01	FUEL	3,407	4,100	2,938	4,000
01-5290-01-01	EXPENDABLE SUPPLIES	2,794	5,000	1,500	11,000
01-5298-01-01	VICTUALS BEVERAGES & GROCERY	3,693	5,350	4,579	-
01-5403-01-01	BUILDING MAINTENANCE	16,262	12,000	11,892	25,000
01-5430-01-01	MOTOR VEHICLE MAINTENANCE	1,185	1,500	1,315	1,500
01-5440-01-01	OFFICE EQUIP	14,885	4,600	4,500	5,000
01-5445-01-01	SOFTWARE	17,674	33,800	33,800	35,000
01-5501-01-01	ADVERTISING	3,960	2,500	1,850	2,500
01-5510-01-01	ASSOC DUES/PUBLICICATIONS	10,486	8,500	7,560	8,500
01-5525-01-01	TRAINING/SEMINARS	5,490	10,500	10,574	8,000
01-5530-01-01	ELECTRIC SERVICES	15,142	13,000	9,500	15,000
01-5535-01-01	GAS SERVICES	-	5,500	1,648	6,000
01-5570-01-01	SPECIAL SERVICES	26,235	18,000	17,500	18,000
01-5571-01-01	SPECIAL EVENTS	19,114	12,000	12,000	12,000
01-5573-01-01	ELECTION SERVICES	21,700	20,000	25,000	20,000
01-5574-01-01	FILING FEES	94	250	125	300
01-5575-01-01	EQUIPMENT RENTAL	5,615	8,000	6,219	8,500
01-5578-01-01	TRAVEL	8,244	9,500	6,844	8,000
01-5585-01-01	TELEPHONE SERVICES	3,165	3,100	2,319	3,100
01-5588-01-01	HR RELATED TESTS	6,638	20,000	7,500	20,000
01-5589-01-01	JANITORIAL SERVICES	18,278	13,000	13,000	13,500
01-5590-01-01	WATER/SEWER SERVICES	3,016	3,500	2,909	4,500
TOTAL OPERATIONS		\$ 214,505	\$ 227,650	\$ 191,752	\$ 241,950

TOTAL CITY ADMINISTRATION		\$ 742,130	\$ 804,698	\$ 760,384	\$ 868,804
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9/11 MEMORIAL CEREMONY

**PLEASE JOIN US
SEPTEMBER 11
9:00 AM**

**TOWNCENTER PARK
405 MUNICIPAL DR
KENNE DALE, TX 76060**

City of
KENNE DALE.
Texas
EST. 1887
YOU'RE HERE  YOUR HOME



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

- Completed a strategic planning retreat that outlined a 10-year plan for the City
- Approved funding for a new YMCA within EDC owned property
- Increased funding for road and lighting projects

SHORT-TERM GOALS

- Increase 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 and commissions and boards.

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., as needed
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

PERFORMANCE MEASURES

Measure	Type	FY24 Actual	FY25 Target	FY25 Projected	FY26 Target
Capital Projects Funded	Output	5	5	5	2
Training Hours Completed	Effectiveness	22	20	20	20

GENERAL FUND EXPENDITURES BY DEPARTMENT

02 MAYOR AND COUNCIL

Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
Operations		-	213,950	210,575	211,550
TOTAL MAYOR & CITY COUNCIL		\$ 213,803	\$ 213,950	\$ 210,575	\$ 211,550

Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
01-5240-02-01	PRINTED SUPPLIES	1,240	2,000	1,500	2,000
01-5260-02-01	GENERAL OFFICE SUPPLIES	195	200	100	300
01-5280-02-01	MINOR EQUIP/SMALL TOOLS<\$5K	73	500	75	500
01-5290-02-01	EXPENDABLE SUPPLIES	-	-	-	1,000
01-5298-02-01	VICTUALS BEVERAGES & GROCERY	591	500	150	-
01-5510-02-01	ASSOC DUES/PUBLICATIONS	5,178	6,500	6,500	6,500
01-5511-02-01	VOLUNTEER MEETINGS	-	500	500	500
01-5525-02-01	TRAINING/SEMINARS	3,416	15,500	15,000	8,000
01-5440-02-01	OFFICE EQUIP	-	1,500	1,000	1,500
01-5565-02-01	LEGAL SERVICES	190,679	170,000	170,000	170,000
01-5570-02-01	SPECIAL SERVICES	1,389	2,500	2,500	2,500
01-5571-02-01	SPECIAL EVENTS	7,530	4,500	4,500	9,000
01-5578-02-01	TRAVEL	101	6,500	5,500	6,500
01-5585-02-01	TELEPHONE SERVICES	3,412	3,250	3,250	3,250
TOTAL OPERATIONS		\$ 213,803	\$ 213,950	\$ 210,575	\$ 211,550

TOTAL MAYOR AND CITY COUNCIL		\$ 213,803	\$ 213,950	\$ 210,575	\$ 211,550
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BICYCLE SAFETY DAY



May 31
10 am - 12 pm
TownCenter Plaza

Free bike helmets for kids under 18 years old*. Bring your bike for a safety check and wash it at the cleaning station!



*Free bike helmets while supplies last.

www.cityofkennedale.com



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

- Actively participated in 2025 Municipal Courts Week, promoting public awareness and engagement with court services and operations
- Recipient of the 2025 Municipal Traffic Safety Initiative Award from the Texas Municipal Courts Education Center (TMCEC) in the Low Volume category. This recognition highlights our court's commitment to enhancing traffic safety and preventing impaired driving through innovative community outreach and education programs.
- Participated in the 2025 Great Texas Warrant Roundup, coordinating with regional law enforcement and neighboring jurisdictions to resolve outstanding warrants and encourage voluntary compliance through public outreach efforts.
- Participated in the 2024 Public Safety Event and National Night Out, engaging with the community to promote safety awareness, strengthening neighborhood partnerships, and fostering positive relations between the public and local law enforcement.
- The Court has successfully implemented a new court software version following a year of preparation and installation process. This collaborative effort involved our Court, IT department, partner cities, dispatch, jail, and Police Department records. The new system introduces significant advancements in technological support for case flow management and participant engagement, paving the way for more efficient and streamlined operations across all involved entities.
- The Court remains committed to investing in our team's professional development by providing and completing additional training sessions focused on customer service, legal knowledge, mental health awareness, and court software and technology upgrades.
- Implemented a Diversion Program aimed at early intervention for at-risk youth, adults, and families in crisis. The program focuses on identifying underlying concerns, connecting participants with appropriate community resources, and maintaining ongoing contact with individuals and families while their case is pending in court. This proactive approach is designed to support long-term stability and reduce recidivism.

SHORT-TERM (FY26) GOALS

- Actively monitor pending and future legislation affecting municipal court operations to ensure compliance, inform policy updates, and adapt procedures in alignment with state and local legal developments
- Encourage and support the continued professional development and training of staff to enhance their skills, knowledge, and effectiveness

- Enhance customer convenience by enabling email and online submission of requests, improving accessibility, and reducing the need for in-person visits

FUTURE INITIATIVES

- Develop a comprehensive Court Procedures Manual to align with the implementation of the court’s new software system. This manual will standardize internal processes, promote operational consistency, and support staff training during and after the transition to the upgraded platform. It will serve as a practical guide for court personnel, outlining step-by-step procedures, key responsibilities, and best practices for utilizing the new technology efficiently. By integrating the updated workflows and software capabilities into written protocols, the manual will ensure accuracy in case management, enhance service delivery, and strengthen the overall effectiveness of court operations.
- Leverage the continued use of technology
- Collaborate closely with local agencies and community partners to connect defendants with available resources and support services.
- Evaluate and implement alternative programs designed to enhance customer service within the court system

PERFORMANCE MEASURES					
Measure	Type	FY24 Actual	FY25 Target	FY25 Projected	FY26 Target
Cases Filed	Input	3,558	2,500	2,600	2,600
Fine Revenue Received	Output	560,323.87	\$400,000.00	\$400,000.00	\$400,000.00
Arrest Warrants Issued	Output	1,215	1,200	1,200	1,300
Cases Set for Court	Output	2,914	2,800	2,800	2,800

GENERAL FUND EXPENDITURES BY DEPARTMENT

04 COURT

Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
Personnel		170,705	262,464	226,274	269,006
Operations		61,491	93,700	92,100	63,250
TOTAL MUNICIPAL COURT		\$ 232,195	\$ 356,164	\$ 318,374	\$ 332,256

Positions

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

Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
01-5101-04-01	SALARIES	122,836	177,067	157,856	190,556
01-5107-04-01	OVERTIME	408	500	615	615
01-5113-04-01	INCENTIVE PAY	-	-	-	-
01-5114-04-01	LONGEVITY PAY	192	656	464	656
01-5115-04-01	RETIREMENT	18,562	30,512	26,809	33,129
01-5117-04-01	FICA	8,927	13,634	11,363	14,675
01-5118-04-01	MEDICAL INSURANCE	17,839	36,805	26,632	26,580
01-5120-04-01	LIFE INSURANCE	788	1,200	924	1,200
01-5121-04-01	DENTAL INSURANCE	735	1,327	1,053	1,144
01-5122-04-01	VISION INSURANCE	90	363	158	51
01-5126-04-01	DISABILITY	328	400	400	400
TOTAL PERSONNEL		\$ 170,705	\$ 262,464	\$ 226,274	\$ 269,006

Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
01-5240-04-01	PRINTED SUPPLIES	64	800	750	600
01-5260-04-01	GENERAL OFFICE SUPPLIES	3,051	3,500	2,800	3,300
01-5261-04-01	POSTAGE	2,113	2,500	2,500	2,700
01-5280-04-01	MINOR EQUIP/SMALL TOOLS <\$5K	122	400	250	250
01-5290-04-01	EXPENDABLE SUPPLIES	-	500	500	800
01-5220-04-01	UNIFORMS	-	700	700	600
01-5298-04-01	VICTUALS BEVERAGES & GROCERY	76	-	-	-
01-5440-04-01	OFFICE EQUIP	510	1,500	1,500	1,000
01-5445-04-01	SOFTWARE	17,218	46,900	46,900	11,500
01-5510-04-01	ASSOC DUES/PUBLICICATIONS	234	500	500	500
01-5525-04-01	TRAINING/SEMINARS	3,727	3,000	2,900	3,000
01-5565-04-01	LEGAL SERVICES	16,544	1,000	1,000	700
01-5570-04-01	SPECIAL SERVICES	472	1,500	950	1,000
01-5575-04-01	EQUIPMENT RENTAL	2,052	2,600	2,600	2,600
01-5578-04-01	TRAVEL	583	1,200	1,150	1,300
01-5581-04-01	JUDGE AND PROSECUTOR SERVICES	13,200	25,800	25,800	32,000
01-5585-04-01	TELEPHONE SERVICES	1,524	1,300	1,300	1,400
TOTAL OPERATIONS		\$ 61,491	\$ 93,700	\$ 92,100	\$ 63,250

TOTAL MUNICIPAL COURT		\$ 232,195	\$ 356,164	\$ 318,374	\$ 332,256
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JUNE 6 & 7

\$20,000+ PAYOUT!

ONE HALF CHICKEN, PORK SPARE RIBS, BRISKET

BBQ ENTRY FEE: \$300

ADD BEANS TO BBQ - SEPARATE \$25 ENTRY FEE (100% PAYOUT)

IBCA STATE CHAMPIONSHIP

TURN IN TIMES:

Saturday, 11AM: Beans

Saturday, 12PM: Fully Jointed Chicken Half including breast, wing, thigh, and drumstick

Saturday, 1:30PM: Pork Spare Ribs - 8 Individual Ribs Required

Saturday, 3PM: Brisket - 8 Full Slices Required

KENNEDALE SPEEDWAY PARK

6737 HUDSON VILLAGE CREEK RD.
KENNEDALE, TX 76060



IBCA CONTEST
RULES APPLY

REGISTRATION INFORMATION:

WWW.CITYOFKENNEDEALE.COM/BBQ

817-985-2150 rlee@cityofkennedale.com



SCAN FOR
REGISTRATION



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

- Upgraded bond rating from S&P Global Ratings to ‘AA’ from ‘AA-’
- Receipt of the Distinguished Budget Presentation Award from the Government Financial Officers Association (GFOA)
- Receipt of the Certificate of Achievement for Excellence in Financial Reporting from the GFOA
- Closure of the City’s offsite storage facility and destruction of all eligible documents
- Projected to double our ACH payment percentage goal

NEW FOR FY26

- A new contract position to seek out and apply for grant funding with an initial focus on park and recreation needs. The total budget for the fiscal year is \$50,000.

SHORT-TERM (FY26) GOALS

- Sustain 30% or more vendor payments made through ACH
- Continue the momentum regarding GFOA awards focused on our Annual Comprehensive Financial Report and Annual Budget
- Continue to review each active financial policy on an annual basis

FUTURE INITIATIVES

- 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	FY24 Actual	FY25 Target	FY25 Projected	FY26 Target
Total Vendor Payments	Output	1,556	1,600	2,191	2,100
ACH Payments (%)	Efficiency	15%	15%	33%	30%
Financial Policies Reviewed	Output	9	9	9	9
Boxes In Offsite Storage	Efficiency	190	0	0	0
GFOA Award - Budget	Effectiveness	Denied	Awarded	Awarded	Awarded
GFOA Award - ACFR	Effectiveness	Awarded	Awarded	Awarded	Awarded
Bond Rating (S&P Global)	Effectiveness	AA-	AA-	AA	AA

GENERAL FUND EXPENDITURES BY DEPARTMENT

07 FINANCE

Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
Personnel		326,789	379,083	348,442	401,549
Operations		219,978	250,620	238,608	261,580
TOTAL FINANCE		\$ 546,767	\$ 629,703	\$ 587,050	\$ 663,129

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/III/Sr Accounting Associate		0.75	0.75	0.75	0.75
TOTAL POSITIONS		3.75	3.75	3.75	3.75

Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
01-5101-07-01	SALARIES	227,078	237,534	237,534	244,670
01-5107-07-01	OVERTIME	90	800	800	850
01-5109-07-01	TEMPORARY / PART-TIME	22,146	39,381	21,000	48,204
01-5113-07-01	INCENTIVE PAY	-	-	-	-
01-5114-07-01	LONGEVITY PAY	-	256	256	624
01-5115-07-01	RETIREMENT	34,625	47,589	39,159	50,834
01-5117-07-01	FICA	16,564	21,265	15,383	22,518
01-5118-07-01	MEDICAL INSURANCE	23,752	29,059	30,738	30,123
01-5120-07-01	LIFE INSURANCE	647	1,000	1,567	1,800
01-5121-07-01	DENTAL INSURANCE	1,177	1,280	1,236	1,302
01-5122-07-01	VISION INSURANCE	120	369	179	-
01-5126-07-01	DISABILITY	590	550	590	625
TOTAL PERSONNEL		\$ 326,789	\$ 379,083	\$ 348,442	\$ 401,549

Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
01-5240-07-01	PRINTED SUPPLIES	214	400	395	400
01-5220-07-01	UNIFORMS	126	250	225	250
01-5260-07-01	GENERAL OFFICE SUPPLIES	925	1,500	1,250	1,250
01-5261-07-01	POSTAGE	916	1,300	925	1,300
01-5290-07-01	EXPENDABLE SUPPLIES	362	550	485	550
01-5440-07-01	OFFICE EQUIP	660	2,500	2,500	2,000
01-5445-07-01	SOFTWARE	56,657	66,230	66,230	18,530
01-5510-07-01	ASSOC DUES/PUBLICICATIONS	1,580	1,500	1,500	2,000
01-5525-07-01	TRAINING/SEMINARS	1,480	3,250	2,500	2,250
01-5567-07-01	AUDIT SERVICES - FORVIS	64,700	72,000	66,000	75,000
01-5570-07-01	SPECIAL SERVICES - Ext Consultants	42,486	43,000	42,500	100,100
01-5575-07-01	EQUIPMENT RENTAL	4,060	3,500	3,500	3,800
01-5578-07-01	TRAVEL	554	3,000	1,500	1,500
01-5585-07-01	TELEPHONE SERVICES	1,022	600	600	650
01-5587-07-01	APPRAISAL SERVICES	41,641	48,540	48,498	51,000
01-5884-07-01	FINES AND PENALTIES	2,596	2,500	-	1,000
TOTAL OPERATIONS		\$ 219,978	\$ 250,620	\$ 238,608	\$ 261,580

TOTAL FINANCE		\$ 546,767	\$ 629,703	\$ 587,050	\$ 663,129
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**National Award
2024**

Recognizing Outstanding Participation In
'America's Night Out Against Crime'

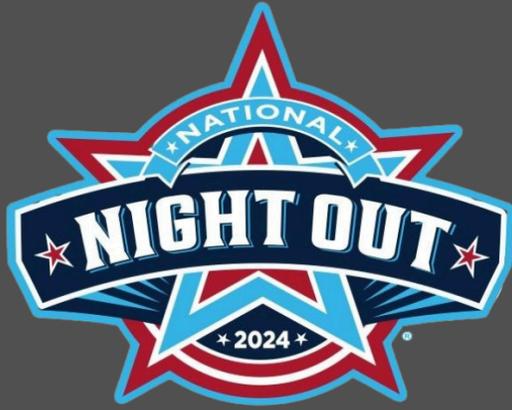
Presented by



TO
KENNEDALE, TX



**Be a part of
National Night Out!**



POLICE • COMMUNITY PARTNERSHIPS

**Tuesday, October 1
6:30 - 8:00 PM**




**Contact Officer Button
(gbutton@cityofkennedale.com) for information.**

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

HIGHLIGHTS & AWARDS

- 34% crime decrease in NIBRS Group A Offenses from 2023 to 2024
- National Association of Town Watch Award for participating in National Night Out, placing 2nd in Texas and 6th in the nation for cities with a population of 5,000 to 15,000
- The department received the FBI-LEEDA Agency Trilogy Award
- Chief Holguin was appointed to the Texas Police Chiefs Technology Committee

COMMUNITY ENGAGEMENT & PUBLIC OUTREACH

- Organized and hosted events to included (not all inclusive):
 - Trunk or Treat
 - Bark in the Park
 - Juneteenth Parade
 - Civilian Response to Active Shooter Events (CRASE) training
- Attended, participated in, and or organized events to include (not all inclusive):
 - Veterans Day Celebration
 - September 11th Ceremony
 - Hometown Christmas
 - Halloween Safety Detail
 - Regional Recruiting & Career Fairs

OPERATIONS

- 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
- Continued our partnership with the DEA Task Force- Ft. Worth (DEATF - FTW)
- Continued our partnership with the Tri-County Auto Theft Task Force (TCATTF)
- High-level social media presence on Twitter, Facebook, Instagram, and Nextdoor
- Officers and non-sworn department personnel averaged over 125 hours of training during 2024

GRANTS

- Awarded seven AEDs through Firehouse Subs grant

SHORT-TERM (FY26) GOALS

- Continue sending staff to ILEA, LEMIT-LCC, FBI-LEEDA, and FBINA for leadership training.
- 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
 - Kennedale Citizens Police Academy
 - Coffee with a Cop
- Implement the Active Attack Integrated Response (AAIR) program for coordinated active attack response between the fire department and the police department
- Increase traffic enforcement by 2% in fiscal year 2025-2026
- Decrease Part I NIBRS crimes by 2% in fiscal year 2025-2026
- An increase of two community engagement/outreach programs in fiscal year 2025-2026
- Earn 1st Place for National Night Out (NNO) participation nationally and in Texas.
- Maintain full staffing level in fiscal year 2025-2026

FUTURE INITIATIVES

- Host regional training through current an 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	FY24 Actual	FY25 Target	FY25 Projected	FY26 Target
Full-Time Positions	Input	23	24	23	24
Self-Initiated Traffic Enforcement	Output	5,720	5,800	6,000	6,500
Self-Initiated Business Checks	Output	3,760	3,800	3,800	3,800
Community Engagement Programs	Output	5	5	5	7

GENERAL FUND EXPENDITURES BY DEPARTMENT

09 POLICE OPERATIONS

Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
Personnel		2,658,071	2,887,838	2,696,212	3,102,636
Operations		972,833	1,028,213	1,076,272	899,760
TOTAL POLICE		\$ 3,630,904	\$ 3,916,051	\$ 3,772,484	\$ 4,002,396

Positions

Police Chief	1.0	1.0	1.0	1.0
Police Captain	1.0	1.0	1.0	1.0
Sergeant	4.0	4.0	4.0	4.0
Corporal	4.0	4.0	4.0	4.0
Detective	2.0	2.0	2.0	2.0
Officer	4.0	4.0	4.0	4.0
Community Engagement Officer	1.0	1.0	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	21.00	21.00	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	26.00	26.00	26.00	26.00
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Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
01-5101-09-01	SALARIES	1,748,702	1,859,886	1,691,277	1,975,836
01-5107-09-01	OVERTIME	57,804	56,000	88,733	60,000
01-5109-09-01	TEMPORARY/PART-TIME	-	-	-	-
01-5112-09-01	ASSIGNMENT PAY	-	5,000	-	5,000
01-5113-09-01	INCENTIVE PAY	42,958	42,000	43,885	36,000
01-5114-09-01	LONGEVITY PAY	13,558	17,968	16,476	19,222
01-5115-09-01	RETIREMENT	279,065	339,122	324,625	361,989
01-5117-09-01	FICA	138,851	151,535	135,422	160,348
01-5118-09-01	MEDICAL INSURANCE	147,098	181,227	162,561	238,810
01-5120-09-01	LIFE INSURANCE	6,765	3,200	7,500	3,500
01-5121-09-01	DENTAL INSURANCE	7,863	8,811	7,966	11,027
01-5122-09-01	VISION INSURANCE	892	1,795	1,181	565
01-5126-09-01	DISABILITY	4,081	4,200	3,874	4,300
01-5101-09-02	SALARIES	150,702	162,220	147,947	164,770
01-5107-09-02	OVERTIME	2,311		2,272	
01-5113-09-02	INCENTIVE PAY	3,765		3,570	
01-5114-09-02	LONGEVITY PAY	560	768	768	1,200
01-5115-09-02	RETIREMENT	25,782	27,903	32,504	28,663
01-5117-09-02	FICA	11,741	12,469	11,438	12,696
01-5118-09-02	MEDICAL INSURANCE	14,180	12,144	12,144	17,087
01-5120-09-02	LIFE INSURANCE	245	290	850	300
01-5121-09-02	DENTAL INSURANCE	707	771	751	774
01-5122-09-02	VISION INSURANCE	90	149	120	149
01-5126-09-02	DISABILITY	353	380	348	400
TOTAL PERSONNEL		\$ 2,658,071	\$ 2,887,838	\$ 2,696,212	\$ 3,102,636

GENERAL FUND EXPENDITURES BY DEPARTMENT

09 POLICE OPERATIONS

Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
01-5220-09-01	UNIFORMS	23,163	25,000	25,000	25,000
01-5230-09-01	CLEANING SUPPLIES	948	1,000	1,000	1,000
01-5240-09-01	PRINTED SUPPLIES	7,550	5,500	6,500	5,500
01-5260-09-01	GENERAL OFFICE SUPPLIES	4,404	4,000	4,000	4,000
01-5261-09-01	POSTAGE	915	1,100	600	600
01-5280-09-01	MINOR EQUIP/SMALL TOOLS<\$5K	15,239	15,000	17,000	10,000
01-5285-09-01	FUEL	44,491	45,000	35,000	40,000
01-5289-09-01	MEDICAL SUPPLY AND EQUIPMENT	833	500	600	500
01-5290-09-01	EXPENDABLE SUPPLIES	2,748	3,700	3,700	5,200
01-5298-09-01	VICTUALS BEVERAGES & GROCERY	3,173	1,000	2,000	-
01-5403-09-01	BUILDING MAINTENANCE	35,046	30,000	30,000	25,000
01-5420-09-01	MACHINERY/TOOL MAINTENANCE	-	-	440	-
01-5430-09-01	MOTOR VEHICLE MAINTENANCE	36,863	30,000	20,000	20,000
01-5440-09-01	OFFICE EQUIP	24,336	5,000	13,063	8,000
01-5445-09-01	SOFTWARE	82	17,600	2,800	14,000
01-5460-09-01	RADIO MAINTENANCE	13,401	28,000	28,000	28,000
01-5501-09-01	ADVERTISING	-	500	500	500
01-5510-09-01	ASSOC DUES/PUBLICICATIONS	1,140	2,000	2,000	2,000
01-5517-09-01	FIREARMS TRAINING	583	3,000	3,000	3,000
01-5525-09-01	TRAINING/SEMINARS	8,257	12,000	12,000	10,000
01-5530-09-01	ELECTRIC SERVICES	16,931	10,000	15,000	18,000
01-5535-09-01	GAS SERVICES	2,134	-	3,804	4,000
01-5564-09-01	COMMUNITY RELATIONS	7,400	3,500	4,500	3,500
01-5570-09-01	SPECIAL SERVICES	26,459	40,000	38,100	60,000
01-5575-09-01	EQUIPMENT RENTAL	5,216	4,000	5,200	5,460
01-5578-09-01	TRAVEL	4,804	5,000	5,000	5,000
01-5583-09-01	ANIMAL CONTROL	31,188	25,000	22,000	25,000
01-5585-09-01	TELEPHONE SERVICES	34,800	30,000	32,400	33,000
01-5589-09-01	JANITORIAL SERVICES	6,218	7,500	-	7,500
01-5590-09-01	WATER/SEWER SERVICES	4,770	4,000	5,065	6,000
01-5557-09-01	INTERGOV- CITY OF MAN	519,091	520,000	520,000	520,000
01-5870-09-01	OTHER EQUIPMENT	21,255	19,113	18,000	10,000
01-5910-09-01	MOTOR VEHICLES	69,394	130,200	200,000	-
TOTAL OPERATIONS		\$ 972,833	\$ 1,028,213	\$ 1,076,272	\$ 899,760
TOTAL POLICE		\$ 3,630,904	\$ 3,916,051	\$ 3,772,484	\$ 4,002,396



PUBLIC SAFETY OPEN HOUSE

Saturday, October 12
10:00 AM - 12:00 PM
Kennedale Fire Department
100 Cloverlane Drive



We will see you here!



- Hands-Only CPR
- Vehicle Identification Number (VIN) Etching by the Tri-County Auto Theft Task Force
- Face Painting & Bouncy House
- Fort Worth Fire Department Arson & Bomb Squad
- Accelerant Detection K-9 Demo
- Methodist Mansfield Medical Center
- Mansfield 911 Communications Center
- DEA "Watch your BAC" drunk driving simulator for High School students and older
- Hot dogs and Snow cones!



99.5 THE WOLF

www.cityofkennedale.com
817-985-2150





City of
KENNEDALE
Texas
EST. 1987

YOU'RE HERE YOUR HOME





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.

Our main objectives for FY 26 are:

- Provide a safe work environment with professionally trained Firefighter Paramedics by providing quality equipment, training and updated technology.
- Reduce Overtime expenses by increasing and maintaining staffing.
- Customer satisfaction – internally and externally.
- Maintain a high standard of care in Emergency Medical Services.
- Increase our community education programs to reduce fire loss and injury to our citizens.

PRIOR YEAR RESULTS & ACCOMPLISHMENTS

- Fire Administration became fully staffed with Fire Chief, Fire Captain, Fire Inspector and Administrative Assistant
- Completed move to a temporary fire station and started the construction of the new Fire Station 59
- Increased the number of fire inspections resulting in better communications with area businesses and safety towards fire prevention
- Successfully completed numerous community events and programs
- Increased training with police department
- Updated the department fee schedule
- Reimbursement of ambulance purchase from Tarrant County ESD - \$567,000

SHORT-TERM (FY26) GOALS

- Evaluate and maintain quality reaction time to all dispatched Fire and EMS incidents
- Continue to provide average response times to incidents under five minutes
- Establish a plan to complete at least 300 annual fire safety inspections of businesses in the City of Kennedale
- Apply and begin process for Best Practices accreditation for Kennedale Fire Department
- Complete construction of Fire Station 59 and begin fire operations and incident responses by Summer of 2026
- Replacement of outdated Automated External Defibrillators and provide for more efficient safer fire operations with improved new fire hose lines and nozzles

FUTURE INITIATIVES

- Citizens Fire Academy program for citizens and businesses within the City of Kennedale.
- Smoke detector program for citizens of Kennedale.
- Stay updated on current technology and changes in national standards on fire protection and standard of EMS care.
- Evaluate call volume and response times to help predict future staffing needs.

PERFORMANCE MEASURES					
Measure	Type	FY24 Actual	FY25 Target	FY25 Projected	FY26 Target
Annual Fire Inspections	Output	No Info Available	200	429	600
Alarm to En-route Time	Efficiency	0min 56sec	1min 00sec	1min 03sec	1min 00sec
En-route to On scene time	Efficiency	4min 39sec	4min 30sec	4min 50sec	4 min 30sec

GENERAL FUND EXPENDITURES BY DEPARTMENT

10 FIRE

Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
Personnel		2,500,856	2,855,315	2,357,044	2,921,036
Operations		352,106	593,255	498,524	382,961
TOTAL FIRE		\$ 2,852,962	\$ 3,448,570	\$ 2,855,569	\$ 3,303,997

Positions

Fire Chief	1.0	1.0	1.0	1.0
Assistant Chief	-	-	-	1.0
Fire Captain	-	1.0	1.0	-
Fire Inspector	-	1.0	1.0	1.0
Fire Marshal	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	22.00	22.00	22.00

Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
01-5101-10-01	SALARIES	1,493,093	1,801,885	1,398,604	1,841,447
01-5107-10-01	OVERTIME	212,338	120,000	153,777	120,000
01-5108-10-01	FLSA OVERTIME	168,697	162,000	161,853	162,000
01-5112-10-01	ASSIGNMENT PAY	7,065	5,000	3,670	5,000
01-5113-10-01	INCENTIVE PAY	43,873	40,000	40,766	40,000
01-5114-10-01	LONGEVITY PAY	12,604	13,382	11,812	14,762
01-5115-10-01	RETIREMENT	287,302	366,756	316,673	377,040
01-5117-10-01	FICA	145,241	163,883	130,315	167,015
01-5118-10-01	MEDICAL INSURANCE	114,150	159,778	123,534	171,486
01-5120-10-01	LIFE INSURANCE	6,111	8,100	5,765	8,100
01-5121-10-01	DENTAL INSURANCE	6,322	8,850	6,342	8,188
01-5122-10-01	VISION INSURANCE	767	1,931	924	1,998
01-5126-10-01	DISABILITY	3,294	3,750	3,010	4,000
TOTAL PERSONNEL		\$ 2,500,856	\$ 2,855,315	\$ 2,357,044	\$ 2,921,036

GENERAL FUND EXPENDITURES BY DEPARTMENT

10 FIRE

Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
01-5220-10-01	UNIFORMS	17,220	17,000	24,305	24,765
01-5225-10-01	LIFE SAFETY EQUIPMENT	568	15,000	1,442	25,052
01-5230-10-01	CLEANING SUPPLIES	1,959	2,500	3,246	2,500
01-5240-10-01	PRINTED SUPPLIES	3,767	3,500	1,341	3,000
01-5260-10-01	GENERAL OFFICE SUPPLIES	2,329	3,000	397	2,500
01-5261-10-01	POSTAGE	130	200	140	150
01-5280-10-01	MINOR EQUIP/SMALL TOOLS <\$5K	4,350	12,000	4,220	40,294
01-5285-10-01	FUEL	17,879	20,000	18,747	22,000
01-5288-10-01	EMS SUPPLIES	31,601	30,000	19,158	32,000
01-5290-10-01	EXPENDABLE SUPPLIES	2,675	5,000	40	8,250
01-5291-10-01	GRANT FUNDED SUPPLIES	6,251	-	-	-
01-5297-10-01	FIRE OPERATIONS EXPENDABLE SUPPLI	5,061	6,000	553	6,000
01-5298-10-01	VICTUALS BEVERAGES & GROCERY	7,614	4,000	1,083	-
01-5403-10-01	BUILDING MAINTENANCE	14,748	30,000	4,295	20,000
01-5420-10-01	MACHINERY/TOOL MAINTENANCE	19,832	17,000	8,512	18,000
01-5430-10-01	MOTOR VEHICLE MAINTENANCE	54,820	45,000	53,686	47,500
01-5440-10-01	OFFICE EQUIP/SOFTWARE	2,750	7,500	7,450	8,000
01-5445-10-01	SOFTWARE	9,214	8,500	7,500	10,000
01-5460-10-01	RADIO MAINTENANCE	7,934	9,000	8,350	10,000
01-5510-10-01	ASSOC DUES/PUBLICATIONS	2,447	5,000	4,673	6,000
01-5525-10-01	TRAINING/SEMINARS	18,418	20,000	18,500	24,000
01-5521-10-01	PUBLIC SAFETY EDUCATION	3,367	6,000	1,489	6,000
01-5530-10-01	ELECTRIC SERVICES	11,444	8,500	9,268	10,000
01-5535-10-01	GAS SERVICES	3,588	4,000	3,530	4,200
01-5570-10-01	SPECIAL SERVICES	16,607	25,000	8,885	29,000
01-5575-10-01	EQUIPMENT RENTAL	6,910	7,000	6,961	7,000
01-5578-10-01	TRAVEL	6,885	6,000	3,055	6,500
01-5585-10-01	TELEPHONE SERVICES	6,106	6,000	5,960	6,500
01-5590-10-01	WATER/SEWER SERVICES	3,951	3,500	4,683	3,750
01-5861-10-01	MOTOR VEHICLES	61,682	267,055	267,055	-
TOTAL OPERATIONS		\$ 352,106	\$ 593,255	\$ 498,524	\$ 382,961
TOTAL FIRE		\$ 2,852,962	\$ 3,448,570	\$ 2,855,569	\$ 3,303,997



Touch-A-Truck

Library
Parking Lot

March 19
10:30am

CITY OF KENNEDALE.COM/FINANCE



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

- Successful implementation of a new online permitting and licensing system.
- Updated the city's schedule of fees
- Updated nuisance ordinance for lighting concerns
- New Code Compliance FTE hired and all required licensing obtained
- Updated Unified Development Code adopted
- Pilot Tool Program to promote property stewardship established with the Library
- New online backflow and FOG compliance program established
- Obtained ten signs from a TRA-awarded grant to help curb illegal dumping

NEW FOR FY26

- Establish a Rental Registration & Inspection Program. This program will require every rental dwelling unit in the city to register and undergo an annual inspection, ensuring that minimum housing and property maintenance standards are met. Fees for rental registration and inspection are listed in the recently adopted 2025 Fee Schedule.

SHORT-TERM (FY26) GOALS

- All staff members obtain one new industry certification or license
- Continue to increase department visibility and community involvement by participating in four city or industry-related events
- Adopt the 2021 ICC I-codes
- Adopt an ordinance to require registration and inspection of all rental dwelling units

FUTURE INITIATIVES

- Improve the city's ISO rating
- Pursue agency accreditation with the American Association of Code Enforcement (AACE)
- Pursue grant opportunities for parks, hazard mitigation, and building code adoption
- Establish a beautification program in association with Keep Kennedale Beautiful (KKB)

PERFORMANCE MEASURES					
Measure	Type	FY24 Actual	FY25 Target	FY25 Projected	FY26 Target
Certs/Licenses Obtained	Effectiveness	0	4	7	4
Events Attended	Output	2	3	5	4
2021 Code Adoption	Effectiveness	N/A	Research	Research Complete	Adoption
Rental Program Adoption	Effectiveness	Discussed	Research	Research Complete	Adoption

GENERAL FUND EXPENDITURES BY DEPARTMENT

12 COMMUNITY DEVELOPMENT

Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
Personnel		301,555	419,556	407,187	426,265
Operations		366,191	274,250	205,784	269,675
TOTAL COMMUNITY DEVELOPMENT		\$ 667,746	\$ 693,806	\$ 612,971	\$ 695,940

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	1.0	1.0
TOTAL POSITIONS	4.00	5.00	5.00	5.00

Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
01-5101-12-01	SALARIES	226,187	293,942	288,000	304,535
01-5107-12-01	OVERTIME	1,113	2,000	3,000	3,000
01-5113-12-01	INCENTIVE PAY	-	6,000	-	-
01-5114-12-01	LONGEVITY PAY	144	800	480	1,080
01-5115-12-01	RETIREMENT	33,903	50,545	49,500	53,298
01-5117-12-01	FICA	16,784	22,585	21,500	23,609
01-5118-12-01	MEDICAL INSURANCE	20,966	40,042	40,042	36,829
01-5120-12-01	LIFE INSURANCE	650	910	2,100	1,100
01-5121-12-01	DENTAL INSURANCE	1,108	1,914	1,810	1,946
01-5122-12-01	VISION INSURANCE	154	367	105	367
01-5126-12-01	DISABILITY	547	450	650	500
TOTAL PERSONNEL		\$ 301,555	\$ 419,556	\$ 407,187	\$ 426,265

Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
01-5220-12-01	UNIFORMS	1,031	1,250	1,100	1,350
01-5240-12-01	PRINTED SUPPLIES	573	500	500	500
01-5260-12-01	GENERAL OFFICE SUPPLIES	1,274	1,500	1,500	1,500
01-5261-12-01	POSTAGE	1,056	600	600	600
01-5280-12-01	MINOR EQUIP/SMALL TOOLS<\$5K	3,243	5,000	5,000	5,000
01-5285-12-01	FUEL	1,231	1,500	1,500	1,500
01-5290-12-01	EXPENDABLE SUPPLIES	-	500	500	1,000
01-5298-12-01	VICTUALS BEVERAGES & GROCERY	156	500	500	-
01-5430-12-01	MOTOR VEHICLE MAINTENANCE	969	1,000	1,000	1,000
01-5440-12-01	OFFICE EQUIP	4,659	5,000	5,000	5,000
01-5445-12-01	SOFTWARE	33,029	28,000	28,000	28,000
01-5501-12-01	ADVERTISING	1,876	2,000	2,000	2,000
01-5510-12-01	ASSOC DUES/PUBLICATIONS	954	1,750	1,734	1,850
01-5525-12-01	TRAINING/SEMINARS	4,511	5,000	5,000	5,000
01-5570-12-01	SPECIAL SERVICES	61,665	75,000	60,000	75,000
01-5572-12-01	CODE ENFORCEMENT SERVICES	3,045	5,000	1,000	5,000
01-5574-12-01	FILING FEES	97	500	200	500
01-5575-12-01	EQUIPMENT RENTAL	4,545	4,500	4,500	4,600
01-5576-12-01	STRATEGIC PLANNING	100,000	30,000	1,000	25,000
01-5578-12-01	TRAVEL	1,193	1,500	1,500	1,625
01-5580-12-01	ENGINEERING SERVICES	138,506	100,000	80,000	100,000
01-5585-12-01	TELEPHONE SERVICES	2,616	3,650	3,650	3,650
01-5861-12-01	MOTOR VEHICLES	(38)	-	-	-
TOTAL OPERATIONS		\$ 366,191	\$ 274,250	\$ 205,784	\$ 269,675

TOTAL COMMUNITY DEVELOPMENT		\$ 667,746	\$ 693,806	\$ 612,971	\$ 695,940
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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 all new flooring and painted interior

SHORT-TERM (FY26) GOALS

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

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 full-time Senior Center dedicated coordinator

PERFORMANCE MEASURES

Measure	Type	FY24 Actual	FY25 Target	FY25 Projected	FY26 Target
Lunches Served	Output	4,633	4,200	4,500	4,500
Activities Scheduled	Output	526	500	450	500
New Members	Input	31	35	35	35
New Programs	Output	10	18	12	12
New Member Volunteers	Efficiency	12	12	7	10

GENERAL FUND EXPENDITURES BY DEPARTMENT

16 SENIOR CENTER

Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
Personnel		-	-	-	-
Operations		46,029	101,900	85,300	60,850
TOTAL SENIOR CENTER		\$ 46,029	\$ 101,900	\$ 85,300	\$ 60,850

Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
01-5230-16-01	CLEANING SUPPLIES	43	-	-	-
01-5260-16-01	GENERAL OFFICE SUPPLIES	-	100	100	150
01-5290-16-01	EXPENDABLE SUPPLIES	3,456	6,000	6,000	5,000
01-5403-16-01	BUILDING MAINTENANCE	3,002	52,000	38,000	10,000
01-5440-16-01	OFFICE EQUIP/SOFTWARE	2,014	500	-	2,000
01-5530-16-01	ELECTRIC SERVICES	5,280	4,000	5,000	5,500
01-5535-16-01	GAS SERVICES	2,226	2,000	1,700	2,200
01-5564-16-01	COMMUNITY RELATIONS	798	1,000	1,000	1,000
01-5570-16-01	SPECIAL SERVICES	20,550	23,000	23,000	24,000
01-5589-16-01	JANITORIAL SERVICES	6,615	10,000	8,000	8,000
01-5590-16-01	WATER/SEWER SERVICES	2,004	3,300	2,500	3,000
TOTAL OPERATIONS		\$ 46,029	\$ 101,900	\$ 85,300	\$ 60,850

TOTAL SENIOR CENTER		\$ 46,029	\$ 101,900	\$ 85,300	\$ 60,850
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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

- Expanded library space:
 - Applied for and received the Tocker Foundation Library Transformation Grant 2025 - \$50,000
 - Received \$20,000 from FOLK for Transformation
 - Acquired and installed new shelving – City budget, \$56,000
- Received HEB/TLA Summer Reading grant - \$4,000
- Received Atmos Energy Summer Reading donation - \$2,500
- Received Atmos Energy Technology/Makerspace donation - \$10,000
- Received TSLAC accreditation
- Provided at least one Innovation Station activity per month
- Increased programming for adults and teens
- Increased attendance and usage of services and programs

NEW FOR FY26

- Upgrade to and install RFID system and tags – total cost up to \$20,000
- Change 50% Library Programming/50% EDC Event Planning to 100% Adult Services Librarian to meet staffing and programming needs

SHORT-TERM (FY26) GOALS

- Conduct collection audit
- Create the Library of Things – start with yard tools and recreation kits (disc golf)
- Increase staff training for program development, delivery, and evaluation
- Receive TSLAC accreditation
- Continue to provide new programming and activities for all ages
- Create Kennedale Historical collection in partnership with the Kennedale Historical Society
- Develop Small Business programming and information

FUTURE INITIATIVES

- Build a new building for Community Resources
- Increase programming for all ages
- Increase community outreach
- Continue to build community partnerships and relationships

PERFORMANCE MEASURES					
Measure	Type	FY24 Actual	FY25 Target	FY25 Projected	FY26 Target
New Cards Issued	Input	277	250	285	275
Circulation	Output	35,354	33,000	36,000	37,000
In-person Programs	Output	255	275	275	280
Innovation Station Appts	Output	17	50	50	50
In-Person Visits	Output	24,748	24,000	26,000	26,000
Receive Accreditation	Effectiveness	Y	Y	Y	Y

GENERAL FUND EXPENDITURES BY DEPARTMENT

17 LIBRARY

Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
Personnel		351,746	408,436	407,506	423,738
Operations		106,176	182,100	198,500	136,900
TOTAL LIBRARY		\$ 457,922	\$ 590,536	\$ 606,006	\$ 560,638

Positions

Director	1.0	1.0	1.0	1.0
Adult Services Librarian	-	-	-	1.0
Library Assistant II	2.0	2.0	2.0	2.0
Library Assistant I (Part Time, per FTE)	1.0	1.0	1.0	1.0
Programming and Events	1.0	1.0	1.0	-
TOTAL POSITIONS	5.00	5.00	5.00	5.00

Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
01-5101-17-01	SALARIES	221,878	245,416	245,416	256,239
01-5107-17-01	OVERTIME	818	500	1,100	1,500
01-5109-17-01	TEMPORARY/PART-TIME	36,457	42,843	42,843	42,835
01-5113-17-01	INCENTIVE PAY	-	-	-	-
01-5114-17-01	LONGEVITY PAY	3,840	4,560	4,066	4,928
01-5115-17-01	RETIREMENT	37,298	50,259	50,259	52,760
01-5117-17-01	FICA	19,585	22,458	22,458	23,371
01-5118-17-01	MEDICAL INSURANCE	28,392	37,584	37,584	36,829
01-5120-17-01	LIFE INSURANCE	1,367	2,200	1,500	2,300
01-5121-17-01	DENTAL INSURANCE	1,383	1,597	1,400	1,957
01-5122-17-01	VISION INSURANCE	174	368	255	368
01-5126-17-01	DISABILITY	555	650	625	650
TOTAL PERSONNEL		\$ 351,746	\$ 408,436	\$ 407,506	\$ 423,738

Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
01-5230-17-01	CLEANING SUPPLIES	43	-	-	-
01-5240-17-01	PRINTED SUPPLIES	50	-	-	-
01-5260-17-01	GENERAL OFFICE SUPPLIES	124	300	300	500
01-5261-17-01	POSTAGE	412	500	1,000	1,200
01-5280-17-01	MINOR EQUIP/SMALL TOOLS<\$5K	-	800	800	300
01-5290-17-01	EXPENDABLE SUPPLIES	5,434	7,000	7,000	8,000
01-5292-17-01	LIBRARY PROCESSING SUPPLIES	-	-	-	500
01-5294-17-01	LIBRARY BOOK-CITY FUND	17,957	22,000	22,000	25,000
01-5403-17-01	BUILDING MAINTENANCE	32,684	86,000	101,500	30,000
01-5455-17-01	SOFTWARE MAINT	9,751	16,000	16,000	18,000
01-5440-17-01	OFFICE EQUIP	2,129	3,000	7,500	4,000
01-5510-17-01	ASSOC DUES/PUBLICICATIONS	1,324	1,500	800	1,500
01-5525-17-01	TRAINING/SEMINARS	2,820	3,000	500	3,000
01-5530-17-01	ELECTRIC SERVICES	7,960	7,000	7,000	7,500
01-5535-17-01	GAS SERVICES	2,360	2,500	2,000	2,500
01-5564-17-01	COMMUNITY RELATIONS	3,510	5,000	5,000	5,000
01-5570-17-01	SPECIAL SERVICES	3,151	4,000	8,000	6,000
01-5575-17-01	EQUIPMENT RENTAL	4,060	4,000	4,000	4,200
01-5578-17-01	TRAVEL	16	2,500	100	2,500
01-5585-17-01	TELEPHONE SERVICES	2,343	2,500	2,500	2,700
01-5589-17-01	JANITORIAL SERVICES	6,228	10,000	8,500	10,000
01-5590-17-01	WATER/SEWER SERVICES	3,819	4,500	4,000	4,500
TOTAL OPERATIONS		\$ 106,176	\$ 182,100	\$ 198,500	\$ 136,900

TOTAL LIBRARY		457,922	\$ 590,536	\$ 606,006	\$ 560,638
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BARK IN THE PARK



APRIL 26, 2025
9AM TO 12PM

SONORA PARK
263 S. NEW HOPE ROAD

Join us for Low-Cost Vaccinations, Gifts for Dogs,
Local Vendors, Free Animal Balloons & More!

Prizes will be awarded for:

- Best Costume
- Largest Dog
- Smallest Dog

More information available at:
www.cityofkennedale.com

CITYOFKENNEDALE.COM/FINANCE

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.

PRIOR YEAR RESULTS & ACCOMPLISHMENTS

- Increased outreach and marketing/promotion
- Increased community participation in City events
- Trained 3 new department web administrators for web page maintenance
- Provided marketing support and merchandise for all City events
- Continue to increase social media and web page views/interactions

SHORT-TERM (FY26) GOALS

- Establish an intranet for employee communication
- Establish a larger communications network of media providers for broader reach for information
- Train employees in each department for consistent messaging and adherence to communications policy and department web administration
- Increase social media followers and newsletter subscribers

FUTURE INITIATIVES

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

PERFORMANCE MEASURES					
Measure	Type	FY24 Actual	FY25 Target	FY25 Projected	FY26 Target
Event Attendance	Effectiveness	?	5,000	12,000	12,000
Webpage Visits	Effectiveness	225,000	200,000	240,000	250,000
1 Trained Admin/Department	Efficiency	na	8	5	8
Newsletter Subscriptions	Effectiveness	1,040	1,200	1,100	1,200
Social Media New Followers	Effectiveness	640	600	600	650

**GENERAL FUND EXPENDITURES BY DEPARTMENT
18 COMMUNICATIONS**

Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
Personnel		-	-	-	-
Operations		13,705	23,500	17,600	19,900
TOTAL COMMUNICATIONS		\$ 13,705	\$ 23,500	\$ 17,600	\$ 19,900

Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
01-5260-18-01	GENERAL OFFICE SUPPLIES	43	100	100	100
01-5290-18-01	EXPENDABLE SUPPLIES	64	1,000	1,000	500
01-5440-17-01	OFFICE EQUIP	-	-	-	-
01-5455-18-01	SOFTWARE	1,353	5,000	1,500	4,000
01-5501-18-01	ADVERTISING	506	1,000	1,000	1,000
01-5510-18-01	ASSOC DUES/PUBLICICATIONS	-	500	-	300
01-5525-18-01	TRAINING/SEMINARS	1,443	1,000	-	500
01-5564-18-01	COMMUNITY RELATIONS	9,745	6,000	6,000	6,000
01-5570-18-01	SPECIAL SERVICES	550	2,000	2,000	2,000
01-5571-18-01	SPECIAL EVENTS	-	6,000	6,000	5,000
01-5578-18-01	TRAVEL	-	900	-	500
TOTAL OPERATIONS		\$ 13,705	\$ 23,500	\$ 17,600	\$ 19,900

TOTAL COMMUNICATIONS		\$ 13,705	\$ 23,500	\$ 17,600	\$ 19,900
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GO TO THE PARK!

JOIN US MAY 17

SONORA PARK

TROPHY FOR BIGGEST CATCH!

263 S. NEW HOPE ROAD

8 AM TO 12 PM*

PARTICIPANTS AGE 12 AND UNDER RECEIVE:

**FISHING POLE
TACKLE BOX
CUP OF LIVE WORMS
T-SHIRT**

take a
kid
fishing
day



City of
KENNEDALE
Texas
EST. 1887
YOU'RE HERE  YOUR HOME

817-985-2170

*AWARDS PRESENTED AT 11:00

WWW.CITYOFKENNEDEALE.COM



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

- Full reconstruction of Collett Sublett Road, within the limits of Swiney Hiatt Rd. and 1360 Collett Sublett Rd., with concrete pavement, curb & gutters, sidewalks, water, sewer, and storm drains, and street lights
- Completed the Valley Lane Bridge and Everett Road Bridge Repairs
- Drainage improvements to the Oak Forest Channel
- SCADA upgrade
- Cut & Plug 2" watermain, and rerouted services lines to 12" main on Shady Ln.
- Completed sanitary sewer improvements to an aerial crossing
- Based on engineering studies and public requests, installed solar powered flashing stop signs at various high-traffic intersections throughout the City
- Completed the Safe Route to School Project in the Crestdale District; 3,535 SY. of sidewalks, 45 curb ramps, and continental crosswalks were installed
- Complete full reconstruction of our T4, 0.5MG, groundwater storage tank by summer 2025
- Systemically remove and replace all failing and manually read Neptune water meters with Masters AMI by late spring 2025

NEW FOR FY26

- A Project Manager position. This person will oversee projects throughout their lifecycle, define project scope, maintain schedules and budgetary controls, manage risk, identify and manage key stakeholders and ensure effective communication with all parties. Total expected cost of employment is \$110,925.

SHORT-TERM (FY26) GOALS

- Systemically install solar powered street lights throughout the City
- 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 T3, 1MG, elevated storage tank
- Wastewater gravity interceptor; upgrade approximately 15,500 LF of sanitary sewer from I-820 to TxRaceTrack

- Hillside / Briar Ct. Sanitary Sewer Improvements, upgrade approximately 1,100 LF of sewer line and eliminate existing bottleneck
- Rehabilitate our existing ballfield for a FY 2026 projected completion

FUTURE INITIATIVES

- Little School Road Extension Project
- Upgrade playground equipment at Rogers Farm Park
- 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	FY25 Projected	FY26 Target
100% replacement of water meters (3,248)	Efficiency	2,470	389	389	3,248
% 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	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
Personnel		660,483	778,406	671,753	924,927
Operations		451,823	764,023	740,072	1,162,950
TOTAL PUBLIC WORKS		\$ 1,112,306	\$ 1,542,429	\$ 1,411,825	\$ 2,087,877

Positions	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
Director	1.0	1.0	1.0	1.0
Project Manager	-	-	-	1.0
Supervisor	1.0	1.0	1.0	1.0
Field Worker - Full Time	6.0	6.0	6.0	6.0
Field Worker - Part Time by FTE	0.7	1.8	1.8	1.75
Administrative Assistant	1.00	1.00	1.00	1.00
TOTAL PUBLIC WORKS POSITIONS	9.70	10.75	10.75	11.75

STREET MAINTENANCE

Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
01-5101-20-03	SALARIES	457,462	484,149	447,413	580,623
01-5107-20-03	OVERTIME	5,669	9,450	8,500	10,000
01-5109-20-03	TEMPORARY/PART-TIME	29,862	61,187	28,500	52,441
01-5113-20-03	INCENTIVE PAY	3,690	2,800	2,800	2,800
01-5114-20-03	LONGEVITY PAY	5,368	9,856	6,036	11,040
01-5115-20-03	RETIREMENT	73,894	96,924	74,750	113,223
01-5117-20-03	FICA	37,757	43,310	35,930	50,154
01-5118-20-03	MEDICAL INSURANCE	40,344	61,089	59,500	93,148
01-5120-20-03	LIFE INSURANCE	2,840	4,200	3,800	5,000
01-5121-20-03	DENTAL INSURANCE	2,232	3,658	2,834	4,107
01-5122-20-03	VISION INSURANCE	317	683	490	891
01-5126-20-03	SHORT-TERM DISABILITY	1,047	1100	1,200	1,500
TOTAL PERSONNEL		\$ 660,483	\$ 778,406	\$ 671,753	\$ 924,927

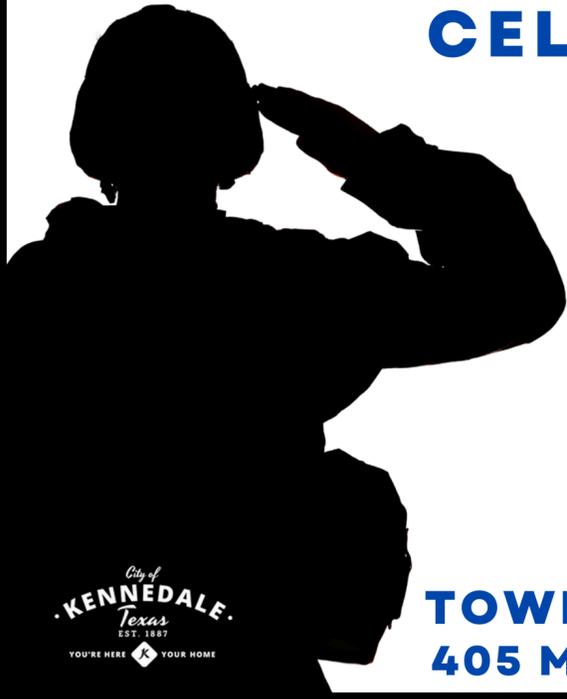
Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
01-5210-20-03	CHEMICAL SUPPLIES	5,790	5,000	3,500	5,000
01-5220-20-03	UNIFORMS	4,305	6,272	6,272	9,250
01-5230-20-03	CLEANING SUPPLIES	932	2,500	2,400	3,000
01-5240-20-03	PRINTED SUPPLIES	-	500	500	500
01-5260-20-03	GENERAL OFFICE SUPPLIES	785	1,500	1,100	2,000
01-5280-20-03	MINOR EQUIP/SMALL TOOLS<\$5K	4,829	5,000	4,800	7,000
01-5285-20-03	FUEL	15,577	15,500	15,000	15,500
01-5290-20-03	EXPENDABLE SUPPLIES	2,590	2,600	2,500	2,800
01-5403-20-03	BUILDING MAINTENANCE	3,665	14,350	25,000	24,000
01-5407-20-03	STREET MAINTENANCE	82,351	194,700	190,000	350,000
01-5409-20-03	IRRIGATION MAINTENANCE	665	2,500	2,500	2,500
01-5420-20-03	MACHINERY/TOOL MAINTENANCE	6,048	8,800	8,500	10,000
01-5430-20-03	MOTOR VEHICLE MAINTENANCE	20,403	20,000	19,850	20,000
01-5440-20-03	OFFICE EQUIP	741	9,600	8,300	9,000
01-5445-20-03	SOFTWARE	12,143	10,000	10,000	10,000
01-5480-20-03	SIGNS/FENCE/SIDEWALK MAINTENANCE	11,892	63,200	62,250	74,000
01-5510-20-03	ASSOC DUES/PUBLICICATIONS	149	4,500	4,100	5,000
01-5525-20-03	TRAINING/SEMINARS	1,914	7,500	6,500	7,000
01-5530-20-03	ELECTRIC SERVICES	65,222	66,000	65,500	66,000
01-5535-20-03	GAS SERVICES	2,136	1,000	2,500	1,400
01-5570-20-03	SPECIAL SERVICES	31,520	50,500	45,500	193,000
01-5575-20-03	EQUIPMENT RENTAL	15,954	18,000	18,000	18,000
01-5578-20-03	TRAVEL	87	3,000	2,500	2,500
01-5580-20-03	ENGINEERING SERVICES	57,850	78,000	75,000	80,000
01-5585-20-03	TELEPHONE SERVICES	2,384	3,000	3,000	3,500
01-5590-20-03	WATER/SEWER SERVICES	-	40,000	40,000	45,000
01-5591-20-03	TRASH/DISPOSAL/DUMP SERVICES	-	1,500	1,500	1,500
01-5870-20-03	OTHER EQUIPMENT	9,200	16,500	16,500	86,500
TOTAL STREET MAINTENANCE OPERATIONS		\$ 359,135	\$ 651,522	\$ 643,072	\$ 1,053,950

GENERAL FUND EXPENDITURES BY DEPARTMENT
20 PUBLIC WORKS
PARK MAINTENANCE

Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
01-5404-20-04	PARK MAINTENANCE	9,973	30,000	25,000	27,500
01-5405-20-04	TOWN CENTER PLAZA	296	-	-	-
01-5406-20-04	SONORA AND RODGERS FARM PARK	10,634	30,000	22,000	27,500
01-5408-20-04	OTHER PARKS/MISC.	8,597	-	-	-
01-5530-20-04	ELECTRIC SERVICES	3,606	3,500	3,500	3,500
01-5522-20-04	KEEP KENNEDALE BEAUTIFUL	9,066	11,000	10,500	12,500
01-5575-20-04	EQUIPMENT RENTAL	-	3,000	3,000	3,000
01-5590-20-04	WATER/SEWER SERVICES	50,515	35,000	33,000	35,000
TOTAL PARK MAINTENANCE OPERATIONS		\$ 92,688	\$ 112,501	\$ 97,000	\$ 109,000



VETERANS DAY CELEBRATION



**NOVEMBER 11
9:00 AM**

**TOWNCENTER PARK
405 MUNICIPAL DRIVE**

City of
KENNEDALE
Texas
EST. 1887
YOU'RE HERE  YOUR HOME



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 FY26

- FY26 will be the first full year impact of the Chapter 380 agreement with Quick Roofing/QR Purchasing. The projected cost of this agreement is the main driver of the expenditure increase in this department

GENERAL FUND EXPENDITURES BY DEPARTMENT

90 NON-DEPARTMENTAL

Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
Personnel		-	-	-	-
Operations		539,101	605,498	1,021,609	1,151,808
TOTAL NON-DEPARTMENTAL		\$ 539,101	\$ 605,498	\$ 1,021,609	\$ 1,151,808

Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
01-5116-90-01	UNEMPLOYMENT INSURANCE	(2,737)	28,500	28,500	30,495
01-5118-90-01	MEDICAL INSURANCE - RETIREE	-	-	4,048	12,752
01-5119-90-01	WORKERS' COMPENSATION	138,006	118,534	136,017	138,868
01-5123-90-01	HEALTH ADMIN FEES	84,414	71,000	71,000	75,970
01-5403-90-01	BUILDING MAINTENANCE	13,205			
01-5440-90-01	OFFICE EQUIP	10,869	8,000	8,717	8,000
01-5445-90-01	SOFTWARE	11,293	62,330	62,330	9,500
01-5540-90-01	INSURANCE-AUTO	63,974	67,470	66,120	87,031
01-5545-90-01	INSURANCE-PROPERTY	34,776	40,226	39,391	39,099
01-5550-90-01	INSURANCE-GENERAL LIABILITY	14,224	17,064	16,438	32,915
01-5560-90-01	INSURANCE-LAW ENFORCEMENT	18,843	18,374	18,007	17,289
01-5569-90-01	IT SUPPORT	130,080	130,000	130,000	140,000
01-5570-90-01	SPECIAL SERVICES	19,430	32,000	32,000	18,000
01-5585-90-01	TELEPHONE SERVICES	2,725	12,000	12,000	12,500
01-5615-90-01	FUNCTIONAL GRANT	-	-	397,042	529,389
TOTAL OPERATIONS		\$ 539,101	\$ 605,498	\$ 1,021,609	\$ 1,151,808

TOTAL NON-DEPARTMENTAL		\$ 539,101	\$ 605,498	\$ 1,021,609	\$ 1,151,808
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90 NON-DEPARTMENTAL - TRANSFERS OUT

Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
01-5705-90-01	TRANSFER OUT- CAP REPLACEMENT	139,200	139,200	139,200	139,200
01-5717-90-01	TRANSFER OUT - STREET IMPROV.	68,958			
01-5498-90-01	INCREMENTAL PROPERTY TAX	192,715	160,000	192,715	192,715
TOTAL TRANSFERS OUT		\$ 400,873	\$ 299,200	\$ 331,915	\$ 331,915



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 \$1,291,552 in unassigned fund balance, primarily due to property tax revenues being more than what was needed to pay debt service requirements in prior years. \$500,000 of that balance has been designated for use in FY26. This budget increases the Interest and Sinking portion of Ad Valorem taxes by \$.016200 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 bond rating was raised to ‘AA’ from ‘AA-’ by S&P Global Ratings on December 12, 2024.

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 \$2,729,971.50 has been programed into the total expenditure budget for Fund 02 Debt Service Fund. The \$1,102,028.76 for Fund 10 and \$175,593.90 for EDC Fund 15, are shown later in the book with the expenditures for those funds.

Debt Service Requirements -- 2026 Adopted Budget

Debt Instruments	Fund 02 Debt Service Fund (I&S Ad Valorem Tax Levy)		Fund 15 Economic Develop Corp	Fund 02 Debt Service Fund (I&S Ad Valorem Tax Levy)		Fund 15 Economic Development Corporation		2026	Principal	2026	Interest	
	Water Sewer Fund	Water Sewer Fund		Water Sewer Fund	Water Sewer Fund			\$	\$	\$		
\$2,900,000 Comb Tax & Rev C/O Series 2007		100%			212,710.00				200,000.00		12,710.00	
\$1,200,000 Sales Tax Rev Bonds Taxable Series 2007			100%			114,247.50			100,000.00		14,247.50	
\$3,720,000 GO Refunding Bond Series 2016	100%				399,901.75				385,000.00		14,901.75	
\$2,000,000 Tax Notes Series 2019	100%				398,752.50				395,000.00		3,752.50	
\$1,260,000 GO Refunding Bonds Series 2020	100%				136,435.25				125,000.00		11,435.25	
\$1,540,000 GO Refunding Bonds Series 2020A	100%				165,644.50				155,000.00		10,644.50	
\$5,735,000 Comb Tax and Rev C/O Series 2021	100%				378,950.00				265,000.00		113,950.00	
\$1,700,000 Texas Leverage Fund Original 3.25% Interest Rate			100%			61,346.40			58,925.18		2,421.22	
\$17,065,000 Comb Tax and Revenue C/O Series 2023		86%			889,318.76				250,000.00		639,318.76	
\$17,065,000 Comb Tax and Revenue C/O Series 2023	14%				180,125.00				80,000.00		100,125.00	
\$2,980,000 General Obligation Bonds Series 2024	100%				218,800.00				95,000.00		123,800.00	
\$10,810,000 Comb Tax and Revenue C/O Series 2024	100%				851,362.50				410,000.00		441,362.50	
Total Debt Service by Year					2,729,971.50		1,102,028.76		175,593.90		2,518,925.18	1,488,668.98

Name	Maturity Date	Purpose
\$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
\$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	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
02-4001-00-00	PROPERTY TAX-CURRENT	2,338,419	2,372,462	2,372,462	2,646,384
02-4011-00-00	PROPERTY TAX-DELINQUENT	48,548	7,500	7,500	7,500
02-4041-00-00	PROPERTY TAX-PENALTY	12,223	7,500	7,500	7,500
02-4401-00-00	INVESTMENT INCOME	44,734	43,985	43,985	43,985
02-4902-00-00	PROCEEDS-DEBT/LOAN	447,547			
TOTAL REVENUES		\$ 2,891,472	\$ 2,431,447	\$ 2,431,447	\$ 2,705,369

Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
02-5602-21-06	2007 \$4.365M GO RFND	129,675	-	-	-
02-5606-21-06	2016 3.72M REFUNDING	375,000	375,000	375,000	385,000
02-5607-21-06	2016 3.72M REFUNDING	28,416	21,704	21,704	14,902
02-5612-21-06	2007 \$4.365M GO RFND	2,574	-	-	-
02-5621-21-06	BANK FEES / PAYING AGENT FEES	600	500	500	500
02-5622-21-06	ARBITRAGE/DISCLOSURE	2,250	2,500	2,500	2,500
02-5625-21-06	ISSUANCE COSTS	368,817	-	-	-
02-5626-21-06	PMT TO ESCROW AGENT	-	-	-	-
02-5643-21-06	2007 \$1.2M TAX BOND-INTEREST	4,300	-	-	-
02-5644-21-06	2007 \$1.2M TAX BOND-PRINCIPAL	215,000	-	-	-
02-5651-21-06	2019 \$2.0M TAX NOTES	380,000	385,000	385,000	395,000
02-5652-21-06	2019 \$2.0M TAX NOTES	18,430	11,163	11,163	3,753
02-5655-21-06	2020A \$1.54M GO RFND	150,000	150,000	150,000	155,000
02-5656-21-06	2020A \$1.54M GO RFND	14,294	12,505	12,505	10,645
02-5657-21-06	2021 \$6.0M CO-PRINCIPAL	185,000	240,000	240,000	265,000
02-5658-21-06	2021 \$6.0M CO - INTEREST	132,550	124,050	124,050	113,950
02-5659-21-06	2020 1.26M GO REFUND-INTEREST	-	13,848	13,848	11,435
02-5660-21-06	2020 1.26M GO REFUND-PRINCIPAL	-	125,000	125,000	125,000
02-5661-21-06	2023 \$17.0 MM C/O - INTEREST	760,944	80,000	80,000	100,125
02-5662-21-06	2023 \$17.0 MM C/O - PRINCIPAL	170,000	104,125	104,125	80,000
02-5669-21-06	2024 \$3MM GO - INTEREST		147,750	147,750	123,800
02-5670-21-06	2024 \$3MM GO - PRINCIPAL		90,000	90,000	95,000
02-5671-21-06	2024 \$11.0 MM C/O - INTEREST	-	545,625	545,625	441,363
02-5672-21-06	2024 \$11.0 MM C/O - PRINCIPAL	-	175,000	175,000	410,000
TOTAL EXPENDITURES		\$ 2,937,850	\$ 2,603,770	\$ 2,603,770	\$ 2,732,972

TOTAL REVENUES OVER (UNDER) EXPENDITURES		\$ (46,378)	\$ (172,323)	\$ (172,323)	\$ (27,603)
02-4915-00-00	TRANSFER IN-EDC FUND	-	138,848	138,848	136,432
02-4961-00-00	TRANSFER IN-TIRZ	228,229	228,229	228,229	-
02-4960-00-00	TRANSFER IN-PROJECTS	108,055	108,265	108,265	104,475
TOTAL OTHER FINANCING SOURCES (USES)		\$ 336,284	\$ 475,342	\$ 475,342	\$ 240,907

NET CHANGE IN FUND BALANCE		\$ 289,906	\$ 303,019	\$ 303,019	\$ 213,304
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BEGINNING FUND BALANCE — OCT 1		\$ 698,627	\$ 988,533	\$ 988,533	\$ 1,291,552
ENDING FUND BALANCE — SEPT 30		\$ 988,533	\$ 1,291,552	\$ 1,291,552	\$ 1,504,856



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 10,771 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
- Revise and submit our Hazard Mitigation Plan (HazMAP) to the Texas Division of Emergency Management (TDEM)
- 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	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
07-4205-00-00	DRAINAGE FEES	274,894	280,000	277,701	305,200
07-4401-00-00	INVESTMENT INCOME	34,205	31,150	43,080	40,000
TOTAL REVENUES		\$ 309,099	\$ 311,150	\$ 320,781	\$ 345,200

Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
07-5510-35-01	ASSOC DUES/PUBLICATIONS	4,168	4,200	4,168	4,200
07-5525-35-01	TRAINING/SEMINARS	240	-	-	-
07-5570-35-01	SPECIAL SERVICES	-	20,000	19,099	120,000
07-5574-35-01	FILING FEES	100	100	100	100
07-5580-35-01	ENGINEERING SERVICES	64,996	21,500	21,000	21,500
07-5637-90-00	DEPRECIATION EXPENSE	20,300	-	-	-
TOTAL EXPENDITURES		\$ 89,804	\$ 45,800	\$ 44,367	\$ 145,800

TOTAL REVENUES OVER (UNDER) EXPENDITURES		\$ 219,295	\$ 265,351	\$ 276,414	\$ 199,400
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Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
07-5598-35-01	ADMIN CHARGE - STREET	(64,415)	(77,841)	(77,841)	(92,493)
07-5701-35-01	TRANSFER OUT GENERAL FUND	(136,035)	(140,833)	(140,833)	(151,579)
TOTAL OTHER FINANCING SOURCES (USES)		\$ (200,450)	\$ (218,674)	\$ (218,674)	\$ (244,072)

NET CHANGE IN FUND BALANCE		\$ 18,845	\$ 46,677	\$ 57,740	\$ (44,672)
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BEGINNING FUND BALANCE — OCT 1		\$ 1,148,846	\$ 1,167,691	\$ 1,167,691	\$ 1,225,431
ENDING FUND BALANCE — SEPT 30		\$ 1,167,691	\$ 1,214,368	\$ 1,225,431	\$ 1,180,759

OVERVIEW: WATER/SANITY 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 6th 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.

SHORT-TERM GOALS

- Implement the sanitary sewer interceptor improvement project, which involves upgrading approximately 15,000 LF of sewer pipelines along the northwest sector of the city, from South Kennedale Racetrack 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
- Be compliant with the Lead and Copper Rule Revisions (LCRR) testing and sampling
- Be compliant with America's Water Infrastructure Act of 2018 (AWIA), Emergency Response Plans (ERPs), and the Risk and Resilience Assessment (RRA)

LONG-TERM GOALS

- Upgrade all undersized water and sewer piping to an 8" diameter minimum
- Loop all dead-end mains, as deemed necessary

FUND 10 WATER/SEWER					
Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
10-4010-00-00	WATER SERVICE	2,964,063	3,352,153	3,956,440	4,312,520
10-4020-00-00	SEWER SERVICE	1,805,409	2,309,463	2,123,552	2,314,672
10-4061-00-00	METER PURCHASE/INSTALATION	8,616	5,500	6,267	6,300
10-4073-00-00	SANITATION BILLING FEES	29,836	7,000	15,247	8,500
10-4081-00-00	SALES TAX	164	50	150	175
10-4090-00-00	ARLINGTON OPERATOR COST	869,832	400,000	395,000	425,000
10-4202-00-00	CAPITAL CONTRIBUTIONS	41,707	-	-	-
10-4401-00-00	INVESTMENT INCOME	837,587	774,315	1,001,389	750,000
10-4409-00-00	MISCELLANEOUS INCOME	-	-	-	-
10-4485-00-00	EQUIPMENT SALE GAIN (LOSS)	-	-	-	-
10-4999-00-00	2023 C/O SERIES A	-	7,700,000	3,000,000	11,000,000
TOTAL REVENUES		\$ 6,557,214	\$ 14,548,481	\$ 10,498,045	\$ 18,817,166

Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
	UTILITY BILLING	2,562,019	2,126,675	1,791,960	2,157,800
	OPERATIONS	2,642,753	2,596,882	2,866,862	3,081,911
	DEBT SERVICE	1,120,131	394,830	394,830	1,102,029
	CAPITAL PROJECTS	9,796	8,300,000	3,350,000	11,640,000
	NON-DEPARTMENTAL	34,599	47,250	23,280	51,789
TOTAL EXPENDITURES		\$ 6,369,299	\$ 13,465,637	\$ 8,426,932	\$ 18,033,528

TOTAL REVENUES OVER (UNDER) EXPENDITURES	\$ 187,915	\$ 1,082,845	\$ 2,071,113	\$ 783,638
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Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
10-4916-00-00	TRANSFER IN-DEBT SERVICE FUND	824,819			
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	(544,140)	(757,935)	(757,935)	(837,350)
TOTAL OTHER FINANCING SOURCES (USES)		\$ 327,894	\$ (570,410)	\$ (570,410)	\$ (649,825)

NET CHANGE IN FUND BALANCE	\$ 515,809	\$ 512,435	\$ 1,500,703	\$ 133,813
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BEGINNING FUND BALANCE — OCT 1	\$ 1,015,978	\$ 1,531,787	\$ 1,531,787	\$ 3,032,490
ENDING FUND BALANCE — SEPT 30	\$ 1,531,787	\$ 2,044,222	\$ 3,032,490	\$ 3,166,302

FUND 10 / DEPARTMENT 15 UTILITY BILLING					
Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
10-5570-36-15	SPECIAL SERVICES	292,797	150,000	27,500	150,000
10-5575-36-15	EQUIPMENT RENTAL	1,882	12,000	2,500	2,500
10-5592-36-15	INTERGOV-FORT WORTH SEWER	26,629	25,000	27,475	27,000
10-5594-36-15	INTERGOV-ARLINGTON SEWER	1,193,516	1,414,675	1,263,682	1,275,000
10-5597-36-15	INTERGOV-FORT WORTH WATER	705,884	275,000	281,098	290,000
10-5598-36-15	INTERGOV-ARLINGTON WATER	341,312	250,000	189,705	413,300
TOTAL UTILITY BILLING		\$ 2,562,019	\$ 2,126,675	\$ 1,791,960	\$ 2,157,800

FUND 10 / DEPARTMENT 01 INTERLOCAL AGREEMENT CITY OF ARLINGTON					
Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
10-5510-36-01	ASSOC DUES/PUBLICATIONS	2,003	-	-	-
10-5530-36-01	ELECTRIC SERVICES	239,732	204,000	240,000	250,000
10-5535-36-01	GAS SERVICES	-	-	-	-
10-5570-36-01	SPECIAL SERVICES	175,471	25,000	240,000	250,000
10-5575-36-01	EQUIPMENT RENTAL	205	50	-	100
10-5580-36-01	ENGINEERING SERVICES	11,651	20,000	-	20,000
10-5585-36-01	TELEPHONE SERVICES	672	850	750	850
10-5590-36-01	WATER/SEWER SERVICES	5,432	5,000	4,950	5,250
10-5599-36-01	INTERLOCAL-CITY OF ARLINGTON	2,054,775	2,210,820	2,250,000	2,343,001
10-5653-36-01	2019 \$2.0M TAX NOTES	26,975	11,162	11,162	12,710
10-5654-36-01	2019 \$2.0M TAX NOTES	125,838	120,000	120,000	200,000
TOTAL UTILITY OPERATIONS		\$ 2,642,753	\$ 2,596,882	\$ 2,866,862	\$ 3,081,911

FUND 10 / DEPARTMENT 06 WATER DEBT SERVICE					
Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
10-5603-36-06	2007 \$4.365M GO RFND – PRINCIPAL	80,325	-	-	-
10-5613-36-06	2007 \$4.365M GO RFND INTEREST	1,594	-	-	-
10-5625-36-06	ISSUANCE COSTS	-	-	-	-
10-5626-36-06	2007 \$2.9M CO-INTEREST	28,393	20,705	20,705	12,710
10-5620-36-06	2007 \$2.9M CO-PRINCIPAL	185,000	190,000	190,000	200,000
10-5627-36-06	2023 \$17.65 UTILITY PRIN	170,000	80,000	80,000	250,000
10-5628-36-06	2023 \$17.65 UTILITY INT	654,819	104,125	104,125	639,319
TOTAL DEBT SERVICE		\$ 1,120,131	\$ 394,830	\$ 394,830	\$ 1,102,029

FUND 10 / DEPARTMENT 09 WATER CAPITAL PROJECTS					
Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
10-5833-36-09	CDBG SEWER PROJECT	-	300,000	225,000	300,000
10-5834-36-09	WATER LINE INSTALLATION	-	300,000	125,000	340,000
10-5835-36-09	SEWER LINE INSTALLATION	9,796	7,700,000	3,000,000	11,000,000
10-5839-36-09	COA WATER CONNECTION LINE	-	-	-	-
10-5841-36-09	WATER/WASTEWATER RAT	-	-	-	-
TOTAL CAPITAL PROJECTS		\$ 9,796	\$ 8,300,000	\$ 3,350,000	\$ 11,640,000

FUND 10 / DEPARTMENT 90 NON-DEPARTMENTAL					
Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
10-5545-90-01	INSURANCE-PROPERTY	14,470	15,000	14,470	15,360
10-5550-90-01	INSURANCE-GENERAL LIABILITY	3,730	4,250	3,730	8,229
10-5570-90-01	SPECIAL SERVICES	13,673	25,000	2,500	25,000
10-5580-90-01	ENGINEERING SERVICES	-	-	-	-
10-5585-90-01	TELEPHONE SERVICES	2,007	3,000	2,580	3,200
10-5884-90-01	FINES AND PENALTIES	720	-	-	-
TOTAL NON-DEPARTMENTAL		\$ 34,599	\$ 47,250	\$ 23,280	\$ 51,789

OVERVIEW: WATER IMPACT FEE AND SEWER IMPACT FEE FUNDS

Each of these funds, Water Impact (61) and Sewer Impact (62), 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 (10).

FUND 61 - WATER IMPACT FUND					
Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
61-4201-00-00	IMPACT FEES	24,947	20,000	22,000	15,000
61-4401-00-00	INVESTMENT INCOME	4,298	4,100	5,766	4,000
TOTAL REVENUES		\$ 29,245	\$ 24,100	\$ 27,766	\$ 19,000
Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
61-5580-00-00	ENGINEERING SERVICES	-	-	-	-
TOTAL EXPENDITURES		\$ -	\$ -	\$ -	\$ -
REVENUES OVER (UNDER) EXPENDITURES		\$ 29,245	\$ 24,100	\$ 27,766	\$ 19,000
Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 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		\$ (755)	\$ (5,900)	\$ (2,234)	\$ (11,000)
BEGINNING FUND BALANCE — OCT 1		\$ 98,520	\$ 97,765	\$ 97,765	\$ 95,531
ENDING FUND BALANCE — SEPT 30		\$ 97,765	\$ 91,865	\$ 95,531	\$ 84,531

FUND 62 - SEWER IMPACT FUND					
Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
62-4201-00-00	IMPACT FEES	19,655	25,000	15,651	15,000
62-4201-00-00	INVESTMENT INCOME	5,738	5,700	5,226	5,000
TOTAL REVENUES		\$ 25,392	\$ 30,700	\$ 20,877	\$ 20,000
Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
62-5580-00-00	ENGINEERING SERVICES	-	-	-	-
TOTAL EXPENDITURES		\$ -	\$ -	\$ -	\$ -
REVENUES OVER (UNDER) EXPENDITURES		\$ 25,392	\$ 30,700	\$ 20,877	\$ 20,000
Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 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		\$ (34,608)	\$ (29,300)	\$ (39,123)	\$ (40,000)
BEGINNING FUND BALANCE — OCT 1		\$ 144,213	\$ 109,605	\$ 109,605	\$ 70,482
ENDING FUND BALANCE — SEPT 30		\$ 109,605	\$ 80,305	\$ 70,482	\$ 30,482



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	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
04-4401-00-00	INVESTMENT INCOME	8,408	8,200	8,164	7,950
04-4421-00-00	LANDFILL REVENUE-WASTE CONNECTIO	138,914	120,000	123,468	120,000
TOTAL FUND REVENUES		\$ 147,322	\$ 128,200	\$ 131,632	\$ 127,950
Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
		-	-	-	-
TOTAL EXPENDITURES		\$ -	\$ -	\$ -	\$ -
REVENUES OVER (UNDER) EXPENDITURES		\$ 147,322	\$ 128,200	\$ 131,632	\$ 127,950
Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
04-5702-00-00	TRANSFER OUT – DEBT SERVICE	(108,055)	(108,055)	(108,055)	(104,475)
TOTAL OTHER FINANCING SOURCES (USES)		\$ (108,055)	\$ (108,055)	\$ (108,055)	\$ (104,475)
NET CHANGE IN FUND BALANCE		\$ 39,267	\$ 20,145	\$ 23,577	\$ 23,475
BEGINNING FUND BALANCE — OCT 1		\$ 190,322	\$ 229,589	\$ 229,589	\$ 253,166
ENDING FUND BALANCE — SEPT 30		\$ 229,589	\$ 249,734	\$ 253,166	\$ 276,641

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	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget	
13-4401-00-00	INVESTMENT INCOME	363,438	356,600	1,063,881	356,600	
13-4887-00-00	CAPITAL PROJECT REIMBURSEMENT	-	-	898,303	-	
13-4905-00-00	2024 G/O	3,000,000	-	-	-	
13-4905-00-00	2024 C/O	11,000,000	-	-	-	
TOTAL REVENUES		\$ 14,363,438	\$ 356,600	\$ 1,962,184	\$ 356,600	
Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget	
13-5261-01-00	C.O. ISSUANCE COST	-	-	-	-	
13-5550-46-09	STREET IMPROVEMENTS	55,235	1,500,000	400,000	900,000	
13-5850-42-09	TXDOT BRIDGE PROJECT	167,482	-	54,773	-	
13-5851-43-09	SAFE ROUTES TO SCHOOL	1,165,064	-	468,651	-	
13-5854-44-09	COLLETT SUBLET	1,664,339	-	666,105	-	
13-5859-11-09	VALLEY LANE	439,225	-	42,029	-	
13-5910-11-00	FIRE & POLICE VEHICLES	-	-	-	-	
13-5911-11-09	NEW HOPE ROAD	-	900,000	-	900,000	
13-5912-11-09	WEST 3RD STREET RECO	87,521	-	-	-	
TBD	PARKS	-	1,500,000	10,500	2,000,000	
TBD	PUBLIC SAFETY REMODEL	-	8,379,097	4,189,549	4,189,549	
TOTAL EXPENDITURES		\$ 3,578,867	\$ 12,279,097	\$ 5,831,606	\$ 7,989,549	
REVENUES OVER (UNDER) EXPENDITURES		\$ 10,784,571	\$ (11,922,497)	\$ (3,869,422)	\$ (7,632,949)	
NET CHANGE IN FUND BALANCE		\$ 10,784,571	\$ (11,922,497)	\$ (3,869,422)	\$ (7,632,949)	
BEGINNING FUND BALANCE — OCT 1		\$ 8,822,625	\$ 19,607,196	\$ 19,607,196	\$ 15,737,774	
ENDING FUND BALANCE — SEPT 30		\$ 19,607,196	\$ 7,684,699	\$ 15,737,774	\$ 8,104,826	

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	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
14-4194-00-00	PARK DEDICATION FEES	13,657	12,000	5,400	2,500
14-4401-00-00	INVESTMENT INCOME	18,316	20,100	14,901	13,500
14-4409-00-00	MISCELLANEOUS INCOME	-	-	346	-
TOTAL REVENUES		\$ 31,973	\$ 32,100	\$ 20,647	\$ 16,000

Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
14-5580-52-09	BRICK PAVERS	-	-	-	-
14-5820-51-09	BUILDING IMPROVEMENTS	311,383	100,000	75,000	160,000
14-5875-51-09	CONSTRUCTION	-	-	-	-
14-5955-51-09	SONORA PARK BALLFIELDS	-	-	-	-
TOTAL EXPENDITURES		\$ 311,383	\$ 100,000	\$ 75,000	\$ 160,000

NET CHANGE IN FUND BALANCE	\$ (279,411)	\$ (67,900)	\$ (54,353)	\$ (144,000)
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BEGINNING FUND BALANCE — OCT 1	\$ 558,722	\$ 279,311	\$ 279,311	\$ 224,958
ENDING FUND BALANCE — SEPT 30	\$ 279,311	\$ 211,411	\$ 224,958	\$ 80,958

OVERVIEW: LIBRARY BUILDING FUND

This Fund (32) has ran 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	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
32-4499-00-00	CASH OVER/UNDER	-	-	-	-
32-4406-00-00	LIBRARY FINES	483	200	205	200
32-4401-00-00	INVESTMENT INCOME	16	10	43	41
32-4501-00-00	CONTRIBUTION-LIBRARY		-		-
TOTAL REVENUES		\$ 499	\$ 210	\$ 248	\$ 241
Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
		-	-	-	\$ -
TOTAL EXPENDITURES		\$ -	\$ -	\$ -	\$ -
NET CHANGE IN FUND BALANCE		\$ 499	\$ 210	\$ 248	\$ 241
BEGINNING FUND BALANCE — OCT 1		\$ (1,653)	\$ (1,154)	\$ (1,154)	\$ (906)
ENDING FUND BALANCE — SEPT 30		\$ (1,154)	\$ (944)	\$ (906)	\$ (665)

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 FY26, 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 FY25. In FY26 Hilltop Drive will be resurfaced using proceeds from this fund.

FUND 45- ROADWAY IMPACT FUND					
Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
45-4215-00-00	IMPACT FEES	145,066	40,000	44,250	20,000
45-4401-00-00	INVESTMENT INCOME	15,070	16,200	13,951	14,000
TOTAL REVENUES		\$ 160,137	\$ 56,200	\$ 58,201	\$ 34,000
Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
45-5582-01-01	IMPACT FEE STUDY	192,723	-	15,000	50,000
45-5407-01-01	STREET MAINTENANCE				200,000
TOTAL EXPENDITURES		\$ 192,723	\$ -	\$ 15,000	\$ 250,000
REVENUES OVER (UNDER) EXPENDITURES		\$ (32,586)	\$ 56,200	\$ 43,201	\$ (216,000)
Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 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		\$ (140,111)	\$ (51,325)	\$ (64,324)	\$ (323,525)
BEGINNING FUND BALANCE — OCT 1		\$ 569,754	\$ 429,643	\$ 429,643	\$ 365,319
ENDING FUND BALANCE — SEPT 30		\$ 429,643	\$ 378,318	\$ 365,319	\$ 41,794



Special Revenue Funds

OVERVIEW: TIF #1 NEW HOPE ROAD FUND

Tax Increment Financing (TIF) authorized by Texas Tax Code Chapter 311 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 cooperating 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	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
21-4401-00-00	INVESTMENT INCOME	11,832	9,800	13,068	12,500
21-4516-00-00	INTERGOV-TARRANT COUNTY	39,002	35,206	35,206	40,000
21-4517-00-00	INTERGOV-TARRANT HOSPITAL	26,672	21,000	21,000	27,000
21-4518-00-00	INTERGOV-TARRANT COLLEGE	15,309	14,000	14,000	15,500
TOTAL REVENUES		\$ 92,814	\$ 80,006	\$ 83,274	\$ 95,000

Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
21-5580-06-01	ENGINEERING SERVICES	94,084	150,000	2,000	150,000
TOTAL EXPENDITURES		\$ 94,084	\$ 150,000	\$ 2,000	\$ 150,000

REVENUES OVER (UNDER) EXPENDITURES	\$ (1,270)	\$ (69,994)	\$ 81,274	\$ (55,000)
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Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
21-4519-00-00	INTERGOV-CITY OF KENNEDALE	192,715	160,000	192,715	192,715
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)		\$ (25,514)	\$ (58,229)	\$ (25,514)	\$ 202,715

NET CHANGE IN FUND BALANCE	\$ (26,784)	\$ (128,223)	\$ 55,760	\$ 147,715
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BEGINNING FUND BALANCE — OCT 1	\$ 177,277	\$ 150,493	\$ 150,493	\$ 206,253
ENDING FUND BALANCE — SEPT 30	\$ 150,493	\$ 22,270	\$ 206,253	\$ 353,968

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 18% for FY26) 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	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
30-4084-00-00	OCCUPANCY TAX	26,133	18,000	19,190	19,000
30-4085-00-00	SPECIAL EVENT REVENUE	11,375	-	6,857	5,500
30-4401-00-00	INVESTMENT INCOME	3,302	2,900	5,532	5,250
TOTAL REVENUES		\$ 40,810	\$ 20,900	\$ 31,579	\$ 29,750

Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
30-5561-06-01	RECREATION	17,304	15,000	25,406	20,000
30-5562-06-01	TOURISM	-			
TOTAL EXPENDITURES		\$ 17,304	\$ 15,000	\$ 25,406	\$ 20,000

NET CHANGE IN FUND BALANCE	\$ 23,506	\$ 5,900	\$ 6,173	\$ 9,750
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BEGINNING FUND BALANCE — OCT 1	\$ 67,148	\$ 90,654	\$ 90,654	\$ 96,827
ENDING FUND BALANCE — SEPT 30	\$ 90,654	\$ 96,554	\$ 96,827	\$ 106,577

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	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
31-4401-00-00	INVESTMENT INCOME	247	160	1,231	1,150
31-4409-00-00	MISCELLANEOUS INCOME	12,755	-	7,961	8,000
TOTAL REVENUES		\$ 13,003	\$ 160	\$ 9,192	\$ 9,150
Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
31-5280-00-00	MINOR EQUIP/SMALL TOOLS<\$5K	-	-	1,155	32,000
31-5570-00-00	SPECIAL SERVICES	-	-	-	
TOTAL EXPENDITURES		\$ -	\$ -	\$ 1,155	\$ 32,000
NET CHANGE IN FUND BALANCE		\$ 13,003	\$ 160	\$ 8,037	\$ (22,850)
BEGINNING FUND BALANCE — OCT 1		\$ 3,776	\$ 16,779	\$ 16,779	\$ 24,816
ENDING FUND BALANCE — SEPT 30		\$ 16,779	\$ 16,939	\$ 24,816	\$ 1,966

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	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
34-4094-00-00	LEOSE POLICE TRAINING	3,696	3,700	2,401	3,700
34-4401-00-00	INVESTMENT INCOME	122	90	92	90
TOTAL REVENUES		\$ 3,818	\$ 3,790	\$ 2,493	\$ 3,790
Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
34-5515-09-01	TRAINING/SEMINARS-LEOSE	2,440	1,500	2,950	5,500
TOTAL EXPENDITURES		\$ 2,440	\$ 1,500	\$ 2,950	\$ 5,500
NET CHANGE IN FUND BALANCE		\$ 1,378	\$ 2,290	\$ (457)	\$ (1,710)
BEGINNING FUND BALANCE — OCT 1		\$ 849	\$ 2,227	\$ 2,227	\$ 1,770
ENDING FUND BALANCE — SEPT 30		\$ 2,227	\$ 4,517	\$ 1,770	\$ 60

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	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
35-4085-00-00	CARES ACT FUNDING	-	1,250,000	1,250,000	1,250,000
35-4401-00-00	INVESTMENT INCOME	84,750	50,000	90,628	45,000
TOTAL REVENUES		\$ 84,750	\$ 1,300,000	\$ 1,340,628	\$ 1,295,000

Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
35-5446-06-01	WATER/SEWER PROJECTS	43,418	1,250,000	1,250,000	1,250,000
TOTAL EXPENDITURES		\$ 43,418	\$ 1,250,000	\$ 1,250,000	\$ 1,250,000

NET CHANGE IN FUND BALANCE	\$ 41,332	\$ 50,000	\$ 90,628	\$ 45,000
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BEGINNING FUND BALANCE — OCT 1	\$ 70,028	\$ 111,360	\$ 111,360	\$ 201,988
ENDING FUND BALANCE — SEPT 30	\$ 111,360	\$ 161,360	\$ 201,988	\$ 246,988



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 full expiration of the lease. All remaining vehicles under the lease agreement are expected to be purchased within FY26. Going forward this fund will be used a fleet replacement fund. Vehicle purchases will shift here from the General Fund. An annual transfer from the General Fund will provide a balance sufficient to replace fleet vehicles as the need arises.

Fund 05 CAPITAL REPLACEMENT					
Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
05-4409-00-00	MISCELLANEOUS INCOME	14,966	15,000	22,000	15,000
05-4885-00-00	EQUIPMENT SALE-GAIN/LOSS	51,159	-	1,000	-
TOTAL REVENUES		\$ 66,125	\$ 15,000	\$ 23,000	\$ 15,000

Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
05-5601-30-17	ENTERPRISE LEASE POLICE	36,271	52,539	25,824	2,260.00
05-5602-30-17	ENTERPRISE LEASE STREETS	-	7,234	3,007	920.00
05-5603-30-17	ENTERPRISE LEASE SENIOR CENTER	30	-	-	-
05-5604-30-17	ENTERPRISE LEASE FIRE	-	11,000	4,279	490.00
05-5605-30-17	ENTERPRISE LEASE COMM DEV	-	5,497	1,250	460.00
05-5606-30-17	LEASE PRINCIPAL	73,919	-	-	-
05-5608-30-17	ENTERPRISE LEASE CITY MNGR	-	3,398	560	520.00
05-5636-30-17	LEASE INTEREST	5,699	-	-	-
05-5861-30-17	MOTOR VEHICLES	-	-	-	-
05-5910-30-17	VEHICLES-POLICE	-	-	-	-
05-5870-30-17	OTHER EQUIPMENT	-	-	-	-
TOTAL EXPENDITURES		\$ 115,919	\$ 79,668	\$ 34,920	\$ 4,650

REVENUES OVER (UNDER) EXPENDITURES	\$ (49,794)	\$ (64,668)	\$ (11,920)	\$ 10,350
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Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
05-4906-00-00	TRANSFER IN-GENERAL	120,000	139,200	139,200	139,200
05-4917-00-00	TRANSFER IN-STREET FUND	19,200	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)		\$ 139,200	\$ 139,200	\$ 139,200	\$ 139,200

NET CHANGE IN FUND BALANCE	\$ 89,406	\$ 74,532	\$ 127,280	\$ 149,550
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BEGINNING FUND BALANCE — OCT 1	\$ (291,845)	\$ (202,439)	\$ (202,439)	\$ (75,159)
ENDING FUND BALANCE — SEPT 30	\$ (202,439)	\$ (127,907)	\$ (75,159)	\$ 74,391

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 item or service permitted by law. Starting May 29, 2025, court security revenue has been directed to the Municipal Court Building Security and Technology Fund (19). This fund will cease to exist once the balance reaches zero.

FUND 12 COURT SECURITY FUND					
Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
12-4249-00-00	COURT SECURITY FEE	8,949	7,915	4,950	-
12-4401-00-00	INVESTMENT INCOME	1,512	1,320	495	-
TOTAL REVENUES		\$ 10,462	\$ 9,235	\$ 5,445	\$ -
Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
12-5303-00-01	BUILDING MAINTENANCE	6,853	(26,570)	20,570	18,146
TOTAL EXPENDITURES		\$ 6,853	\$ (26,570)	\$ 20,570	\$ 18,146
NET CHANGE IN FUND BALANCE		\$ 3,608	\$ 35,805	\$ (15,125)	\$ (18,146)
BEGINNING FUND BALANCE — OCT 1		\$ 29,663	\$ 33,271	\$ 33,271	\$ 18,146
ENDING FUND BALANCE — SEPT 30		\$ 33,271	\$ 69,076	\$ 18,146	\$ 0

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. Starting May 29, 2025, court security revenue has been directed to the Municipal Court Building Security and Technology Fund (19). This fund will cease to exist once the balance reaches zero.

FUND 16 COURT TECHNOLOGY					
Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
16-4247-00-00	TECHNOLOGY FEES	7,328	6,500	4,817	-
16-4401-00-00	INVESTMENT INCOME	701	640	498	-
TOTAL REVENUES		\$ 8,030	\$ 7,140	\$ 5,315	\$ -

Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
16-5440-00-00	OFFICE EQUIP	5,464	10,000	6,825	13,202
16-5280-00-00	MINOR EQUIP/SMALL TOOLS >5K	-	-	-	-
16-5445-00-00	SOFTWARE	1,980	-	-	-
TOTAL EXPENDITURES		\$ 7,444	\$ 10,000	\$ 6,825	\$ 13,202

NET CHANGE IN FUND BALANCE	\$ 586	\$ (2,860)	\$ (1,510)	\$ (13,202)
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BEGINNING FUND BALANCE — OCT 1	\$ 14,126	\$ 14,712	\$ 14,712	\$ 13,202
ENDING FUND BALANCE — SEPT 30	\$ 14,712	\$ 11,852	\$ 13,202	\$ (0)

OVERVIEW: MUNICIPAL COURT BUILDING SECURITY AND TECHNOLOGY FUND

This new fund, created by House Bill 1950, combines resources previously designated for the Court Security and Court Technology Funds, effectively consolidating those uses. Revenue for this fund will come from a separate \$3 and \$4 fees assessed to defendants convicted of misdemeanors as costs of the court. Expenditures may 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 item or service permitted by law. Expenditures may also 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 19 MUNICIPAL COURT BUILDING SECURITY AND TECHNOLOGY FUND					
Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
19-4250-00-00	COURT FEE INCOME	-	-	4,907	15,350
19-4401-00-00	INVESTMENT INCOME	-	-	499	1,475
TOTAL REVENUES		\$ -	\$ -	\$ 5,406	\$ 16,825
Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
19-5280-04-01	MINOR EQUIP/SMALL TOOLS >5K	-	-	-	-
19-5803-04-01	BUILDING MAINTENANCE	-	-	-	5,000
19-5440-04-01	OFFICE EQUIP	-	-	-	5,000
19-5445-04-01	SOFTWARE	-	-	-	-
TOTAL EXPENDITURES		\$ -	\$ -	\$ -	\$ 10,000
NET CHANGE IN FUND BALANCE		\$ -	\$ -	\$ 5,406	\$ 6,825
BEGINNING FUND BALANCE — OCT 1		\$ -	\$ -	\$ -	\$ 5,406
ENDING FUND BALANCE — SEPT 30		\$ -	\$ -	\$ 5,406	\$ 12,231

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	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
18-4248-00-00	LOCAL YOUTH DIVERSION FEES	77	300	18	50
18-4401-00-00	INVESTMENT INCOME	420	385	552	500
TOTAL REVENUES		\$ 497	\$ 685	\$ 570	\$ 550

Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
18-5570-00-00	SPECIAL SERVICES	-	7,000	-	10,000
TOTAL EXPENDITURES		\$ -	\$ 7,000	\$ -	\$ 10,000

NET CHANGE IN FUND BALANCE	\$ 497	\$ (6,315)	\$ 570	\$ (9,450)
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BEGINNING FUND BALANCE — OCT 1	\$ 9,183	\$ 9,680	\$ 9,680	\$ 10,250
ENDING FUND BALANCE — SEPT 30	\$ 9,680	\$ 3,365	\$ 10,250	\$ 800

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	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
40-4086-00-00	POLICE DEPARTMENT GRANTS	31,241	-	-	-
40-4095-00-00	LIBRARY GRANTS	7,877	-	28,164	-
40-4098-00-00	FIRE DEPARTMENT GRANTS	648,616	-	657,722	-
40-4401-00-00	INVESTMENT INCOME	42	65	-	-
TOTAL REVENUES		\$ 687,776	\$ 65	\$ 685,886	\$ -
Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
40-5291-09-01	GRANT FUNDED SUPPLIES-POLICE	20,505	-	-	-
40-5291-10-01	GRANT FUNDED SUPPLIES-FIRE	648,615	-	657,722	-
40-5291-17-01	GRANT FUNDED SUPPLIES-LIBRARY	7,877	-	28,164	-
TOTAL EXPENDITURES		\$ 676,997	\$ -	\$ 685,886	\$ -
NET CHANGE IN FUND BALANCE		\$ 10,779	\$ 65	\$ (0)	\$ -
BEGINNING FUND BALANCE — OCT 1		\$ -	\$ 10,779	\$ 10,779	\$ 10,779
ENDING FUND BALANCE — SEPT 30		\$ 10,779	\$ 10,844	\$ 10,779	\$ 10,779

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	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
41-4401-00-00	INVESTMENT INCOME	1,896	1,683	1,769	1,800
41-4409-00-00	MISCELLANEOUS INCOME	4,712	5,000	750	750
41-4522-00-00	DONATIONS	10	-	-	
41-4920-00-00	TRANSFERS IN	30,012	-	-	
TOTAL REVENUES		\$ 36,630	\$ 6,683	\$ 2,519	\$ 2,550

Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
41-5518-10-01	FIRE DONATION USE	13,706	10,000	3,200	-
41-5526-09-01	POLICE DONATION USE	6,107	8,000	-	8,000
41-5527-15-01	BARK IN PARK	1,373	1,500	775	1,500
41-5522-00-00	KEEP KENNEDALE BEAUT	472	-	-	-
TOTAL EXPENDITURES		\$ 21,659	\$ 19,500	\$ 3,975	\$ 9,500

NET CHANGE IN FUND BALANCE	\$ 14,972	\$ (12,817)	\$ (1,457)	\$ (6,950)
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BEGINNING FUND BALANCE — OCT 1	\$ (2,335)	\$ 12,637	\$ 12,637	\$ 11,180
ENDING FUND BALANCE — SEPT 30	\$ 12,637	\$ (180)	\$ 11,180	\$ 4,230

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	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
83-4197-00-00	TREE REFORESTATION	-	-	-	-
83-4401-00-00	INVESTMENT INCOME	3,349	2,931	4,695	4,500
TOTAL REVENUES		\$ 3,349	\$ 2,931	\$ 4,695	\$ 4,500
Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
83-5290-01-00	EXPENDABLE SUPPLIES	-	-	-	-
83-5570-01-00	SPECIAL SERVICES	-	-	-	-
TOTAL EXPENDITURES		\$ -	\$ -	\$ -	\$ -
NET CHANGE IN FUND BALANCE					
		\$ 3,349	\$ 2,931	\$ 4,695	\$ 4,500
BEGINNING FUND BALANCE — OCT 1					
		\$ 78,964	\$ 82,313	\$ 82,313	\$ 87,008
ENDING FUND BALANCE — SEPT 30					
		\$ 82,313	\$ 85,244	\$ 87,008	\$ 91,508

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	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
85-4401-00-00	INVESTMENT INCOME	-	-	-	-
TOTAL REVENUES		\$ -	\$ -	\$ -	\$ -
Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
85-5261-00-00	POSTAGE	-	-	-	-
TOTAL EXPENDITURES		\$ -	\$ -	\$ -	\$ -
REVENUES OVER (UNDER) EXPENDITURES		\$ -	\$ -	\$ -	\$ -
Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
85-5760-00-00	TRANSFER OUT	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)		\$ -	\$ -	\$ -	\$ -
NET CHANGE IN FUND BALANCE		\$ -	\$ -	\$ -	\$ -
BEGINNING FUND BALANCE — OCT 1		\$ 334	\$ 334	\$ 334	\$ 334
ENDING FUND BALANCE — SEPT 30		\$ 334	\$ 334	\$ 334	\$ 334



EDC Funds

Kennedale TOWNCENTER CAR SHOW MARCH 15, 2025



TOWNCENTER PLAZA **12-4 PM**
405 MUNICIPAL DRIVE,
KENNEDALE TX 76060

City of
KENNEDALE
Texas
EST. 1987
YOU'RE HERE YOUR HOME

AFTER THE SHOW, HEAD TO KENNEDALE
SPEEDWAY PARK TO SEE THE WORLD OF
OUTLAWS SPRINT CAR RACES!

DFWCarShowInfo
214-577-5857

WORLD OF
OUTLAWS

KENNEDALE
SPEEDWAY
Park
KENNEDALE, TEXAS



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 FY26, the EDC has budgeted \$125,000 in grants for entrepreneurs looking to establish, or further grow, their business in Kennedale. The FY26 budget also includes \$758,405 to renovate a vacant 10,000 square foot retail space within the TownCenter.

FUND 15 ECONOMIC DEVELOPMENT CORPORATION					
Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
15-4002-00-00	MMD TAX-CURRENT YEAR	-	-	-	-
15-4081-00-00	SALES TAX	761,402	988,973	988,973	1,045,223
TBD	380 AGREEMENT INCOME				
15-4104-00-00	CHRISTMAS EVENT DONATION	5,000	5,000	12,000	5,000
15-4401-00-00	INVESTMENT INCOME	97,709	82,000	128,417	120,000
15-4402-00-00	INTEREST INCOME	14,066	-	-	-
15-4409-00-00	MISCELLANEOUS INCOME	7,745	30,000	11,607	10,000
15-4412-00-00	LAND PROCEEDS	287,398	-	-	-
15-4413-00-00	SIGN FOUNDATION REVENUE	12,000	-	-	-
15-4805-00-23	RENTAL FEES-SHOPPING CENTER	310,742	310,807	280,332	240,000
15-4808-00-00	RENTAL FEES-LAND	-	-	24,000	18,000
TOTAL REVENUES		\$ 1,496,062	\$ 1,416,780	\$ 1,445,329	\$ 1,438,223

Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
15-5403-06-01	BUILDING MAINTENANCE	1,832	25,000	9,500	25,000
15-5501-06-01	ADVERTISING	2,246	7,000	7,000	7,000
15-5510-06-01	ASSOC DUES/PUBLICATIONS	-	1,500	1,500	1,500
15-5525-06-01	TRAINING/SEMINARS	1,447	-	-	-
15-5565-06-01	LEGAL SERVICES	3,056	18,000	3,200	12,000
15-5570-06-01	SPECIAL SERVICES	30,254	80,000	82,500	125,000
15-5571-06-01	SPECIAL EVENTS-CHRISTMAS EVENT	36,608	100,000	87,000	53,000
15-5578-06-01	TRAVEL	751	2,500	2,500	2,500
15-5615-06-01	FUNCTIONAL GRANT	87,719	265,000	25,000	125,000
15-5800-06-01	LAND	187,449	-	-	-
TOTAL OPERATIONS		\$ 351,363	\$ 499,000	\$ 218,200	\$ 351,000

Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
15-5628-06-06	2007 \$1.2M TAX BOND-INTEREST	26,410	20,503	20,503	14,248
15-5629-06-06	2007 \$1.2M TAX BOND-PRINCIPAL	85,000	90,000	90,000	100,000
15-5645-06-06	2011 \$1.7M TX LEVERAGE – INT	12,781	4,062	4,062	2,421
15-5646-06-06	2011 \$1.7M TX LEVERAGE – PRIN	54,293	53,649	53,649	58,925
TOTAL DEBT SERVICE EXPENDITURES		\$ 178,484	\$ 168,213	\$ 168,214	\$ 175,594

Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
15-5403-53-23	BUILDING MAINTENANCE	111,966	50,000	36,275	758,405
15-5405-53-23	TOWN CENTER PLAZA	1,052	-	250	
15-5530-53-23	ELECTRIC SERVICES	6,307	7,000	6,950	
15-5545-53-23	INSURANCE-PROPERTY	14,962	15,710	14,962	15,360
15-5570-53-23	SPECIAL SERVICES	25,992	13,000	13,000	18,000
15-5595-53-23	LANDSCAPING---CAM	-	21,000	-	
15-5621-53-23	BANK FEES / PAYING AGENT FEES	-	30	-	
15-5870-53-23	FOUNTAIN		80,000	-	80,000
15-5870-53-23	MONUMENTS FOR CITY ENTRANCES		84,000	-	84,000
15-5870-53-23	OTHER EQUIPMENT	35,452	-	-	70,000
TOTAL TOWN SHOPPING CENTER EXPENDITURES		\$ 195,731	\$ 270,740	\$ 71,437	\$ 1,025,765

TOTAL EXPENDITURES		\$ 725,577	\$ 937,953	\$ 457,851	\$ 1,552,359
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REVENUES OVER (UNDER) EXPENDITURES		\$ 770,485	\$ 478,827	\$ 987,478	\$ (114,136)
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Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
15-5595-06-01	ADMIN CHARGE – GENERAL FUND	(447,522)	(462,705)	(462,705)	(454,738)
15-5702-06-01	TRANSFER OUT – DEBT SERVICE	(141,260)	(138,848)	(138,848)	(136,432)
15-5717-06-01	TRANSFER OUT - PUBLIC WORKS	(61,520)	(77,841)	(77,841)	(92,493)
TOTAL OTHER FINANCING SOURCES (USES)		\$ (650,302)	\$ (679,393)	\$ (679,394)	\$ (683,663)

NET CHANGE IN FUND BALANCE		\$ 120,183	\$ (200,566)	\$ 308,084	\$ (797,799)
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BEGINNING FUND BALANCE — OCT 1		\$ 2,135,749	\$ 2,255,932	\$ 2,255,932	\$ 2,564,016
ENDING FUND BALANCE — SEPT 30		\$ 2,255,932	\$ 2,055,365	\$ 2,564,016	\$ 1,766,217

FUND 95 ECONOMIC DEVELOPMENT CORPORATION BOND RESERVE FUND

Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
95-4401-00-00	INVESTMENT INCOME	5,959	5,457	7,809	6,500
TOTAL REVENUES		\$ 5,959	\$ 5,457	\$ 7,809	\$ 6,500
-					
Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
		-	-	-	-
TOTAL EXPENDITURES		\$ -	\$ -	\$ -	\$ -
-					
REVENUES OVER (UNDER) EXPENDITURES		\$ 5,959	\$ 5,457	\$ 7,809	\$ 6,500
-					
Account	Description	FY24 Actual	FY25 Budget	FY25 Projected	FY26 Budget
TRANSFERS IN (OUT)		-	-	-	-
TOTAL OTHER		\$ -	\$ -	\$ -	\$ -
-					
NET CHANGE IN FUND BALANCE		\$ 5,959	\$ 5,457	\$ 7,809	\$ 6,500
-					
BEGINNING FUND BALANCE — OCT 1		\$ 130,925	\$ 136,884	\$ 136,884	\$ 144,693
ENDING FUND BALANCE — SEPT 30		\$ 136,884	\$ 142,341	\$ 144,693	\$ 151,193



Appendix

**CITY OF KENNEDALE, TEXAS
ORDINANCE NO. 787**

AN ORDINANCE OF THE CITY OF KENNEDALE, TEXAS ADOPTING THE BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2025, AND ENDING SEPTEMBER 30, 2026; APPROPRIATING RESOURCES FOR EACH DEPARTMENT, PROJECT, OPERATION, ACTIVITY, PURCHASE, ACCOUNT, AND OTHER EXPENDITURES; PROVIDING FOR EMERGENCY 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 Finance Director 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, 2025, and ending September 30, 2026, (hereinafter referred to as the "Budget"); and

WHEREAS, the Budget, a copy of which is attached hereto as Exhibit "A" and incorporated herein for all purposes, 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 projects; and

WHEREAS, the Budget has been filed with the City Secretary for at least thirty (30) days before the date the City Council makes 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 27, 2025, 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 is in the best interest of the City and that same should be approved and adopted; and

WHEREAS, at the conclusion of the public hearing, the governing body of the City took action on the proposed Budget by record vote, which vote is duly recorded below.

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 revenues of the City and the expenses of conducting the affairs thereof for the ensuing fiscal year beginning October 1, 2025, and ending September 30, 2026, 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.

The following statements are true and correct:

This budget will raise more total property taxes than last year's budget by an amount of \$103,959.45, which is a 1.22 percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$63,518.64.

The municipal property tax rate for the preceding fiscal year was \$0.706190 per \$100.

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 \$0.696190 per \$100;

(B) the No-New Revenue tax rate is \$0.687818 per \$100;

(C) the Voter-Approval tax rate is \$0.745716 per \$100;

(D) the De Minimis Rate tax rate is \$0.763635 per \$100 taxable property value after exemptions;

(E) the debt rate is \$0.213117 per \$100 taxable property value; and

(F) the total amount of municipal debt obligations secured by property taxes is \$33,144,167.

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 Finance Director shall file or cause to be filed a true and correct copy of this Ordinance, along with the approved Budget attached hereto, with the City Secretary, as required by 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 unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such 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 unconstitutional phrase, clause, sentence, paragraph, or section.

SECTION 7.

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

PASSED AND APPROVED ON THIS THE 27 DAY OF AUGUST 2025, BY A VOTE OF 4 AYES, 0 NAYS, AND 0 ABSTENTIONS AT A REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF KENNEDALE, TEXAS.

	<u>Aye</u>	<u>Nay</u>	<u>Abstention</u>
David Glover, Place 1	<u>✓</u>	_____	_____
Thelma Kobeck, Place 2	<u>✓</u>	_____	_____
Kenneth Michels, Place 3	<u>✓</u>	_____	_____
Chris Gary, Place 4	_____	_____	_____
Jeff Nevarez, Place 5	<u>✓</u>	_____	_____

CITY OF KENNEDALE, TEXAS

APPROVED:

Brad Horton
Brad Horton, Mayor



ATTEST:

Barbara Dahl
Barbara Dahl, City Secretary

**CITY OF KENNEDALE, TEXAS
ORDINANCE NO. 788**

AN ORDINANCE OF THE CITY OF KENNEDALE, TEXAS AFFIXING AND LEVYING MUNICIPAL AD VALOREM TAXES ON ALL TAXABLE PROPERTY WITHIN THE CORPORATE LIMITS OF THE CITY OF KENNEDALE, TEXAS FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2025, AND ENDING SEPTEMBER 30, 2026 AND FOR EACH YEAR THEREAFTER UNTIL OTHERWISE PROVIDED, AT THE RATE OF \$0.696190 PER ONE HUNDRED DOLLARS (\$100.00), AND FOR DIRECTING THE ASSESSMENT THEREOF; PROVIDING FOR A DATE ON WHICH SUCH TAXES BECOME DUE AND DELINQUENT TOGETHER WITH PENAL TIES AND INTEREST THEREON; PROVIDING FOR PLACE OF PAYMENT; PROVIDING FOR APPROVAL OF THE TAX ROLLS PRESENTED TO THE CITY COUNCIL; PROVIDING FOR REPEALING, SAVINGS, AND SEVERABILITY CLAUSES; PROVIDING FOR 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, 2025, and ending September 30, 2026, levied for current expenses of the City and the general improvements of the City and its property must be levied to provide the revenue requirements of the budget for the ensuing year; and

WHEREAS, the City Council further finds that taxes for the year 2025-2026, hereinafter levied therefore are necessary to pay interest and to provide the required sinking fund on outstanding bonds of the City issued for City purposes, and on bonds proposed to be issued for such purposes during the ensuing year; and

WHEREAS, the City Council approved on August 27, 2025, a separate budget ordinance for the fiscal year beginning October 1, 2025, and ending September 30, 2026; and

WHEREAS, the City Council provided notice of the effective tax rate as required by law; and

WHEREAS, pursuant to Section 26.05 of the Texas Tax Code, the City Council held a public hearing on the proposed tax rate on August 27, 2025 during a special called City Council Meeting at 5:30 p.m., held in the Kennedale City Hall Council Chambers, located at 405 Municipal Drive, Kennedale, Texas, and took action on the proposed rate at the close of the public hearing; and

WHEREAS, all statutory and constitutional requirements concerning the levying and assessing of ad valorem taxes have been complied with; 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:

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 2025-2026 tax year are hereby accepted.

SECTION 3.

There is hereby levied and ordered to be assessed and collected for the fiscal year beginning October 1, 2025, and ending September 30, 2026, and for each fiscal year thereafter until it be otherwise provided and ordained, on all taxable property, real, personal and mixed, situated within the corporate limits of the City of Kennedale, Texas, and not exempt from taxation by the constitution of the State of Texas and valid state laws, an ad valorem tax rate of \$0.696190 on each One Hundred Dollars (\$100.00) assessed value of taxable property, which tax rate is apportioned and distributed as follows:

- A. For the purpose of defraying the current maintenance and operation expenses of the City (General Fund), a tax of \$0.483073 on each One Hundred Dollars (\$100.00) assessed value of all taxable property.
- B. For the purpose of creating a Debt Service Fund to pay the interest and principle on all outstanding indebtedness, a tax of \$0.213117 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.

Total tax rate: \$0.696190.

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 1.22% PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$-27.90.

SECTION 4.

All monies collected and hereby appropriated are set apart for the specific purposes indicated, and the funds shall be accounted for in such a manner as to readily show balances at any time.

SECTION 5.

All ad valorem taxes herein levied shall become due and payable on October 1, 2025, and all ad valorem taxes for the year shall become delinquent after January 31, 2026. There shall be no discount for payment of taxes prior to said January 31, 2026. Payment of such taxes shall be due in one full installment except as otherwise required by law. A delinquent tax shall incur all penalties and interest authorized by state law, Section 33.01 of the Tax Code.

SECTION 6.

Taxes herein levied and uncollected as of January 31, 2026, shall be a first and prior lien against the property, which lien shall be superior and prior to all other liens.

SECTION 7.

Pursuant to the authority granted by Section 33.07 of the Texas Tax Code, in the event that the taxes become delinquent on or after February 1, 2026 but not later than May 1, 2026 and that remain delinquent on July 1, 2026, 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

SECTION 8.

Pursuant to the authority granted by Section 33.08 of the Texas Tax Code, the City further provides that all taxes that become delinquent on or after June 1, 2026, shall, in order to defray the costs of collection, incur an additional penalty in the amount of 20% of the delinquent tax, penalty, and interest.

SECTION 9.

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

SECTION 10.

All provisions of any ordinance in conflict with this Ordinance are hereby repealed; but such repeal shall not abate any pending prosecution for violation of the repealed ordinance, nor shall the repeal prevent prosecution from being commenced for any violation if occurring prior to the repeal of the ordinance. Any remaining portions of conflicting ordinances shall remain in full force and effect.

SECTION 11.

It is hereby declared to be the intention of the City Council that if any of the phrases, clauses, sentences, paragraphs, and sections of this Ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such 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 unconstitutional phrase, clauses, sentence, paragraph, or section.

SECTION 12.

All rights or remedies of the City under previous ordinances are expressly saved as to penalties for liabilities for any delinquencies and penalties for prior years and under prior ordinances of the City, and such delinquencies and penalties owed shall not be affected by this Ordinance, but may be collected through any remedy available under law.

SECTION 13.

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

PASSED AND APPROVED ON THIS THE 27 DAY OF AUGUST 2025, BY A VOTE OF 4 AYES, 0 NAYS, AND 0 ABSTENTIONS AT A REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF KENNEDALE, TEXAS.

David Glover, Place 1
 Thelma Kobeck, Place 2
 Kenneth Michels, Place 3
 Chris Gary, Place 4
 Jeff Nevarez, Place 5

<u>Aye</u>	<u>Nay</u>	<u>Abstention</u>
<input checked="" type="checkbox"/>		
<input checked="" type="checkbox"/>		
<input checked="" type="checkbox"/>		
<input checked="" type="checkbox"/>		



APPROVED:

Brad Horton
 Brad Horton, Mayor

ATTEST:

Barbara Dahl
 Barbara Dahl, City Secretary

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 RATE

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>0.696190</u>	per \$100
NO-NEW-REVENUE TAX RATE	\$ <u>0.687818</u>	per \$100
VOTER-APPROVAL TAX RATE	\$ <u>0.745716</u>	per \$100

The no-new-revenue tax rate is the tax rate for the 2025 (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 2024 (preceding tax year) tax year and the 2025 (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 2025 (current tax year) tax year.

A PUBLIC HEARING ON THE PROPOSED TAX RATE WILL BE HELD ON August 27, 2025 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)

	2024	2025	Change
Total tax rate (per \$100 of value)	\$0.706190	\$0.696190	Decrease of \$0.01 per \$100, or 1.416%
Average homestead taxable value	\$323,321	\$335,000	Increase of \$11,679 or 3.61%
Tax on average homestead	\$2,283.26	\$2,319.88	Increase of \$48.98, or 2.15%
Total tax levy on all properties	\$8,582,334	\$8,599,130	Increase of \$62,617 or 0.73%

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.

2025 Tax Rate Calculation Worksheet

Taxing Units Other Than School Districts or Water Districts

City of Kennedale	817-985-2105
Taxing Unit Name	Phone (area code and number)
405 Municipal Drive, Kennedale, Texas 76060	cityofkennedale.com
Taxing Unit's Address, City, State, ZIP Code	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	\$ 1,238,215,039
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	\$ 198,075,181
3.	Preliminary prior year adjusted taxable value. Subtract Line 2 from Line 1.	\$ 1,040,139,858
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: \$ 16,523,200	
	B. Prior year values resulting from final court decisions: - \$ 14,153,447	
	C. Prior year value loss. Subtract B from A. ³	\$ 2,369,753
6.	Prior year taxable value subject to an appeal under Chapter 42, as of July 25.	
	A. Prior year ARB certified value: \$ 0	
	B. Prior year disputed value: - \$ 0	
	C. Prior year undisputed value. Subtract B from A. ⁴	\$ 0
7.	Prior year Chapter 42 related adjusted values. Add Line 5C and Line 6C.	\$ 2,369,753

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.	\$ 1,042,509,611
9.	Prior year taxable value of property in territory the taxing unit deannexed after Jan. 1, 2024. Enter the prior year value of property in deannexed territory. ⁵	\$ 0
10.	<p>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.</p> <p>A. Absolute exemptions. Use prior year market value: \$ 0</p> <p>B. Partial exemptions. Current year exemption amount or current year percentage exemption times prior year value: + \$ 3,276,615</p> <p>C. Value loss. Add A and B. ⁶</p>	\$ 3,276,615
11.	<p>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.</p> <p>A. Prior year market value: \$ 263,150</p> <p>B. Current year productivity or special appraised value: - \$ 364</p> <p>C. Value loss. Subtract B from A. ⁷</p>	\$ 262,786
12.	Total adjustments for lost value. Add Lines 9, 10C and 11C.	\$ 3,539,401
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.	\$ 49,339,435
14.	Prior year total value. Subtract Line 12 and Line 13 from Line 8.	\$ 989,630,775
15.	Adjusted prior year total levy. Multiply Line 4 by Line 14 and divide by \$100.	\$ 6,988,673
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	\$ 88,395
17.	Adjusted prior year levy with refunds and TIF adjustment. Add Lines 15 and 16. ¹⁰	\$ 7,077,068
18.	<p>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</p> <p>A. Certified values: \$ 1,261,465,214</p> <p>B. Counties: Include railroad rolling stock values certified by the Comptroller's office: + \$ _____</p> <p>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</p> <p>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 24 below. ¹² - \$ 34,020,406</p> <p>E. Total current year value. Add A and B, then subtract C and D.</p>	\$ 1,227,444,808

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..... \$ <u>12,618,813</u></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..... + \$ <u>1,688,037</u></p> <p>C. Total value under protest or not certified. Add A and B.</p>	\$ <u>14,306,850</u>
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	\$ <u>204,080,025</u>
21.	Anticipated contested value. Affected taxing units enter the contested taxable value for all property that is subject to anticipated substantial litigation. ¹⁷ An affected taxing unit is wholly or partly located in a county that has a population of less than 500,000 and is located on the Gulf of Mexico. ¹⁸ If completing this section, the taxing unit must include supporting documentation in Section 9. ¹⁹ Taxing units that are not affected, enter 0.	\$ <u>0</u>
22.	Current year total taxable value. Add Lines 18E and 19C, then subtract Lines 20 and 21. ²⁰	\$ <u>1,037,671,633</u>
23.	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. ²¹	\$ <u>0</u>
24.	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. ²²	\$ <u>8,757,000</u>
25.	Total adjustments to the current year taxable value. Add Lines 23 and 24.	\$ <u>8,757,000</u>
26.	Adjusted current year taxable value. Subtract Line 25 from Line 22.	\$ <u>1,028,914,633</u>
27.	Current year NNR tax rate. Divide Line 17 by Line 26 and multiply by \$100. ²³	\$ <u>0.687818</u> /\$100
28.	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. ²⁴	\$ _____ /\$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.

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 §526.012(6)(C) and 26.012(1-b)
¹⁸ Tex. Tax Code §26.012(1-a)
¹⁹ Tex. Tax Code §26.04(d-3)
²⁰ Tex. Tax Code §26.012(6)
²¹ Tex. Tax Code §26.012(17)
²² Tex. Tax Code §26.012(17)
²³ Tex. Tax Code §26.04(c)
²⁴ Tex. Tax Code §26.04(d)

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
29.	Prior year M&O tax rate. Enter the prior year M&O tax rate.	\$ 0.510974 /\$100
30.	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> .	\$ 1,042,509,611
31.	Total prior year M&O levy. Multiply Line 29 by Line 30 and divide by \$100.	\$ 5,326,953
32.	Adjusted prior year levy for calculating NNR M&O rate. 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 2024. This line applies only to tax years preceding the prior tax year. + \$ 65,389 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. - \$ 223,749 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 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. \$ -158,360 E. Add Line 31 to 32D.	\$ 5,168,593
33.	Adjusted current year taxable value. Enter the amount in Line 26 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 1,028,914,633
34.	Current year NNR M&O rate (unadjusted). Divide Line 32E by Line 33 and multiply by \$100.	\$ 0.502334 /\$100
35.	Rate adjustment for state criminal justice mandate. ²⁶ 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 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 C. Subtract B from A and divide by Line 33 and multiply by \$100. \$ 0.000000 /\$100 D. Enter the rate calculated in C. If not applicable, enter 0.	\$ 0.000000 /\$100
36.	Rate adjustment for indigent health care expenditures. ²⁷ 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 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, 2023 and ending on June 30, 2024, less any state assistance received for the same purpose. - \$ 0 C. Subtract B from A and divide by Line 33 and multiply by \$100. \$ 0.000000 /\$100 D. Enter the rate calculated in C. If not applicable, enter 0.	\$ 0.000000 /\$100

²⁵ [Reserved for expansion]

²⁶ Tex. Tax Code §26.044

²⁷ Tex. Tax Code §26.0441

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
37.	<p>Rate adjustment for county indigent defense compensation. ²⁸</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, 2023 and ending on June 30, 2024, less any state grants received by the county for the same purpose. \$ 0 _____</p> <p>C. Subtract B from A and divide by Line 33 and multiply by \$100. \$ 0.000000 /\$100</p> <p>D. Multiply B by 0.05 and divide by Line 33 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
38.	<p>Rate adjustment for county hospital expenditures. ²⁹</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, 2023 and ending on June 30, 2024. \$ 0 _____</p> <p>C. Subtract B from A and divide by Line 33 and multiply by \$100. \$ 0.000000 /\$100</p> <p>D. Multiply B by 0.08 and divide by Line 33 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
39.	<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 33 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
40.	<p>Adjusted current year NNR M&O rate. Add Lines 34, 35D, 36D, 37E, and 38E. Subtract Line 39D.</p>	\$ 0.502334 /\$100
41.	<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 \$ 761,402 _____</p> <p>B. Divide Line 41A by Line 33 and multiply by \$100 \$ 0.074000 /\$100</p> <p>C. Add Line 41B to Line 40.</p>	\$ 0.576334 /\$100
42.	<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 41C 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 41C by 1.035.</p>	\$ 0.596505 /\$100

²⁸ Tex. Tax Code §26.0442

²⁹ Tex. Tax Code §26.0443

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
D42.	<p>Disaster Line 42 (D42): 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 41C by 1.08.³⁰ If the taxing unit does not qualify, do not complete Disaster Line 42 (Line D42).</p>	\$ 0.000000 /\$100
43.	<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.³¹</p> <p>Enter debt amount \$ 2,729,972</p> <p>B. Subtract unencumbered fund amount used to reduce total debt. – \$ 500,000</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 – \$ 0</p> <p>E. Adjusted debt. Subtract B, C and D from A.</p>	\$ 2,229,972
44.	Certified prior year excess debt collections. Enter the amount certified by the collector. ³²	\$ 18,507
45.	Adjusted current year debt. Subtract Line 44 from Line 43E.	\$ 2,211,465
46.	<p>Current year anticipated collection rate.</p> <p>A. Enter the current year anticipated collection rate certified by the collector.³³ 100.00 %</p> <p>B. Enter the prior year actual collection rate..... 100.33 %</p> <p>C. Enter the 2023 actual collection rate. 99.29 %</p> <p>D. Enter the 2022 actual collection rate. 100.27 %</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%.³⁴</p>	100.00 %
47.	Current year debt adjusted for collections. Divide Line 45 by Line 46E.	\$ 2,211,465
48.	Current year total taxable value. Enter the amount on Line 22 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 1,037,671,633
49.	Current year debt rate. Divide Line 47 by Line 48 and multiply by \$100.	\$ 0.213117 /\$100
50.	Current year voter-approval M&O rate plus current year debt rate. Add Lines 42 and 49.	\$ 0.809622 /\$100
D50.	<p>Disaster Line 50 (D50): 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 D42. Add Line D42 and 49.</p>	\$ 0.000000 /\$100

³⁰ Tex. Tax Code §26.042(a)
³¹ Tex. Tax Code §26.012(7)
³² Tex. Tax Code §26.012(10) and 26.04(b)
³³ Tex. Tax Code §26.04(b)
³⁴ Tex. Tax Code §§26.04(h), (h-1) and (h-2)

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
51.	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
52.	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. ³⁵ 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
53.	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. ³⁶ 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 52 by the sales tax rate (.01, .005 or .0025, as applicable) and multiply the result by .95. ³⁷ - 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.	\$ 761,402
54.	Current year total taxable value. Enter the amount from Line 22 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 1,037,671,633
55.	Sales tax adjustment rate. Divide Line 53 by Line 54 and multiply by \$100.	\$ 0.073376 /\$100
56.	Current year NNR tax rate, unadjusted for sales tax. ³⁸ Enter the rate from Line 27 or 28, as applicable, on the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 0.687818 /\$100
57.	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 55 from Line 56. Skip to Line 58 if you adopted the additional sales tax before November of the prior tax year.	\$ 0.687818 /\$100
58.	Current year voter-approval tax rate, unadjusted for sales tax. ³⁹ Enter the rate from Line 50, Line D50 (disaster) or Line 51 (counties) as applicable, of the <i>Voter-Approval Tax Rate Worksheet</i> .	\$ 0.809622 /\$100
59.	Current year voter-approval tax rate, adjusted for sales tax. Subtract Line 55 from Line 58.	\$ 0.736246 /\$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
60.	Certified expenses from the Texas Commission on Environmental Quality (TCEQ). Enter the amount certified in the determination letter from TCEQ. ⁴⁰ The taxing unit shall provide its tax assessor-collector with a copy of the letter. ⁴¹	\$ 0
61.	Current year total taxable value. Enter the amount from Line 22 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 1,037,671,633
62.	Additional rate for pollution control. Divide Line 60 by Line 61 and multiply by \$100.	\$ 0.000000 /\$100

³⁵ Tex. Tax Code §26.041(d)
³⁶ Tex. Tax Code §26.041(i)
³⁷ Tex. Tax Code §26.041(d)
³⁸ Tex. Tax Code §26.04(c)
³⁹ Tex. Tax Code §26.04(c)
⁴⁰ Tex. Tax Code §26.045(d)
⁴¹ Tex. Tax Code §26.045(i)

Line	Voter-Approval Rate Adjustment for Pollution Control Requirements Worksheet	Amount/Rate
63.	Current year voter-approval tax rate, adjusted for pollution control. Add Line 62 to one of the following lines (as applicable): Line 50, Line D50 (disaster), Line 51 (counties) or Line 59 (taxing units with the additional sales tax).	\$ 0.736246 /\$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. ⁴²The 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. ⁴³

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; ⁴⁴
- a tax year in which the municipality is a defunding municipality, as defined by Tax Code Section 26.0501(a); ⁴⁵ 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. ⁴⁶

This section should only be completed by a taxing unit that does not meet the definition of a special taxing unit. ⁴⁷

Line	Unused Increment Rate Worksheet	Amount/Rate
64.	Year 3 Foregone Revenue Amount. Subtract the 2024 unused increment rate and 2024 actual tax rate from the 2024 voter-approval tax rate. Multiply the result by the 2024 current total value	
	A. Voter-approval tax rate (Line 68)	\$ 0.727523 /\$100
	B. Unused increment rate (Line 67)	\$ 0.013264 /\$100
	C. Subtract B from A	\$ 0.714259 /\$100
	D. Adopted Tax Rate	\$ 0.706190 /\$100
	E. Subtract D from C	\$ 0.008069 /\$100
	F. 2024 Total Taxable Value (Line 60)	\$ 1,215,300,957
	G. Multiply E by F and divide the results by \$100. If the number is less than zero, enter zero.....	\$ 98,062
65.	Year 2 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
66.	Year 1 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
67.	Total Foregone Revenue Amount. Add Lines 64G, 65G and 66G	\$ 98,273 /\$100
68.	2025 Unused Increment Rate. Divide Line 67 by Line 22 of the <i>No-New-Revenue Rate Worksheet</i> . Multiply the result by 100	\$ 0.009470 /\$100
69.	Total 2025 voter-approval tax rate, including the unused increment rate. Add Line 68 to one of the following lines (as applicable): Line 50, Line 51 (counties), Line 59 (taxing units with additional sales tax) or Line 63 (taxing units with pollution)	\$ 0.745716 /\$100

⁴² Tex. Tax Code §26.013(b)
⁴³ Tex. Tax Code §26.013(a)(1-a), (1-b), and (2)
⁴⁴ Tex. Tax Code §26.04(c)(2)(A) and 26.042(a)
⁴⁵ Tex. Tax Code §26.0501(a) and (c)
⁴⁶ Tex. Local Gov’t Code §120.007(d)
⁴⁷ Tex. Local Gov’t Code §26.04(c)(2)(B)

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.⁴⁸ 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.⁴⁹

Line	De Minimis Rate Worksheet	Amount/Rate
70.	Adjusted current year NNR M&O tax rate. Enter the rate from Line 40 of the <i>Voter-Approval Tax Rate Worksheet</i> .	\$ 0.502334 /\$100
71.	Current year total taxable value. Enter the amount on Line 22 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 1,037,671,633
72.	Rate necessary to impose \$500,000 in taxes. Divide \$500,000 by Line 71 and multiply by \$100.	\$ 0.048184 /\$100
73.	Current year debt rate. Enter the rate from Line 49 of the <i>Voter-Approval Tax Rate Worksheet</i> .	\$ 0.213117 /\$100
74.	De minimis rate. Add Lines 70, 72 and 73.	\$ 0.763635 /\$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.⁵⁰

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.⁵¹

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
75.	2024 adopted tax rate. Enter the rate in Line 4 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 0.706190 /\$100
76.	Adjusted 2024 voter-approval tax rate. Use the taxing unit's Tax Rate Calculation Worksheets from the prior year(s) to complete this line. ⁵² If a disaster occurred in 2024 and the taxing unit calculated its 2024 voter-approval tax rate using a multiplier of 1.08 on Disaster Line 41 (D41) of the 2024 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 2024 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 2024, 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 2024 if it had generated revenue based on an adopted tax rate using a multiplier of 1.035 in the years following the disaster. ⁵³ Enter the final adjusted 2024 voter-approval tax rate from the worksheet. - or - If the taxing unit adopted a tax rate above the 2024 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
77.	Increase in 2024 tax rate due to disaster. Subtract Line 76 from Line 75.	\$ 0.000000 /\$100
78.	Adjusted 2024 taxable value. Enter the amount in Line 14 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 989,630,775
79.	Emergency revenue. Multiply Line 77 by Line 78 and divide by \$100.	\$ 0
80.	Adjusted 2024 taxable value. Enter the amount in Line 26 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 1,028,914,633
81.	Emergency revenue rate. Divide Line 79 by Line 80 and multiply by \$100. ⁵³	\$ 0.000000 /\$100

⁴⁸ Tex. Tax Code §26.012(8-a)
⁴⁹ Tex. Tax Code §26.063(a)(1)
⁵⁰ Tex. Tax Code §26.042(b)
⁵¹ Tex. Tax Code §26.042(f)
⁵² Tex. Tax Code §26.042(c)
⁵³ Tex. Tax Code §26.042(b)

Line	Emergency Revenue Rate Worksheet	Amount/Rate
82.	Current year voter-approval tax rate, adjusted for emergency revenue. Subtract Line 81 from one of the following lines (as applicable): Line 50, Line D50 (disaster), Line 51 (counties), Line 59 (taxing units with the additional sales tax), Line 63 (taxing units with pollution control) or Line 69 (taxing units with the unused increment rate).	\$ 0.745716 /\$100

SECTION 8: Total Tax Rate

Indicate the applicable total tax rates as calculated above.

<p>No-new-revenue tax rate. \$ 0.687818 /\$100 As applicable, enter the current year NNR tax rate from: Line 27, Line 28 (counties), or Line 57 (adjusted for sales tax). Indicate the line number used: <u>27</u></p>
<p>Voter-approval tax rate. \$ 0.745716 /\$100 As applicable, enter the current year voter-approval tax rate from: Line 50, Line D50 (disaster), Line 51 (counties), Line 59 (adjusted for sales tax), Line 63 (adjusted for pollution control), Line 69 (adjusted for unused increment), or Line 82 (adjusted for emergency revenue). Indicate the line number used: <u>27</u></p>
<p>De minimis rate. \$ 0.763635 /\$100 If applicable, enter the current year de minimis rate from Line 74.</p>

SECTION 9: Addendum

An affected taxing unit that enters an amount described by Tax Code Section 26.012(6)(C) in line 21 must include the following as an addendum:

1. Documentation that supports the exclusion of value under Tax Code Section 26.012(6)(C); and
2. Each statement submitted to the designated officer or employee by the property owner or entity as required by Tax Code Section 41.48(c)(2) for that tax year.

Insert hyperlinks to supporting documentation:

SECTION 10: 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.⁵⁴

print here ➔ Andy Nguyen for Rick Barnes, Tarrant County Tax Assessor-Collector
 Printed Name of Taxing Unit Representative

sign here ➔ Andy Nguyen
 Andy Nguyen (Aug 5, 2025 10:15:55 CDT)
 Taxing Unit Representative

08/05/2025
 Date

⁵⁴ Tex. Tax Code §§26.04(c-2) and (d-2)

MEETING DATE: AUGUST 5, 2025

AGENDA ITEM NUMBER: WORK SESSION ITEM V.A.

SUBJECT

2026 City of Kennedale Budget

ORIGINATED BY

Jonathan Horton, Finance Director

SUMMARY

Program and personnel changes from FY25 are listed, by fund, below:

General Fund (01)

- Three percent pay increase for civilian staff (those not subject to the Public Safety Step Plan)
- City Administration Department
 - Combination of City Manager's Officer, City Secretary, and Human Resources Departments
 - Temp employee to assist with digitizing our backlog of physical records
- Finance: Contracted Grant Specialist
- Library: RFID inventory/checkout system and Cameras
- Public Works:
 - Project Manager position
 - Additional street lights
 - Concrete panel restoration
 - Utility cut expenditure increase
 - TCEQ compliance related expenditures
 - Lift (to be split with EDC)

Stormwater (07)

- Channel cleaning

Water/Sewer (10)

- TCEQ compliance related expenses
- Looping of dead-end mains

Roadway Impact Fund (45)

- Hilltop Drive overlay

Capital Replacement Fund (05)

- Police: patrol vehicle

Municipal Court Building Security and Technology Fund (TBD)

- Combination of Court Security (12) and Court Technology (16) Funds.

- Created by House Bill 1950. Revenue received after May 29, 2025 will go into this Fund. Funds 12 and 16 will remain until the balances are spent.

Economic Development Corporation

- Renovation of space formerly occupied by Dollar General
- Lift (to be split with General Fund/Public Works)

RECOMMENDATION

No Action Required

ATTACHMENTS

1.	FY26 Budget Workbook - DRAFT4 - AUGUST - FY25 Estimates COUNCIL Copy	FY26 Budget Workbook - DRAFT4 - AUGUST - FY25 Estimates COUNCIL Copy.pdf
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MEETING DATE: AUGUST 27, 2025

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

SUBJECT

Discuss and hold a Roll Call Vote to take action on Ordinance #787 of the City of Kennedale, Texas, adopting the budget for the fiscal year beginning October 1, 2025, and ending September 30, 2026; 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.

ORIGINATED BY

Jonathan Horton, Finance Director

SUMMARY

Changes made in budget amounts since the August 5th workshop are listed, by fund, below:

General Fund (01): Property tax revenue is based on a rate of \$0.696190/\$100

- Mayor and Council: Increase of Special Events by \$1K
- Court: Adjustment of expenditure allocation. Total remains the same.
- Finance:
 - \$4K reduction in total expenditure achieved by reducing Office Supplies, Office Equipment, Dues/Publications, Training, Travel, and Fees.
 - Increase of \$3,100 to cover increase of collection fees from Tarrant County. The County's cost is increasing to \$1.07/account for the next three years.
- Fire: \$17,650 reduction in total expenditure achieved by reducing Building Maintenance, Life Safety Equipment, Uniforms, Cleaning Supplies, General Office Supplies, Printed Supplies, Postage, and Expendable Supplies.
- Senior Center: Reduction of Expendable Supplies of \$1K
- Library: Reduction of \$11,500 across the Processing Supplies, Office Equipment, and Special Services accounts due to moving RFID project to FY25. This shift will decrease facility downtime by using a previously scheduled facility closure for part of the implementation.
- Communications: Reduction of \$3,500 across Expendable Supplies, Office Equipment, and Special Events accounts
- Public Works:
 - Reduction of Park Maintenance and Sonora and Rodgers Farm Park accounts by \$2,500/each
 - Training reduced to \$7K
 - Special services reduced to \$193K
 - Travel reduced to \$2,500
- Non-Departmental: \$80,000 reduction in the Capital Replacement Fund transfer due to removal of PD patrol vehicle.

Municipal Court Building Security and Technology Fund (19)

- Per House Bill 1950, this new fund was created and the budgets modified for Funds 12 (Court Security) and 16 (Court Technology) accordingly.

Economic Development Corporation

- Increase Building Maintenance to \$758,405 from \$600,000 to accommodate Hutcherson Construction contract approved by Council on August 5, 2025.
- Increase of \$3K in Special Events

RECOMMENDATION

Approve

Approve using the following language:

I move to approve an ordinance for the City of Kennedale, Texas adopting the budget for the fiscal year beginning October 1, 2025 and ending September 30, 2026; 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.

ATTACHMENTS

1.	787- FY 25-26 Budget Ordinance- Final	787- FY 25-26 Budget Ordinance- Final.docx
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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/PUBLICICATIONS	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

December 12, 2024

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

Re: *Kennedale Combined Tax & Revenue Certificates Of Obligation, Texas*

Dear John Horton

S&P Global Ratings has reviewed the rating on the above-listed obligations. Based on our review, we have raised our credit rating from "AA-" to "AA" and changed the outlook to stable from positive. 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,

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as
enclosure

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

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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

<u>General Fund</u>					
<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

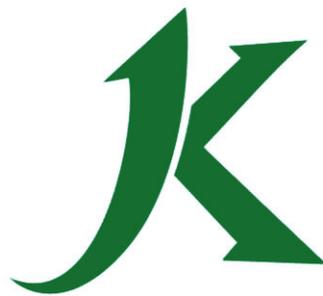
<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>	<i>Annual Debt Service</i>
02/01/2025	110,000	5.000%	65,837.50	175,837.50	
08/01/2025			63,087.50	63,087.50	
09/30/2025					238,925.00
02/01/2026	95,000	5.000%	63,087.50	158,087.50	
08/01/2026			60,712.50	60,712.50	
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

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.

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.

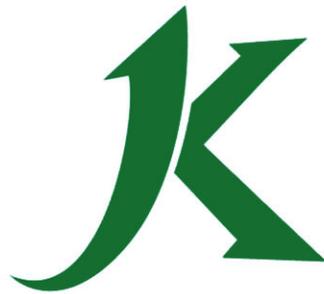
Training/Exam Date (If Applicable): _____

Employee Name: _____
Employee Signature: _____
Date: _____

Department Head Name: _____
Department Head Signature: _____
Date: _____

Director of Finance Name: _____
Director of Finance Signature: _____
Date: _____

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
JUNE 17, 2025
SEPTEMBER 16, 2025

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 must 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, security risks, strategy risks, market risks, diversification of investment portfolio, 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 and collateral 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 must 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
Jeffrey Carroll
550 Bailey Avenue, Suite 700
Fort Worth, TX 76107
- BV Private Wealth LP
Tyson Eubanks
801 Cherry Street, Suite 2250
Fort Worth, TX 76102

CITY OF KENNEDALE



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 serves as the primary purchasing authority for municipalities and this City of Kennedale Purchasing Policy has been adopted in accordance with applicable statutes. In addition to making periodic administrative updates to this policy, which further establish standard practices and procedures to create uniformity, economy, efficiency, and effectiveness in our purchasing program, Staff incorporates revisions due to changes in state law.

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.

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
OCTOBER 16, 2018
AUGUST 19, 2025

I. PURPOSE

The purpose of this policy is to establish standard practices and procedures to create a uniform, economic, efficient, and effective purchasing program for the City of Kennedale.

II. POLICY

It is the policy of the City of Kennedale (the City) to authorize purchases at the time and place needed, in the proper quantity, and of the proper quality of 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

All procurement activity shall be governed in accordance with applicable federal and state statutes and local ordinances and codes. The primary governing authority for the City of Kennedale's Purchasing Policy is Chapter 252 of the Texas Local Government Code: Purchasing and Contracting Authority of Municipalities. Several other statutes place restrictions or requirements on the purchasing authority of municipalities as discussed below.

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 Employee Handbook, 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 the authority granted.
- D. Refrain from any private business or professional activity that would create a conflict between personal interests and the interests 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 vendors 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. The 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 the City Manager.
- C. At a minimum, payment approval is required from the Department Director 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 The Finance Department. 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 the Finance Department for questions with regard 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 employee'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. Any purchase greater than \$49,999.99 requires approval from the City Council
- G. Payments for goods and services must be paid **no later than 30 days after the latter 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 each amount under \$100,000) 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 obtaining quotes. 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, local purchasing programs, piggybacking, and joint purchases. When utilizing a Cooperative Purchasing Program, all statutory prerequisites and requirements must be followed.

- D. Texas Local Government Code, Section 252.021 specifically authorizes municipalities to utilize the alternative delivery (bidding) procedures under Texas Government Code, Chapter 2269 for construction projects. The procedures under Chapter 2269 shall be utilized where applicable.
- E. Any exemption under Texas Local Government Code, Section 252.022, General Exemption will need the approval from City Manager. The Department Director 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 a written explanation and all documentation and send it to the 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 \$99,999.99 require a minimum of three (3) quotes**. All quotations received must be in writing from the vendor and will be evaluated by the Department Director who will then authorize the purchase.
 - 1) Chapter 252.0215 of the Texas 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 \$100,000** 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 Businesses (HUBs) 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 **\$100,000 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 solicitation 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 or proposals ("bids") in accordance with State law. Unless excepted by another statute, **bids must be advertised once a week 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

A. 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.

B. In determining the award of a contract under Texas Government Code, Chapter 2269, the City shall consider the factors set forth in that chapter.

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 that chapter. The Texas Local Government Code, Section 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 following basis:

- 1) Demonstrated competence and qualifications to perform the services;
 - 2) For a fair and reasonable price;
 - 3) Fees must be consistent with, and not higher than, the recommended practices and fees published by the applicable professional associations; and
 - 4) Professional fees 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, professional nursing, or forensic science, 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, a registered nurse, or a forensic analyst or forensic science expert or provided by a person lawfully engaged in interior design, regardless of whether the person is registered as an interior designer under Chapter 1053, Occupations Code.”

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 Texas 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 because of unforeseen damage to public machinery, equipment, or other property.

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.
- B. 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.
- C. 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.
- D. 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.

- E. A penalty greater than twelve (12) months due to the severity of the infraction requires the approval of the City Manager or designee.
- F. The City of Kennedale reserves the right to change, modify, amend, revoke, or rescind all or part of this policy in the future.

XVII. PROHIBITIONS ON CONTRACTING WITH CERTAIN BUSINESSES

- A. Texas Government Code, Chapter 2270 prohibits a governmental entity from contracting with a company for goods or services unless the contract contains a written verification from the company that it does not boycott Israel and it will not boycott Israel during their term of the contract. The User Department shall assure compliance with this requirement.
- B. Texas Government Code, Chapter 2252, Subchapter F prohibits a governmental entity from contracting for general construction, an improvement, a service, a public works project, or the purchase of supplies, materials or equipment with companies engaged in business with Iran, Sudan, or a Foreign Terrorist Organization. The State Comptroller keeps a list of banned companies. The User Department is responsible for assuring that the company wanting to do business with the City is not on the banned list.

XVIII. DISCLOSURE OF INTERESTED PARTIES

Before the City may enter into a contract that has a value of at least \$1 million or that requires an action or vote of the City Council before the contract may be signed, the business entity must submit a disclosure of interested parties to the City at the time it submits a signed contract to the City. Texas Government Code, Section 2252.908. This disclosure must be on forms prescribed by the Texas Ethics Commission.

XIX. AUDIT OF DEPARTMENTAL RECORDS

The Finance Department may audit User Department purchasing files to ensure compliance with the procedures described herein.

APPENDIX A

CITY OF KENNEDALE, TEXAS
PURCHASING MATRIX

PURCHASE	\$0 - \$3,000.00	\$3,000.01 - \$49,999.99	\$50,000 & Above
SIGNATURES REQUIRED	<ul style="list-style-type: none"> ▪ Department Director 	<ul style="list-style-type: none"> ▪ Department Director ▪ 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 (if over \$100,000) Or ▪ Competitive Proposal (if over \$100,000)
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)

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 \$100,000**, 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 <https://mycpa.cpa.state.tx.us/tpasscmlsearch/tpasscmlsearch.do>
 - 2) Click “HUBS on CMBL”
 - 3) Go to Business Category and select the appropriate category from the dropdown list
 - 4) Select “Tarrant” on Texas County dropdown list
 - 5) Select appropriate Output Field(s) within the “Select Fields For Output” section
 - 6) Click “Search”
 - 7) Results will appear

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.

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.