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Adopted Budget Fiscal Year 2027
October 1, 2026 through September



Adopted Budget Fiscal Year 2027
October 1, 2026 through September 30, 2027

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County Clerk
by **ngorena**

FY26-27 ADOPTED BUDGET

OCTOBER 1, 2026 to SEPTEMBER 30, 2027

Presented to City Council
July 13, 2026

Adopted Budget
August 18, 2026

Approval of Tax Rate
August 18, 2026

Submitted By
DARRELL HULL, CITY MANAGER

JONATHAN HORTON, DIRECTOR OF FINANCE

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Kennedale, TX 76060
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City of Kennedale
Fiscal Year 2026/2027
THIS BUDGET WILL RAISE LESS TOTAL PROPERTY TAXES THAN LAST YEAR'S BUDGET BY $42,507 OR 0.492%.

CITY COUNCIL RECORD VOTE

The members of the governing body voted on adoption of the budget as follows:
For: David Glover, Bryant Griffith, Kenneth Michels, Ryon Ray, Jeff Nevarez
Against: None
Present and Not Voting: Brian Johnson
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	FY26 Adopted	FY27 Adopted
Property Tax Rate	$0.696190/100	$0.696190/100
No-New-Revenue Tax Rate	$0.687818/100	$0.694395/100
No-New-Revenue Maintenance & Operations Rate	$0.474701/100	$0.483105/100
Voter Approval Tax Rate	$0.745716/100	$0.754427/100
Debt Rate	$0.213117/100	$0.200325/100
Maintenance & Operations Tax Rate	$0.483073/100	$0.495865/100
De Minimus Rate	$0.763635/100	$0.732221/100

MUNICIPAL DEBT OBLIGATIONS

The total amounts of outstanding municipal debt obligations (including principal and interest) secured by property taxes is $36,212,641.54.

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

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

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.

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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

CITY COUNCIL
(Elected Officials)

CITY ATTORNEY
(Appointed Official)

CITY MANAGER
(Appointed Official)

MUNICIPAL JUDGE
(Appointed Official)

ADVISORY BOARDS
(Appointed by Council)

COMMISSIONS
(Appointed by Council)

- City Administration
- Finance
  - Information Technology
- Municipal Court
- Community Development
  - Planning & Permits
  - Code Compliance & Inspections
- Fire
  - EMS
- Library
  - Senior Center
  - Communications
- Police
  - Animal Control
  - School Resource Officers (SROs)
- Public Works
  - Utility Operations
  - Streets & Parks
  - Stormwater
  - Facility Maintenance

ELECTED OFFICIALS

Mayor Brian Johnson
Mayor Pro Tem Kenneth Michels, Place 3
David Glover, Place 1
Bryant Griffith, Place 2
Ryon Ray, Place 4
Jeff Nevarez, Place 5

APPOINTED OFFICALS

Darrell Hull, City Manager
Tina Cox, Interim City Secretary
Carvan Adkins of TOASE, City Attorney
Honorable Monroe Solomon III, 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
Edward McRoy, Director of Community Development
Eric Carlson, 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

CITY MANAGER'S OFFICE
405 MUNICIPAL DRIVE | KENNEDALE, TX 76060
OFFICE: 817-985-2102 | CELL: 817.565.4531 | FAX: 817-483-0182

August 18, 2026

To: Honorable Mayor and City Council Members

From: Darrell Hull, City Manager

Subject: Proposed FY 2026-2027 Budget for the City of Kennedale

Building on a Strong Foundation

Kennedale is a community defined by its character, resilience, and commitment to preserving the values that have made it one of North Texas' most desirable places to live, work, and raise a family. Conveniently located within the Dallas–Fort Worth metropolitan area, the City offers residents the advantages of regional accessibility while maintaining the welcoming atmosphere and close-knit relationships that distinguish Kennedale from many rapidly growing suburban communities.

As growth continues across North Texas, Kennedale remains committed to managing it thoughtfully and responsibly. The City's vision is not simply to grow larger but to become stronger—strengthening neighborhoods, enhancing public safety, improving infrastructure, expanding economic opportunities, and preserving the quality of life residents value.

This recommended budget reflects that philosophy. Every investment has been evaluated not only for its immediate operational need but also for its long-term contribution to the community. Whether improving streets and utilities, enhancing parks and public spaces, strengthening emergency services, investing in employees, or modernizing technology, each recommendation advances the city's mission to deliver exceptional municipal services while remaining fiscally responsible.

A Shared Vision

The FY 2026–2027 budget is directly aligned with the City Council's priorities and the long-term vision being established through Imagine Kennedale 2035. This strategic planning effort represents one of the most significant initiatives undertaken by the City in recent years. It will serve as the framework for future policy decisions, capital investments, and organizational priorities.

Throughout the budget development process, city leadership remained focused on balancing today's operational needs with tomorrow's opportunities. Department directors were encouraged to evaluate programs not only by their cost, but also by the value they provide to residents, businesses, and visitors. This approach ensures that limited public resources are invested where they generate the greatest long-term benefit while maintaining the City's strong financial position.

Strategic Priorities

The FY 2026–2027 budget advances several strategic priorities that will continue guiding the city's decision-making over the coming years. The city remains committed to maintaining a structurally balanced budget, preserving healthy reserve levels, and making financial decisions that protect taxpayers while ensuring long-term sustainability. Responsible financial stewardship continues to provide the flexibility necessary to respond to changing economic conditions while investing in community priorities. Maintaining strong financial policies and reserve levels allows Kennedale to address future challenges without sacrificing essential services.

Public Safety

Protecting lives and property remains the city's highest operational priority. The budget continues investing in police, fire, emergency medical services, emergency preparedness, and municipal court operations to ensure residents receive responsive, professional, and reliable public safety services. Investments in personnel, technology, communications equipment, and future apparatus replacement will position Kennedale to meet the demands of a growing community while enhancing responder safety and operational readiness.

Infrastructure and Asset Management

Reliable infrastructure is essential to maintaining the city's quality of life and supporting future economic development. The FY 2026–2027 budget continues a proactive approach to infrastructure management by investing in streets, water and wastewater systems, stormwater improvements, public facilities, and technology. These investments extend the useful life of city assets, improve service reliability, and reduce long-term maintenance costs by prioritizing planned replacement over emergency repair.

Rather than delaying investments until systems fail or service demands become critical, the City continues to implement long-term strategies that strengthen financial stability, modernize operations, and prepare the organization for sustained success. Investments in digital technology, employee development, infrastructure planning, emergency preparedness, and organizational innovation demonstrate a commitment to continuous improvement and responsible governance.

Economic Development

Economic vitality remains central to Kennedale's future. The city continues to pursue strategic redevelopment opportunities throughout the community, including continued investment in TownCenter, future commercial development along Kennedale Parkway, redevelopment near Interstate 20, and partnerships that expand employment opportunities while broadening the City's tax base. Responsible growth strengthens the local economy and helps reduce future financial pressure on residential taxpayers.

Quality of Life

A successful community is measured not only by its infrastructure but also by the opportunities it offers its residents. Investments in parks, library services, senior programs, communications, community events, and recreational amenities strengthen civic pride, foster community engagement, and improve the overall quality of life for residents of all ages. These programs contribute to Kennedale's identity as a community

where families, businesses, and neighborhoods thrive together.

The challenges facing local governments continue to evolve. Inflation, increasing construction costs, workforce competition, aging infrastructure, and rapidly changing technology require cities to think beyond the current fiscal year. Kennedale has chosen to respond proactively.

Building a Strong Financial Foundation

Responsible financial management is the cornerstone of every successful organization. The City of Kennedale's ability to provide exceptional municipal services, invest in critical infrastructure, and prepare for future growth is made possible through a long-standing commitment to conservative budgeting, sound financial policies, and disciplined fiscal management.

This philosophy recognizes that every budget is more than a financial document—it is a statement of priorities and a blueprint for the future. The FY 2026–2027 budget reflects the City's determination to preserve what residents value most while embracing opportunities that will strengthen Kennedale for generations to come. Modern budget communication emphasizes telling this story clearly so stakeholders understand not just how funds are allocated, but how those investments advance the community's long-term vision.

The FY 2026–2027 budget reflects this commitment. Every recommendation contained within this document has been developed with the understanding that public resources are entrusted to the City by its residents and businesses. Our responsibility extends beyond balancing the budget for a single fiscal year; it requires making financial decisions that preserve flexibility, protect taxpayers, and ensure the City's long-term financial sustainability. Over the past several years, Kennedale has steadily strengthened its financial position through prudent fiscal management, conservative revenue forecasting, and disciplined expenditure controls. These efforts have enabled the city to maintain stable operations while continuing to invest in essential infrastructure, public safety, technology, and quality-of-life initiatives.

One of the clearest indicators of this progress is the continued growth of the city's general fund reserves. During FY 2025–2026, the city increased its general fund reserve balance to more than 31 percent, providing additional financial flexibility to respond to unforeseeable events, economic fluctuations, and future capital needs. The FY 2026–2027 budget continues this strategy by establishing a long-term goal of increasing reserves to 35 percent, reinforcing the City's commitment to maintaining a strong financial foundation for future generations.

Strong reserves are not accumulated to maintain fund balances—they provide the financial capacity to respond to emergencies, stabilize operations during economic uncertainty, maintain favorable bond ratings, and reduce the need for short-term borrowing when unexpected opportunities or challenges arise. Maintaining adequate reserves is recognized as an essential component of sound financial management and long-term fiscal resilience.

The FY 2026–2027 budget has been developed using a structurally balanced approach that aligns recurring revenues with recurring operating expenditures. Rather than relying on one-time revenues to support ongoing operations, the City continues to focus on sustainable financial practices that preserve long-term stability while maintaining service levels.

Kennedale's commitment to financial excellence continues to receive national recognition. During the past year, the city once again earned both of the Government Finance Officers Association's highest honors:

- Distinguished Budget Presentation Award
- Certificate of Achievement Excellence in Financial Reporting

These awards recognize governments that prepare budgets and financial documents that meet nationally recognized standards for transparency, accountability, and effective communication. To receive these distinctions, a budget must function as a policy document, financial plan, operations guide, and communications device, demonstrating excellence in both financial management and public accountability.

These achievements reflect the dedication of the Mayor and City Council, the Finance Department, department directors, and employees who contribute throughout the budgeting and financial reporting process. They also demonstrate the City's ongoing commitment to providing residents with clear, accurate, and transparent financial information.

Investing Today While Planning for Tomorrow

Fiscal responsibility does not mean avoiding investment. Instead, it requires making thoughtful investments that create long-term value while protecting the City's financial future.

The FY 2026–2027 budget continues this balanced approach by investing in:

- Public safety equipment and emergency response capabilities.
- Street, water, wastewater, and stormwater infrastructure.
- Technology modernization and cybersecurity.
- Employee recruitment, retention, and professional development.
- Parks, library services, senior programs, and community engagement.
- Economic development and strategic planning initiatives.

These investments are guided by one fundamental principle: matching today's expenditures with tomorrow's benefits. Long-lived assets, such as major public safety apparatus and infrastructure improvements, are planned, whenever possible, and financed through funding sources appropriate to their useful lives. This approach helps preserve operating resources while ensuring critical infrastructure keeps pace with community growth.

Financial Policies That Support Sustainability

The City's financial strength is supported by established policies that guide budgeting, reserve management, capital planning, debt administration, procurement, and financial reporting. These policies provide consistency from year to year and help ensure financial decisions remain focused on long-term sustainability rather than short-term solutions.

Although the financial environment facing local governments continues to evolve, Kennedale enters FY 2026–2027 from a position of strength. Continued growth, strategic planning, responsible reserve

management, and careful financial oversight provide the city with the flexibility needed to respond to future opportunities while maintaining the high level of service residents expect.

As the City moves forward with implementing Imagine Kennedale 2035, fiscal stewardship will remain central to every decision. Financial stability is not an end in itself—it is the foundation that enables the City to invest confidently in public safety, infrastructure, economic development, quality of life, and organizational excellence.

The FY 2026–2027 budget demonstrates that Kennedale is prepared to meet today's responsibilities while building the financial capacity necessary to achieve tomorrow's vision. Through disciplined planning, transparent financial management, and a commitment to continuous improvement, the city remains well-positioned to serve its residents today and for generations to come.

The Foundation of Exceptional Public Service

Every service the City of Kennedale provides begins with its people. Whether responding to emergencies, maintaining streets and utilities, processing development applications, managing public finances, preserving parks, serving library patrons, or supporting community programs, the dedication and professionalism of City employees transform policy into action and investments into measurable results.

The FY 2026–2027 budget recognizes that our employees are the city's most valuable asset. While infrastructure, equipment, and technology are essential to municipal government, our workforce delivers exceptional customer service, responds to emergencies, and builds trust.

As Kennedale continues to grow, the city must remain competitive in attracting, developing, and retaining highly qualified professionals. This budget reflects a strategic commitment to investing in our workforce and to ensuring organizational excellence, leadership continuity, and long-term operational sustainability. During the past year, the city continued to strengthen its organizational foundation through investments in employee development, operational efficiency, and leadership capacity.

Administration successfully implemented new technologies that modernized recruitment and hiring processes and improved records management and organizational efficiency. The City digitized administrative records, implemented electronic records management, expanded online services, and completed a citywide employee climate survey to understand employee engagement and organizational culture better.

These efforts led to measurable improvements across the organization, including reduced employee turnover and lower employer insurance costs, while strengthening recruitment, onboarding, and workforce planning. Together, these accomplishments demonstrate the city's commitment to creating an environment where employees are supported, engaged, and equipped to succeed.

Municipal government continues to face an increasingly competitive labor market. Communities throughout Texas are competing for experienced professionals in public safety, engineering, public works, finance, planning, and administration.

The budget includes a 4 percent cost of living adjustment (COLA) to help employees keep pace with inflation while maintaining competitive compensation. This investment recognizes that retaining

experienced employees not only reduces turnover costs but also preserves institutional knowledge, improves operational continuity, and enhances customer service.

The City also continues emphasizing professional development by supporting employee certifications, technical training, leadership education, and specialized instruction across all departments. These investments ensure employees remain prepared to meet evolving regulatory requirements, technological advancements, and the increasing service expectations of our community.

Technology continues to transform how governments manage their workforce. To support this modernization, the FY 2026–2027 budget includes implementation of the NEOGOV Human Resources Information System (HRIS). This comprehensive platform will streamline recruitment, hiring, onboarding, employee records management, performance tracking, and compliance reporting while replacing numerous manual processes with integrated digital workflows.

The new system will improve organizational efficiency, reduce administrative burden, enhance data security, and provide managers with better information for workforce planning and decision-making. More importantly, it will improve the employee experience from recruitment through retirement while supporting the city's long-term workforce strategy.

As the organization grows, leadership development becomes increasingly important. The recommended budget includes several initiatives designed to strengthen succession planning and organizational resilience. These include continued participation in the Texas Municipal League Leadership Academy, development of department succession plans, creation of standardized job descriptions, implementation of career pathways, and completion of a comprehensive compensation and classification study.

The Police Department is implementing a comprehensive employee fitness and wellness program and modernizing officer training through digital field training systems and enhanced professional development.

The Fire Department continues to expand regional training opportunities, replace outdated communications equipment, strengthen emergency preparedness, and pursue national best-practice accreditation while maintaining one of the highest standards of emergency medical care.

Community Development cross-trained staff during a period of significant personnel turnover to maintain customer service, demonstrating organizational resilience and teamwork.

The Library, Senior Center, Communications, Finance, Public Works, and Municipal Court all continue emphasizing employee training, certification, customer service, and professional growth as essential components of delivering exceptional municipal services.

Investing in employees extends beyond compensation. It includes creating modern workplaces, providing the tools necessary for success, embracing innovation, encouraging collaboration, and fostering a culture built on accountability, integrity, and continuous improvement. These investments produce measurable returns through improved customer service, greater operational efficiency, stronger employee retention, enhanced public trust, and better long-term financial performance.

As we continue implementing Imagine Kennedale 2035, investing in employees will remain one of the

city's highest priorities. By recruiting talented professionals, developing future leaders, embracing innovation, and creating opportunities for continuous learning, Kennedale is building an organization capable of meeting the evolving needs of our residents while preserving the high level of service that defines our community.

Our employees are more than the workforce behind city government—they are the ambassadors of public service, the stewards of public resources, and the foundation upon which Kennedale's future will be built. The FY 2026–2027 budget reflects our continued commitment to investing in them because investing in our people is ultimately an investment in our community.

A Commitment to Safety, Service, and Preparedness

The safety and well-being of our residents are the City's top priority. Every day, police officers, firefighters, firefighter-paramedics, municipal court personnel, and emergency management professionals work together to protect lives, preserve property, and strengthen public trust through responsive service, professionalism, and community partnerships.

The Kennedale Police Department continues to embrace a philosophy of community-oriented policing grounded in Trust, Integrity, and Purpose. Officers work proactively with neighborhoods, businesses, schools, and community organizations to address public safety concerns before they escalate into larger challenges.

During the past year, the department earned national recognition from the National Association of Town Watch, placing second in Texas and sixth in the nation among similarly sized communities for its National Night Out program. This achievement reflects the department's commitment to building meaningful relationships between law enforcement and the community through outreach, education, and engagement.

Beyond traditional law enforcement responsibilities, officers participated in numerous community events and educational programs, including National Night Out, Bark in the Park, Trunk-or-Treat, Juneteenth celebrations, Public Safety Open House, Veterans Day, Hometown Christmas, Drug Take Back events, Civilian Response to Active Shooter Events (CRASE) training, and school career programs. These initiatives strengthen public trust while reinforcing the department's belief that successful policing begins with strong community partnerships.

Operationally, the Police Department continued expanding its capabilities through implementation of its drone program, enhanced emergency operations planning, continued participation in regional task forces, and ongoing investment in officer training. Personnel averaged more than 90 hours of professional training, ensuring officers remain prepared to respond effectively to increasingly complex public safety challenges.

The Kennedale Fire Department successfully completed the renovation and expansion of Fire Station 59. Firefighters returned to a modernized facility designed to improve emergency response capabilities, firefighter safety, and operational efficiency.

The department also strengthened emergency preparedness by completing the city's hazard mitigation action plan for FEMA, expanding joint training exercises with the police department, providing

CPR/AED training for city employees, replacing Brush 59, and completing all required state certifications for Fire and Emergency Medical Services. In addition, the city secured $1.147 million in reimbursement from the Tarrant County Emergency Services District for two ambulance purchases, significantly reducing the financial burden on local taxpayers.

These accomplishments demonstrate the department's commitment not only to emergency response but also to planning, preparedness, and responsible financial stewardship.

The FY 2026–2027 budget includes strategic investments to strengthen emergency response capabilities for years to come. One of the most significant long-term initiatives is the planned acquisition of a 107-foot Quint Fire Apparatus, proposed to be financed through a future bond program. This specialized apparatus will expand the city's rescue and firefighting capabilities and support continued commercial and residential growth. By combining five essential firefighting functions into a single apparatus, the quint will improve operational flexibility, firefighter safety, and emergency response, while providing the capacity needed to protect larger commercial structures and future development.

The budget also includes funding to replace outdated portable radios used by Fire Department personnel. Reliable communications are among the most critical life-safety tools during emergency operations, and replacing obsolete radios with modern technology will improve communication reliability, firefighter safety, and emergency response effectiveness.

Similarly, the police department continues its systematic fleet replacement program by purchasing a new fully equipped patrol vehicle while transitioning existing equipment to School Resource Officer operations. Additional investments in digital reporting systems and technology modernization will improve officer efficiency, reduce paperwork, and enhance customer service through expanded electronic reporting capabilities.

Public safety extends well beyond police and fire response. Over the past year, Kennedale strengthened its emergency preparedness capabilities through updated emergency operations and hazard mitigation plans, enhanced interagency coordination, and expanded use of emergency notification technology.

The Fire Department will continue evaluating and exercising the city's Emergency Management Plan, expand training on the Everbridge emergency notification system, and pursue the installation of an outdoor warning system at Sonora Park. These initiatives strengthen the city's ability to prepare for severe weather, natural disasters, and other emergencies while improving communication with residents during critical events.

The Municipal Court continues playing an essential role in protecting public safety while ensuring fair, impartial, and efficient administration of justice. During FY 2025–2026, the court received the Texas Municipal Courts Education Center's Municipal Traffic Safety Initiative Award, recognizing its innovative efforts to improve traffic safety through education and community outreach. The court also participated in the Great Texas Warrant Roundup, strengthened judicial leadership by adding a new Judge and Associate Judge, and expanded public engagement by participating in community events, including National Night Out and the City's Public Safety Event.

Looking ahead, the court will continue modernizing operations through implementation of digital warrant exchanges, expanded online services, staff professional development, and technology improvements that

enhance customer convenience while maintaining the integrity of the judicial process.

Public safety is most effective when shared. Kennedale continues to foster partnerships among the Police Department, Fire Department, Municipal Court, schools, businesses, community organizations, and residents to build a safer, more resilient community. Whether through the Citizens Fire Academy, the planned Youth Police Academy, neighborhood outreach, emergency preparedness education, or volunteer engagement, the City remains committed to empowering residents to become active partners in public safety.

These collaborative efforts reflect a broader philosophy that public safety is not measured solely by emergency response statistics but also by the strength of community relationships, public confidence, preparedness, and prevention.

Building Tomorrow: Investing in Infrastructure and Sustainable Growth

Strong communities are built on strong infrastructure. Every street that is rehabilitated, every water line that is replaced, every drainage improvement that reduces flooding, and every development project that is thoughtfully planned represents an investment in Kennedale's future.

The FY 2026–2027 budget continues the City's commitment to preserving and improving the public infrastructure that supports residents, businesses, and future development. A simple philosophy guides these investments: maintaining today's infrastructure while preparing for tomorrow's growth. By focusing on proactive asset management, long-range planning, and strategic capital investment, Kennedale is reducing long-term costs, improving service reliability, and creating the foundation for continued economic prosperity.

Infrastructure is often one of the least visible services local government provides, yet it is among the most essential. Reliable roads, water systems, wastewater collection, drainage facilities, public buildings, and utility networks directly influence public safety, economic development, environmental stewardship, and quality of life. The City's capital planning process is designed to ensure these assets are maintained and improved in a fiscally responsible manner while supporting long-term community goals.

During the past year, the Public Works Department completed several significant projects that strengthened the City's infrastructure network and enhanced service delivery.

Major accomplishments included replacing aging asbestos-cement water lines with modern PVC mains, installing new fire hydrants and service connections, expanding water storage capacity by completing a new 750,000-gallon ground storage tank, installing solar-powered traffic safety devices and streetlights, and rehabilitating key roadway segments throughout the community. These investments improve water quality, fire protection, transportation safety, and the overall reliability of essential public services. The department also continued proactive maintenance of streets, drainage systems, parks, and public facilities, recognizing that preserving existing assets is often the most cost-effective way to extend infrastructure life and reduce future replacement costs.

Strategic Capital Investments

The FY 2026–2027 budget continues this proactive approach through targeted investments that address

both immediate operational needs and long-term infrastructure priorities.

Among the major initiatives included in this budget are:

- Looping dead-end water mains to improve water quality, increase fire protection, and enhance system reliability.
- Replacing the sanitary sewer aerial crossing at North Dick Price Road to improve environmental protection and reduce long-term maintenance needs.
- Dredging and restoring drainage channels along South New Hope Road to improve stormwater conveyance and reduce localized flooding.
- Advancing bridge improvements along Eden Road and South New Hope Road to accommodate future transportation demands.
- Continuing annual street rehabilitation to preserve pavement conditions and extend the useful life of the City's roadway network.
- Improving parks and recreational facilities, including enhancements to Rogers Farm Park and athletic fields.
- Valley Lane Streambank Stabilization project.

Infrastructure planning extends beyond maintaining existing assets—it also prepares the community for future growth. The Community Development Department continues to lead initiatives to ensure that new development aligns with the City's long-term vision. Over the past year, the department enhanced online permitting services and launched planning efforts to modernize development regulations and improve customer service. Despite significant staffing transitions, the department maintained development services and continued to support responsible growth across the community.

Looking ahead, several important planning initiatives will further strengthen Kennedale's ability to manage growth effectively.

These include:

- Adoption of the 2021 International Building Codes.
- Completion of the Unified Development Code update.
- Updating the City's Impact Fee Study to ensure new development contributes appropriately toward future infrastructure needs.

Building for the Future

The city continues to coordinate capital improvements with economic development initiatives, transportation planning, utility expansion, and future land-use decisions. Long-term projects—including future transportation improvements, water and wastewater system expansion, Village Creek flood mitigation efforts, and continued TownCenter development—reflect a comprehensive approach to preparing for future growth while preserving the City's financial strength.

The FY 2026–2027 budget reflects a philosophy of stewardship—maintaining existing infrastructure while strategically investing in improvements that support future growth, enhance public safety, and improve quality of life. Rather than reacting to infrastructure failures, Kennedale continues to implement a proactive capital strategy that reduces long-term costs, improves service reliability, and strengthens

community resilience.

As the city moves forward with Imagine Kennedale 2035, infrastructure will remain a central component of Kennedale's vision for the future. By integrating capital planning, land use planning, economic development, and financial stewardship, the city is creating a sustainable framework that supports continued growth while preserving the character and quality of life that make Kennedale a unique place to call home.

Enhancing Quality of Life: Building a Connected and Engaged Community

A great city is measured not only by the services it provides but also by the opportunities it creates for people to connect, learn, recreate, and thrive. While public safety and infrastructure form the foundation of municipal government, the programs and amenities that enrich daily life are what transform a city into a community.

The FY 2026–2027 budget reflects the city's continued commitment to investing in programs and services that enhance the quality of life for residents of all ages. Through libraries, parks, recreation, senior services, communications, and community partnerships, Kennedale continues fostering an engaged, informed, and connected community where residents take pride in the place they call home.

Quality-of-life investments are not merely amenities; they strengthen neighborhoods, encourage civic participation, support local businesses, and enhance the community's overall attractiveness. As Kennedale grows, these investments become increasingly important in maintaining the city's unique character while creating opportunities for residents to connect with their local government.

A Library That Serves as a Community Hub

The Kennedale Public Library continues to evolve beyond its traditional role as a place to borrow books. Today, it serves as a center for education, innovation, technology, and community engagement.

During FY 2025–2026, the Library successfully implemented a modern Radio Frequency Identification (RFID) system, improving inventory management and enhancing customer service. The department also maintained accreditation through the Texas State Library and Archives Commission while expanding educational programming for children, teens, and adults. Through partnerships with Atmos Energy and H-E-B, the Library secured additional funding that expanded Summer Reading programs and literacy initiatives for families throughout the community.

Looking ahead, the Library will continue to broaden its role through innovative programs such as the Library of Things, expanded Innovation Station programming, enhanced small-business resources, and the development of a local history collection in partnership with the Kennedale Historical Society. These initiatives reinforce the Library's role as a lifelong learning center that supports education, creativity, workforce development, and community connection.

Effective communication is fundamental to building public trust. Over the past year, the communications function expanded outreach by improving website content, increasing social media engagement, promoting city events, and strengthening public awareness of municipal programs and services. These efforts have increased participation in community events and provided residents with more timely,

accessible, and transparent information.

The FY 2026–2027 budget continues this momentum by centralizing the City's communications program, expanding digital engagement, improving website accessibility, and implementing new online services for residents. These investments will provide more consistent messaging, enhance transparency, and improve the overall customer experience when interacting with city government.

The City's communication strategy also supports broader goals of transparency, accountability, and citizen participation by ensuring residents have meaningful opportunities to remain informed and engaged in local government.

The Senior Center continues to provide programs that promote healthy aging, social engagement, nutrition, recreation, and lifelong learning for residents aged 55 and older. Expanded programming, facility improvements, and strengthened community partnerships have increased participation while improving the overall experience for senior center members.

Looking ahead, the City will continue to expand educational programming, volunteer opportunities, wellness activities, and community partnerships while pursuing grant funding and sponsorships that enhance services without increasing the financial burden on taxpayers.

By investing in senior services, Kennedale recognizes the important contributions older adults make to the community while ensuring they remain active, connected, and engaged.

Public spaces provide opportunities for recreation, gathering, and community pride. The FY 2026–2027 budget continues investing in parks and recreational amenities that support healthy lifestyles and strengthen neighborhoods. Planned improvements include enhancements to Rogers Farm Park, athletic field improvements, playground upgrades, continued maintenance of public facilities, and expanded recreational programming.

The City also plans to develop an innovative percussion play park adjacent to the Library and TownCenter Plaza. This unique amenity will offer an outdoor educational space for library programs and create an accessible musical play environment that fosters creativity, learning, and interaction among residents of all ages.

Together with the City's ongoing partnership with the YMCA, these investments expand recreational opportunities while reinforcing Kennedale's commitment to health, wellness, and family-oriented amenities.

Kennedale's greatest strength remains its people. Throughout the year, residents, advisory boards, community organizations, volunteers, and local businesses partnered with the city to support numerous events and initiatives that strengthen civic pride and neighborhood connections.

The completion of a citywide community survey during the past year further demonstrates the city's commitment to listening to residents and incorporating public input into future planning efforts. This philosophy will continue through the development and implementation of Imagine Kennedale 2035, ensuring that community priorities remain central to the city's decision-making process. Meaningful public engagement strengthens transparency, accountability, and public confidence in local government.

The FY 2026–2027 budget recognizes that quality of life is created through the everyday experiences of residents—visiting the Library, attending community events, enjoying parks, participating in senior programs, volunteering on advisory boards, or simply staying informed about city initiatives.

By continuing to invest in these programs, Kennedale is building more than facilities and services—it is strengthening relationships, encouraging civic participation, and creating opportunities for residents to become active partners in shaping the community's future.

These investments reflect the City's belief that a successful community is one where residents not only receive exceptional municipal services but also feel connected and proud to call Kennedale home. As the city advances the goals of Imagine Kennedale 2035, quality-of-life initiatives will continue serving as a cornerstone of a vibrant, resilient, and engaged community. Effective budget communication should help residents understand this connection between investments and community outcomes, making the budget a true reflection of the city's values and vision.

A Vision for Kennedale's Future

Every budget is more than a plan for the coming fiscal year—it reflects a community's aspirations for the future. While the FY 2026–2027 budget addresses today's operational needs, it also lays the groundwork for the opportunities and challenges ahead. Through thoughtful planning, responsible financial stewardship, and strategic investment, the City of Kennedale is positioning itself to remain a resilient, innovative, and thriving community for generations to come.

This document represents more than the conclusion of one budget cycle. It is the beginning of the next chapter in Kennedale's story. The investments recommended throughout this budget will strengthen infrastructure, enhance public safety, support employees, expand economic opportunity, improve quality of life, and preserve the city's financial stability. More importantly, they will help ensure Kennedale remains a community where future generations can live, work, raise families, and build lasting connections.

As City Manager, I remain optimistic about the future of Kennedale. The challenges facing local governments are real, but so too are the opportunities before us. Guided by strong leadership, dedicated employees, engaged residents, and sound financial management, I am confident that Kennedale is well prepared to meet those opportunities. Together, we will continue building a City that honors its past, serves its present, and confidently prepares for its future.

These accomplishments are not isolated successes. They represent a comprehensive strategy built upon collaboration, accountability, innovation, and a shared commitment to serving the public. This budget reflects the work of an entire organization. I want to express my sincere appreciation to the Mayor and City Council for their leadership, thoughtful guidance, and unwavering commitment to serving the residents of Kennedale.

I also extend my gratitude to our department directors and employees, whose professionalism, expertise, and dedication to public service made this budget possible. Every department contributed meaningful analysis, innovative ideas, and thoughtful recommendations that strengthened this document. Their daily commitment to serving our residents is the foundation upon which Kennedale's success is built.

Finally, I would like to thank the citizens of Kennedale. Your trust is both a privilege and a responsibility. Every recommendation in this budget has been made with deep respect for the public resources entrusted to us and a commitment to delivering services that improve the lives of our residents.

Over the coming years, the City will continue implementing the vision established through Imagine Kennedale 2035, investing in critical infrastructure, expanding economic opportunities, strengthening public safety, enhancing quality of life, and maintaining the financial discipline that has positioned Kennedale for continued success.

As City Manager, I remain optimistic about what lies ahead. Kennedale has demonstrated that responsible government, thoughtful planning, and strategic investment can work together to create meaningful results for the community. By continuing to embrace innovation, encourage collaboration, and remain focused on service, we are building a city that honors its heritage while confidently preparing for the future.

Sincerely,

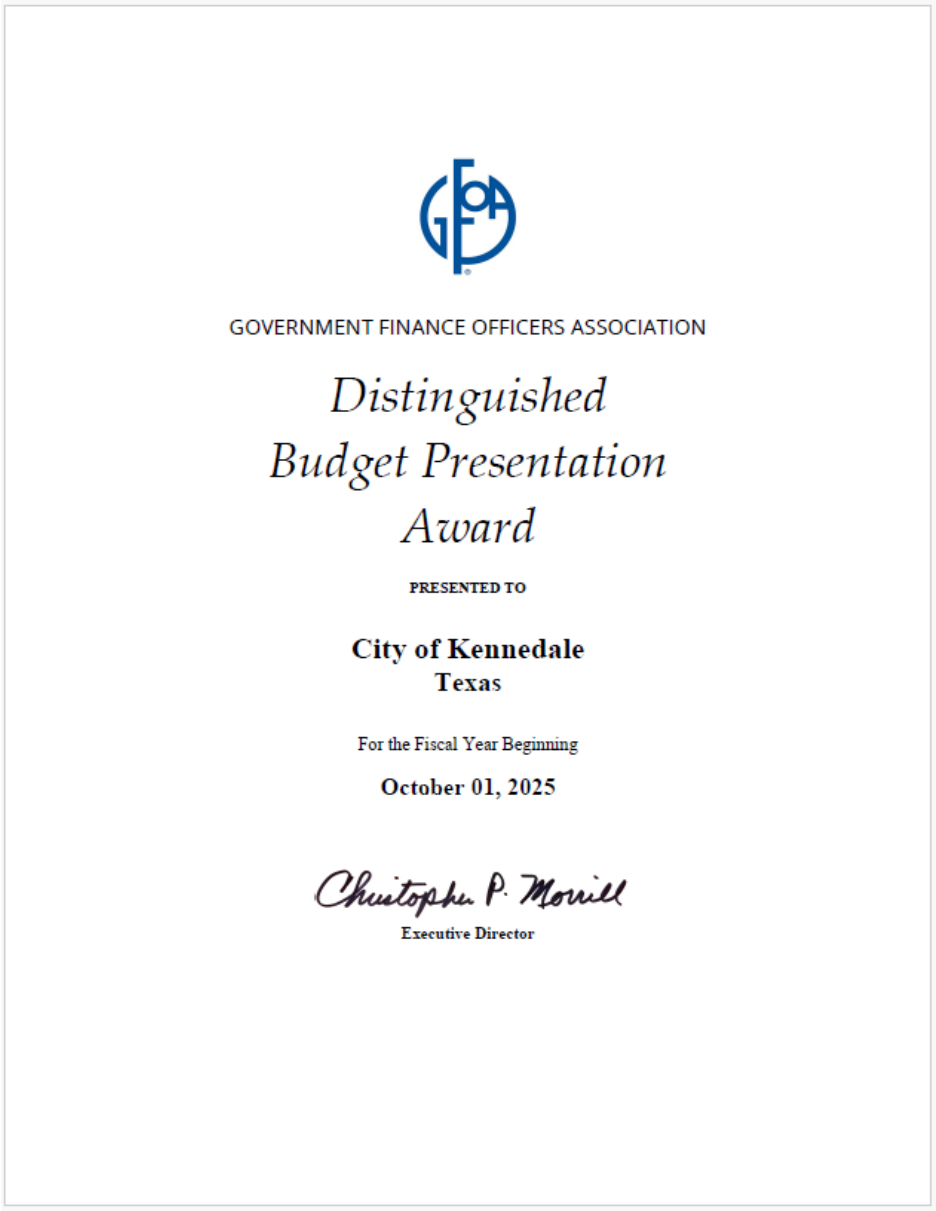


Darrell Hull, City Manager
City of Kennedale, Texas

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, 2025 and ending September 30, 2026. 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.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

City of Kennedale
Texas

For the Fiscal Year Beginning

October 01, 2025

Christopher P. Morrill

Executive Director

USING THIS DOCUMENT

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

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

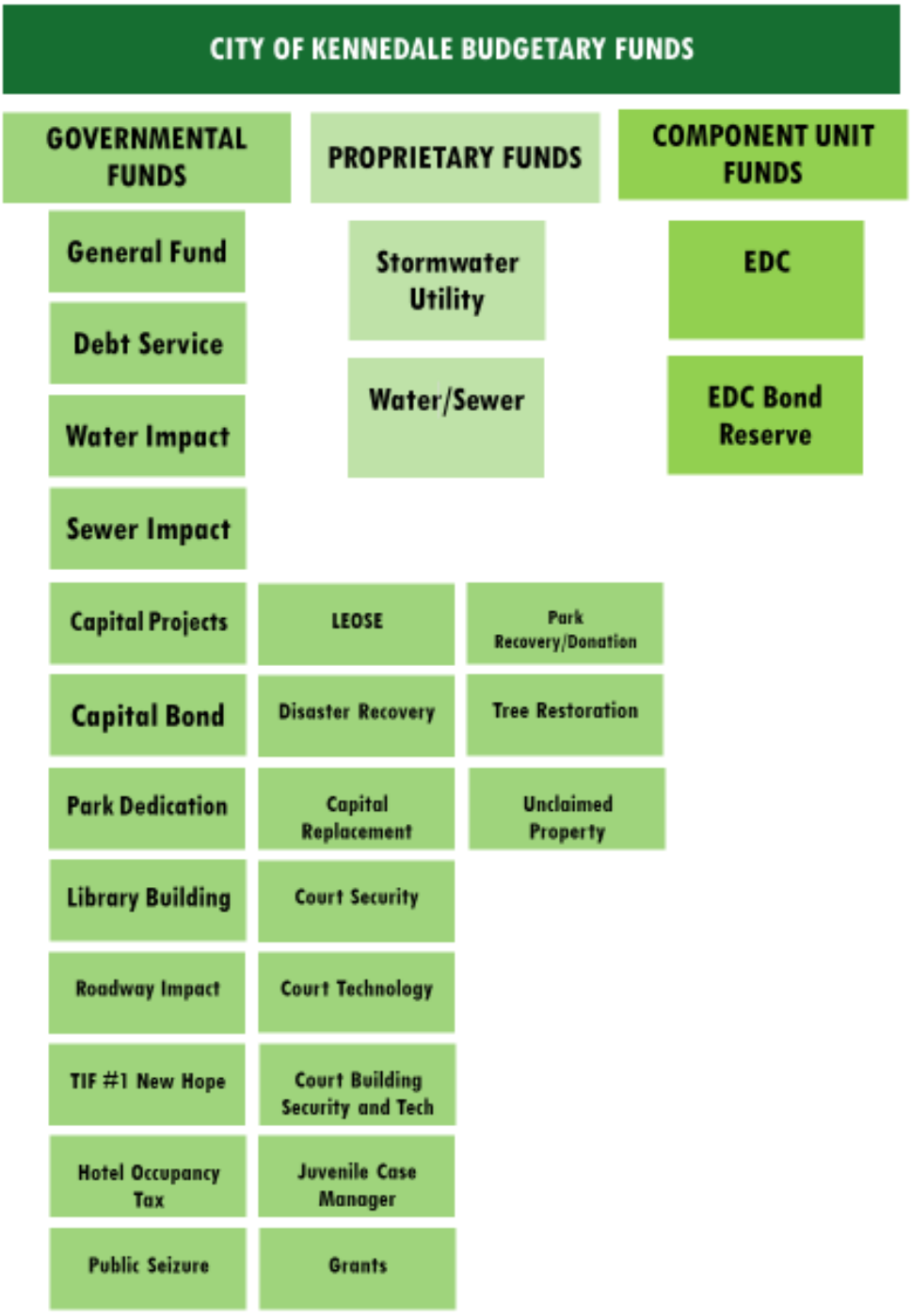
It is the goal of operational funds like the General Fund, Stormwater Utility Fund, and Water Sewer Fund, to have revenue that exceeds expenditures to maintain a healthy reserve balance. Leadership aims to achieve and maintain an unassigned fund balance in the General Fund equal to 18% (with a goal of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

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

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

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

FLOW OF FUNDS



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						x					
Fire	x														x					
Community Development	x																			
Senior Center	x																			
Library	x														x					
Communications	x						x													
Public Works	x		x	x	x	x				x						x	x	x	x	

Governmental Funds	
GF	General Fund
DS	Debt Service
CP	Capital Projects
CB	Capital Bond
PD	Pard Dedication
RI	Roadway Impact
HO	Hotel Occupancy Tax
PS	Public Seizure
LE	LEOSE
DR	Disaster Revovery
CS	Court Security
CT	Court Techonolgy
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 two 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 FY26 revenue and then further applied to project FY27. A material growth in the City's tax base is not expected for FY27. 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.

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 3,251 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). All ARPA funding must be spent before December 31, 2026.

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 camefrom 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 came 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 separate $4 and $4.90 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. This matches the basis used in audited financial statements at the fund level.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	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
83-4197-00-00	TREE REFORESTATION	-	-	-	-
83-4401-00-00	INVESTMENT INCOME	4,242	4,500	1,725	1,725
TOTAL REVENUES		**$ 4,242**	**$ 4,500**	**$ 1,725**	**$ 1,725**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
83-5290-06-01	EXPENDABLE SUPPLIES	-	-	-	-
83-5570-06-01	SPECIAL SERVICES	-	-	-	-
TOTAL EXPENDITURES		**$ -**	**$ -**	**$ -**	**$ -**
NET CHANGE IN FUND BALANCE		**$ 4,242**	**$ 4,500**	**$ 1,725**	**$ 1,725**
BEGINNING FUND BALANCE — OCT 1		**$ 82,313**	**$ 86,555**	**$ 86,555**	**$ 88,280**
ENDING FUND BALANCE — SEPT 30		**$ 86,555**	**$ 91,055**	**$ 88,280**	**$ 90,005**

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 Local Youth Diversion	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 financials are provided to Council to provide a status report on revenues and expenditures. The Finance Department also reviews and approves all check requests and requisitions for accuracy. Directors are expected to hold expenditures to the approved budgeted amounts, however, sometimes unforeseen circumstances occur resulting in positive and/or negative variances by line item. Directors must manage to the bottom line for the department, and report any overages at that level to the City Manager as soon as known to prevent any unexpected/unauthorized use of reserves. Budget amendments are presented by the City Manager to Council for approval and then input into the accounting system for tracking.

BUDGET CALENDAR
FISCAL YEAR 2027

Date	Entity/Department	Description of Action/Requirements	Occurred
1/2/2026	Finance	Distribute draft budget calendar	√
4/13/2026-5/15/2026	City Manager, City Staff	Meetings with City Manager and Department Directors on proposed FY2026-2027 Budget	√
4/30/2026	Tarrant Appraisal District	Chief Appraiser sends notice of 2025 preliminary appraised values	√
5/22/2026	Tarrant Appraisal District	Chief Appraiser sends updated notice of appraised values	√
5/30/2026	Finance	Receive retirement rates from Texas Municipal Retirement System	√
6/5/2026	Finance	Update Tarrant County Assessor Collector Entity Contact Information	√
6/23/2026	Tarrant Appraisal District	Chief Appraiser sends updated notice of appraised values	√
6/24/2026	City Manager, City Staff	Budget Workshop - Capital Programs and Operating Costs	√
6/30/2026	City Manager, City Staff	Additional meetings with Departments throughout the week	√
7/13/2026	Finance	Submit proposed budget to City Manager and City Secretary	√
7/13/2026	City Secretary	Post proposed budget on City website	√
7/15/2026	Tarrant Appraisal District	Chief Appraiser delivers 2026 certified appraisal	√
7/21/2026	Finance, Administration	Renewal meeting with benefits broker (Brinson Benefits)	√
7/27/2026	City Council, City Staff	Budget Workshop	√
7/24/2026	Finance	Submit TNT Calculation Worksheet to Tarrant County	√
7/31/2026	Finance, City Secretary	Submit Tax Rates to City Council	√
7/31/2026	City Secretary	Notice of Public Hearing for budget posted on City Website and sent for publishing in the Star-Telegram	√
7/31/2026	City Secretary	Notice of Public Hearing for the tax rate posted on City Website and sent for publishing in the Star-Telegram	√
8/4/2026	City Council, City Staff	Budget Workshop	√
8/4/2026	Finance	Finalize TNT Calculation Worksheet	√
8/3/2026	City Secretary	Notice of Public Hearing for budget posted on City Website and sent for publishing in the Star-Telegram (DEADLINE)	√
8/6/2026	City Secretary	Notice of Public Hearing for the tax rate posted on City Website and sent for publishing in the Star-Telegram (DEADLINE)	√
8/18/2026	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	√
10/9/2026	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 10,626. 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 3,251 active water accounts with 10,626 people. The median income for a household in the city is $118,794 and per capita income is $49,602.

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 hosts two annual World of Outlaws Sprint Car races.

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 new hotel has gone vertical with the grand opening expected in the next six months. The KEDC is also working with property owners in the area to develop their land.

The TownCenter shopping center has room for expansion with two pad sites still undeveloped. The TownCenter currently hosts service offerings such as a small event venue and salon. Retail offerings include an antique mall, an electrical supplier, and DG Market. 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 FY27, including a new 105-room national brand hotel and a 15,000 sq ft retail center. Notable residential projects currently in development include a 39-unit townhome complex, a 200-unit residential community, and a 15 unit townhome neighborhood.

Top 10 Taxpayers

Property Owner	Taxable Value
Atla 287 Owner LLC	$ 45,950,000
F W T Inc	21,183,871
Oncor Electric Delivery CO LLC	15,707,080
Hawk Steel Ventures LLC	13,399,354
Sabre-FWT Ventures LLC	13,273,243
Atmos Energy/Mid Tex Division	8,409,606
KD Hammack Creek Housing LP	8,300,000
Frontier Access LLC	8,149,140
TEP Barnett USA LLC	8,117,415
Tealcove Drive LLC	6,458,600

Provided by the Tarrant Appraisal District as of 7/24/2026

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
RE Watson & Associates	50-100
Harrison Jet Guns	50-100
City of Kennedale	50-100
Quick Roofing	25-50
Beard's Towing	1-25

Source: City of Kennedale September 30, 2025 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	0.50%
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%
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%
2026	0.495865	0.200325	**0.696190**	0.0%

LONG-RANGE FINANCIAL PLANNING

The primary goal of the City's long-term financial planning process is to anticipate problems and assess opportunities which may arise during future budget cycles. This exercise also allows the parties involved 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 below the market value. The most common cause us 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 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 FY27, 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.

CITY OF KENNEDALE
Long Range Financial Plan - General Fund
Fiscal Year 2027-2032

Description	Fiscal Year Projected 2025-26	Fiscal Year Adopted 2026-27	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	Fiscal Year Projected 2031-32
REVENUES								
Property Taxes	$ 6,099,406	$ 6,127,136	$ 6,127,136	*$ 6,433,493*	*$ 6,755,167*	*$ 7,092,926*	*$ 7,447,572*	*$ 7,819,951*
Sales Taxes	3,647,834	3,775,508	3,775,508	*3,964,284*	*4,162,498*	*4,370,623*	*4,589,154*	*4,818,611*
Licenses and Permits	297,036	350,000	350,000	*450,000*	*450,000*	*450,000*	*450,000*	*450,000*
Fines and Fees	1,137,947	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000
Charges for Services	299,050	325,100	325,100	*325,000*	*325,000*	*325,000*	*325,000*	*325,000*
Intergovernmental	308,572	355,000	355,000	*355,000*	*355,000*	*355,000*	*355,000*	*355,000*
All Other Revenues	336,787	426,350	426,350	*426,350*	*426,350*	*426,350*	*426,350*	*426,350*
Transfers In	1,628,853	1,752,679	1,752,679	*1,805,259*	*1,859,417*	*1,915,200*	*1,972,656*	*2,031,835*
Total Revenues	**13,755,485**	**14,361,773**	**14,361,773**	***15,009,386***	***15,583,432***	***16,185,098***	***16,815,732***	***17,476,748***
EXPENDITURES								
City Administration - Dept 01	792,866	988,458	988,458	*1,008,227*	*1,028,392*	*1,048,960*	*1,069,939*	*1,091,338*
Mayor/Council - Dept 02	153,537	233,750	233,750	*238,425*	*243,194*	*248,057*	*253,019*	*258,079*
Municipal Court - Dept 04	300,112	354,167	354,167	*361,250*	*368,475*	*375,845*	*383,362*	*391,029*
Finance - Dept 07	636,765	709,159	709,159	*723,342*	*737,809*	*752,565*	*767,617*	*782,969*
Police - Dept 09	3,689,599	4,293,798	4,293,798	*4,379,674*	*4,467,267*	*4,556,613*	*4,647,745*	*4,740,700*
Fire - Dept 10	3,259,339	3,442,025	3,442,025	*3,510,866*	*3,581,083*	*3,652,704*	*3,725,759*	*3,800,274*
Community Development - Dept 12	474,604	755,465	755,465	*770,574*	*785,986*	*801,706*	*817,740*	*834,094*
Senior Citizen Center - Dept 16	50,578	60,590	60,590	*61,802*	*63,038*	*64,299*	*65,585*	*66,896*
Library - Dept 17	555,729	616,308	616,308	*628,634*	*641,207*	*654,031*	*667,112*	*680,454*
Communications - Dept 18	11,185	25,300	25,300	*25,806*	*26,322*	*26,849*	*27,386*	*27,933*
Public Works - Dept 20	1,673,186	1,924,821	1,924,821	*1,963,317*	*2,002,584*	*2,042,635*	*2,083,488*	*2,125,158*
Non Departmental - Dept 90	1,101,058	1,126,190	1,126,190	*1,148,714*	*1,171,688*	*1,195,122*	*1,219,024*	*1,243,405*
Transfers Out	331,915	192,715	192,715	*275,593*	*275,593*	*275,593*	*275,593*	*275,593*
Total Expenditures	**13,030,473**	**14,722,746**	**14,722,746**	***15,096,225***	***15,392,637***	***15,694,978***	***16,003,366***	***16,317,921***
Revenues Over (Under) Expenditures	**725,012**	**(360,973)**	**(360,973)**	***(86,839)***	***190,795***	***490,120***	***812,366***	***1,158,826***
Beginning Fund Balance	**4,847,670**	**5,572,682**	**5,572,682**	***5,211,709***	***5,124,871***	***5,315,666***	***5,805,786***	***6,618,151***
Prior Period Adjustment	-	-	-	-	-	-	-	-
Ending Fund Balance	**$ 5,572,682**	**$ 5,211,709**	**$ 5,211,709**	***$ 5,124,871***	***$ 5,315,666***	***$ 5,805,786***	***$ 6,618,151***	***$ 7,776,978***
Average Daily Annual Expenditures	**$ 35,700**	**$ 40,336**	**$ 40,336**	***$ 41,360***	***$ 42,172***	***$ 43,000***	***$ 43,845***	***$ 44,707***
Days of Working Capital	**156**	**129**	**129**	***124***	***126***	***135***	***151***	***174***
Days of Working Capital Goal = 75-100 days								
Assumptions:								
Total Tax Rate		$0.69619						
M&O Tax Rate *(for General Fund operations)*		$0.49587						
I&S Tax Rate *(for debt service)*		$0.20033						
General Property Tax revenue growth from values and new development				5.00%	5.00%	5.00%	5.00%	5.00%
Property Tax revenue from increased M&O tax rate (one penny generates approx. $120,000)								
One penny of M&O tax rate generates approx. $120,100 in FY2027				*$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%
Expenditure growth in all departments				2.00%	2.00%	2.00%	2.00%	2.00%
All other revenues and expenditures are set numbers								

Capital Projects

The five-year Capital Improvement Plan, along with the preliminary identified funding source, is listed below. Of note, the City is always seeking out grant funding for TBD projects and projects with funding sources identified, if possible, to stretch our revenue dollars. If a finding source is replaced by a grant, those funds are allocated to a TBD project.

Category	Project Name	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	Total	Fund
Streets	Street Lights	$ -	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 200,000	General Fund
Streets	Concrete Panel Replacement (Kennedale Sublett Rd)	$ 113,000	$ -	$ -	$ -	$ -	$ 113,000	General Fund
Streets	Hilltop Dr (Reeves Ln - Hillside Dr) - Pavement Improvements	$ 160,000	$ -	$ -	$ -	$ -	$ 160,000	Roadway Impact
Streets	Sidewalk Installation on W 3rd St. between North Rd and Municipal Dr	$ 125,000	$ 125,000	$ -	$ -	$ -	$ 250,000	Capital Bond
Streets	N. Little School Rd. Extension	$ -	$ -	$ -	$ -	$ 38,203,900	$ 38,203,900	TBD
Streets	Bridge - Eden Rd	$ -	$ 560,000	$ -	$ -	$ -	$ 560,000	Capital Bond
Streets	Bridge - New Hope Rd	$ -	$ 300,000	$ -	$ -	$ -	$ 300,000	Capital Bond
Streets	Eden Rd S-curve realignment	$ -	$ -	$ -	$ 500,000	$ 500,000	$ 1,000,000	TBD
Streets	S New Hope Rd (RR Crossings - Hudson Village Creed Rd)	$ 300,000	$ -	$ -	$ -	$ -	$ 300,000	Capital Bond
Streets	Swiney Hiett Rd (Collet Sublett Rd - Joplin Rd)	$ 300,000	$ -	$ -	$ -	$ -	$ 300,000	Capital Bond
Streets	Oak Ridge Tr (Kennedale Sublett - Shady Creek Dr)	$ -	$ 287,730	$ -	$ -	$ -	$ 287,730	Capital Bond
Streets	Shady Creek Dr (Oak Ridge Tr - N Little School Rd)	$ -	$ 237,270	$ -	$ -	$ -	$ 237,270	Capital Bond
Streets	Peggy Ln (Kennedale Sublett Rd - Dead End)	$ -	$ 159,410	$ -	$ -	$ -	$ 159,410	Capital Bond
Streets	Swiney Hiett Rd (Mansfield Cardinal Rd - Collet Sublett Rd)	$ -	$ 160,000	$ -	$ -	$ -	$ 160,000	Capital Bond
Streets	Mansfield Ave	$ -	$ -	$ 140,000	$ -	$ -	$ 140,000	TBD
Streets	Danny Dr Pavement Improvements	$ -	$ -	$ 200,000	$ -	$ -	$ 200,000	TBD
Streets	Cloverlane Dr (Kennedale Pwky - Crestview Dr)	$ -	$ -	$ 250,000	$ -	$ -	$ 250,000	TBD
Streets	Linda Dr Improvements	$ -	$ -	$ -	$ -	$ 3,000,000	$ 3,000,000	TBD
Streets Total		**$ 998,000**	**$ 1,879,410**	**$ 640,000**	**$ 550,000**	**$ 41,753,900**	**$ 45,821,310**	
Water	T1 & T2 Water System Upgrades	$ -	$ -	$ 1,762,500	$ 1,762,500	$ -	$ 3,525,000	TBD, Grant
Water	Rehab of T3 EST	$ 950,000	$ 950,000	$ -	$ -	$ -	$ 1,900,000	Disaster Recovery
Water	T4 Ground Storage Tank	$ 1,600,000	$ -	$ -	$ -	$ -	$ 1,600,000	Disaster Recovery
Water	North Rd (West 3rd St - 520 North Rd) Waterline Upgrades	$ 479,183	$ -	$ -	$ -	$ -	$ 479,183	Water/Sewer
Water	Bloxom Park Rd - Loop Dead End	$ -	$ 75,000	$ -	$ -	$ -	$ 75,000	Capital Bond
Water Total		**$ 3,029,183**	**$ 1,025,000**	**$ 1,762,500**	**$ 1,762,500**	**$ -**	**$ 7,579,183**	
Wastewater	SS Aerial Crossing	$ -	$ 90,000	$ -	$ -	$ -	$ 90,000	Water/Sewer
Wastewater	SS Interceptor (Texas Raceway-I-820)	$ -	$ 2,750,000	$ 2,750,000	$ 2,750,000	$ 2,750,000	$ 11,000,000	Capital Bond
Wastewater	Briar Court Sanitary Sewer Improvements	$ 642,878	$ -	$ -	$ -	$ -	$ 642,878	Water/Sewer
Wastewater	Upgrade 6" VCP to 8" PVC - Mansfield Cardinal Rd (Kennedale Pkwy - N Little School Rd)	$ -	$ -	$ -	$ -	$ 697,000	$ 697,000	TBD
Wastewater Total		**$ 642,878**	**$ 2,840,000**	**$ 2,750,000**	**$ 2,750,000**	**$ 3,447,000**	**$ 12,429,878**	
Stormwater	Channel Cleaning	$ 38,000	$ 38,000	$ 38,000	$ 38,000	$ 38,000	$ 190,000	Stormwater
Stormwater	Valley Ln Streambank Stabilization	$ -	$ 1,350,000	$ 1,350,000	$ -	$ -	$ 2,700,000	Grant
Stormwater Total		**$ 38,000**	**$ 1,388,000**	**$ 1,388,000**	**$ 38,000**	**$ 38,000**	**$ 2,890,000**	
Parks	Kennedale Baseball Field Improvements	$ -	$ 3,000,000	$ -	$ -	$ -	$ 3,000,000	Capital Bond
Parks	Pickleball Courts - Sonora Park	$ -	$ 37,500	$ 37,500	$ -	$ -	$ 75,000	Park Dedication
Parks	Rogers Farm Park Playground Upgrades	$ 160,000	$ -	$ -	$ -	$ -	$ 160,000	Park Dedication
Parks	Parking Lot Extension & Trail Connection - Sonora Park	$ -	$ 100,000	$ 100,000	$ -	$ -	$ 200,000	Capital Bond
Parks	Installation of new Pavillion - Rogers Farm Park	$ -	$ -	$ 42,500	$ 42,500	$ -	$ 85,000	Park Dedication
Parks	North Rd Dog Park	$ -	$ -	$ 300,000	$ -	$ -	$ 300,000	TBD
Parks	Retaining Wall - Rogers Farm Pak	$ -	$ -	$ 200,000	$ -	$ -	$ 200,000	TBD
Parks	Percussion Play Musical Garden	$ -	$ 25,000	$ -	$ -	$ -	$ 25,000	Park Dedication
Parks Total		**$ 160,000**	**$ 3,162,500**	**$ 680,000**	**$ 42,500**	**$ -**	**$ 4,045,000**	
Total For All Projects		**$ 4,868,061**	**$ 10,294,910**	**$ 7,220,500**	**$ 5,143,000**	**$ 45,238,900**	**$ 72,765,371**	

Strategic Objectives

The City's Comprehensive Plan establishes a framework for future elected official and staff decisions. The current plan received input from the Kennedale Comprehensive Plan Steering Committee, the City Council, former City Council members, the Planning and Zoning Commission, City staff, and a consultant team. The plan was taken to City Council for approval on September 17, 2024, where it was adopted unanimously. The following priorities, goals, and objectives were identified:

Growth Management: Kennedale will have residential, commercial, and employment growth while retaining its safe, community feel.

- Encourage a mix of single-family residential units and appropriately located and designed medium-to-higher-density units according to the Future Land Use Plan.
- Increase the number of commercial and retail uses to provide more shopping opportunities for residents, visitors, and employees.
- Manage industrial development in Kennedale through zoning and design regulations.
- Continue to foster strong relationships with Tarrant County, Kennedale ISD, neighboring cities, and the Texas Department of Transportation (TxDOT) in order to manage road networks within the City for the most efficient growth patterns.

Future Land Use: Kennedale will have safe and convenient places to live, work, worship, and play.

- Develop land in accordance with the Future Land Use Plan.
- Redevelop TownCenter and the surrounding areas including Old Town and property along Kennedale Parkway (BUS 287) to include more retail opportunities.
- Redevelop the area south of the intersection of Interstate 20 and BUS 287 (Oakcrest Neighborhood) as an employment center coupled with transit-oriented design.
- Ensure all new development is compatible with existing neighborhoods through density gradients and design.

Transportation: Kennedale will have a transportation network which meets basic needs for movement, access, safety, and reasonably rapid travel for people and good through and within the City.

- Use concepts for Context Sensitive Design when improving existing streets and building new streets, interconnections, and sidewalks.
- Fund and build improvements to existing streets as shown on the Thoroughfare Plan.
- Require developers to dedicate right-of-way and construct collector and arterial streets as shown on the Master Thoroughfare Plan.
- Make important interconnections of streets to activity centers.
- Improve existing sidewalks and construct new sidewalks for pedestrian access and citizen health.
- Evaluate flood plains for the construction of multi-purpose trails

Economic Development: Kennedale will have a strong and resilient economic base.

- Continue to capitalize on a strong industrial employment workforce to leverage demand for more destination-based retail and restaurant opportunities.
- Create a catalyst project at the TownCenter to assist in improving the core of the community.
- Consider how the branding of the City may bring economic development and improve wayfinding signs in the community.
- Encourage the development of the community as a social center for recreation through marketing of events.

Housing: Kennedale will have a variety of housing types available to all incomes. All housing will be safe and decent for residents.

- Promote development of housing types: single family detached units, townhouses, and apartments should be located where appropriate and designed well.
- Maintain and improve the existing housing stock.
- Develop greater opportunities for senior housing and age-restricted housing.

Parks, Recreation, and Open Space: Kennedale will have excellent parks and recreational areas and preserve important natural resources.

- Assess the community needs and desires for improvement of existing passive and active parks in a tiered park system located throughout the community.
- Protect the floodplain for property preservation, water and environmental quality, and the inclusion of a trail system.
- Influence new development in providing public spaces in addition to private amenity centers.
- Locate and site an indoor recreation center which serves the greater community and provides programming for a variety of age groups and sports.
- Increase the number and quality of organized sports fields.

Utilities, Infrastructure, and City Services: Kennedale will have high quality infrastructure and service provision to support residents, businesses, and institutions in the city.

- Through Capital Improvement Project (CIP) planning, provide sufficient quantity and quality of water for the existing community and to promote new development and growth.
- Through Capital Improvement Project (CIP) planning, provide wastewater collection and treatment to meet all state and federal standards.
- Provide for stormwater management that prevents flooding and siltation of creeks and streams and meets all state and federal regulations.
- Continue to provide solid waste and recycling disposal service in the city.
- Continue to provide police services and programs to create a safe environment for all citizens in Kennedale.
- Continue to provide professional Fire Department services.
- Explore ways to provide additional library services to residents.
- Explore ways to provide additional broadband fiber optic services to the community.

- Continue to provide City administrative services from City Hall.
- Practice good stewardship of all City-owned properties.
- Evaluate the feasibility of adopting a FEMA-approved local hazard mitigation plan that would make the City eligible for funding through the Texas Division of Emergency Management (TDEM) and other regional, state, and federal grants.

Each fund, and department within the General Fund, will have a box identifying which priorities are supported by the current budget. Priorities highlighted in light green are supported. Those without highlights are not. In the following example, Growth Management, Economic Development, and Housing would be supported:

Strategic Priorities	
Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

PERSONNEL SUMMARY				
Position	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
ADMINISTRATION				
City Manager	1.0	1.0	1.0	1.0
Assistant City Manager	-	-	-	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	1.0	-
Administrative Assistant	1.0	-	-	-
File Clerk (Temporary)	-	0.3	0.3	-
TOTAL POSITIONS	**4.00**	**4.30**	**4.30**	**4.00**
COURT				
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	1.0
TOTAL POSITIONS	**3.00**	**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
Assistant Chief	-	-	-	1.0
Police Captain	1.0	1.0	1.0	-
Sergeant	4.0	4.0	5.0	5.0
Corporal	4.0	4.0	2.0	2.0
Detective	2.0	2.0	2.0	2.0
Officer	4.0	4.0	7.0	7.0
Community Engagement Officer	1.0	1.0	-	-
Auto Theft Task Force Officer	1.0	1.0	1.0	1.0
DEA Task Force Officer	1.0	1.0	-	-
School Resource Officer	2.0	2.0	2.0	3.0
Total Commissioned Officers	**21.00**	**21.00**	**21.0**	**22.00**
Animal Control Officer	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**	**2.00**
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	**FY25 Actual**	**FY26 Budget**	**FY26 Projected**	**FY27 Budget**
FIRE				
Fire Chief	1.0	1.0	1.0	1.0
Assistant Chief	-	1.00	1.00	1.0
Fire Captain	1.0	-	-	-
Fire Marshal	-	-	-	1.0
Fire Inspector	1.0	1.0	1.0	-
Administrative Assistant	1.0	1.0	1.0	1.0
Fire Lieutenant	3.0	3.0	3.0	3.0
Driver Engineers	3.0	3.0	3.0	3.0
Firefighter / Paramedics	12.0	12.0	12.0	12.0
TOTAL POSITIONS	**22.00**	**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
Code Enforcement Officer	1.0	1.0	1.0	1.0
Planner	-	-	1.0	1.0
Planning Technician	1.0	1.0	-	-
Permit Clerk	1.0	1.0	1.0	1.0
TOTAL POSITIONS	**5.00**	**5.00**	**5.00**	**5.00**
LIBRARY				
Director	1.0	1.0	1.0	1.0
Supervising/Adult Services Librarian	-	-	-	1.0
Adult Services Librarian	-	1.0	1.0	-
Collection and Tech Services Librarian	-	-	1.0	1.0
Library Assistant II	2.0	2.0	1.0	1.0
Library Assistant I (Part Time, per FTE)	1.0	1.0	1.0	1.0
Programming and Events	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	1.0	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	1.8	1.75	1.75	1.75
Administrative Assistant	1.00	1.00	1.00	1.00
TOTAL POSITIONS	**10.75**	**11.75**	**11.75**	**11.75**
TOTAL STRENGTH OF FORCE	**79.50**	**80.80**	**80.80**	**80.50**

REVENUE SUMMARY BY FUND					
Fund	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
01	GENERAL FUND	11,831,224	12,109,901	12,126,632	12,609,094
TOTAL GENERAL FUND		**$ 11,831,224**	**$ 12,109,901**	**$ 12,126,632**	**$ 12,609,094**

Fund	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
02	DEBT SERVICE	2,515,194	2,705,369	2,706,294	2,534,293
TOTAL DEBT SERVICE		**$ 2,515,194**	**$ 2,705,369**	**$ 2,706,294**	**$ 2,534,293**

Fund	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
07	STORMWATER UTILITY FUND	318,512	345,200	328,451	352,668
10	WATER/SEWER FUND	7,608,216	18,817,166	7,676,500	19,213,613
61	WATER IMPACT FEE FUND	27,806	19,000	15,694	17,500
62	SEWER IMPACT FEE FUND	16,721	20,000	2,895.00	2,500
TOTAL UTILITY FUNDS		**$ 7,971,256**	**$ 19,201,366**	**$ 8,023,540**	**$ 19,586,281**

Fund	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
04	CAPITAL PROJECTS FUND	179,848	127,950	143,344	146,250
13	CAPITAL BOND FUND	1,908,756	356,600	438,043	5,000,000
14	PARK DEDICATION FUND	18,118	16,000	9,228	7,800
32	LIBRARY BUILDING FUND	393	241	294	335
45	ROADWAY IMPACT FEE FUND	42,268	34,000	97,749	34,000
TOTAL CAPITAL PROJECT FUNDS		**$ 2,149,383**	**$ 534,791**	**$ 688,658**	**$ 5,188,385**

Fund	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
21	TIF #1 NEW HOPE FUND	96,393	95,000	92,479	92,500
30	HOTEL/MOTEL TAX FUND	34,240	29,750	12,987	17,200
31	PUBLIC SEIZURE FUND	11,068	9,150	12,229	10,300
34	LEOSE FUND	1,691	3,790	5,308	4,585
35	DISASTER RECOVERY FUND	1,817,210	1,295,000	1,256,678	193,415
TOTAL SPECIAL REVENUE FUNDS		**$ 1,960,602**	**$ 1,432,690**	**$ 1,379,681**	**$ 318,000**

Fund	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
05	CAPITAL REPLACEMENT FUND	39,685	15,000	42,169	15,000
12	COURT SECURITY FUND	9,094	-	657	-
16	COURT TECHNOLOGY FUND	7,482	-	358	-
18	JUVENILE CASE MANAGER FUND	511	550	306	350
40	GRANTS	377,036	-	585,083	1,539,000
41	PARK RECOVERY/DONATION FUND	1,751	2,550	768	770
83	TREE RESTORATION FUND	4,242	4,500	1,725	1,725
85	UNCLAIMED PROPERTY FUND	-	-	-	-
TOTAL OTHER FUNDS		**$ 439,800**	**$ 22,600**	**$ 631,066**	**$ 1,556,845**

Fund	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
15	EDC FUND	1,518,078	1,438,223	1,421,724	1,413,806
95	EDC BOND RESERVE FUND	7,054	6,500	4,259	4,250
TOTAL EDC FUNDS		**$ 1,525,132**	**$ 1,444,723**	**$ 1,425,983**	**$ 1,418,056**

TOTAL REVENUES	**$ 28,392,590**	**$ 37,451,440**	**$ 26,981,855**	**$ 43,210,954**

EXPENDITURE SUMMARY BY FUND					
Fund	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
01	GENERAL FUND	12,358,823	13,959,144	12,698,558	14,530,030
TOTAL GENERAL FUND		**$ 12,358,823**	**$ 13,959,144**	**$ 12,698,558**	**$ 14,530,030**

Fund	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
02	DEBT SERVICE	2,741,175	2,732,972	2,733,222	2,506,002
TOTAL DEBT SERVICE		**$ 2,741,175**	**$ 2,732,972**	**$ 2,733,222**	**$ 2,506,002**

Fund	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
07	STORMWATER UTILITY FUND	57,634	145,800	109,268	585,800
10	WATER/SEWER FUND	6,000,951	18,033,528	7,029,177	18,074,059
61	WATER IMPACT FEE FUND	-	-	-	-
62	SEWER IMPACT FEE FUND	-	-	-	-
TOTAL UTILITY FUNDS		**$ 6,058,585**	**$ 18,179,328**	**$ 7,138,445**	**$ 18,659,859**

Fund	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
04	CAPITAL PROJECTS FUND	179,848	127,950	143,344	146,250
13	CAPITAL BOND FUND	4,535,754	7,989,549	7,583,692	3,397,500
14	PARK DEDICATION FUND	27,561	160,000	178,000	114,000
32	LIBRARY BUILDING FUND	-	-	-	-
45	ROADWAY IMPACT FEE FUND	6,498	250,000	180,000	-
TOTAL CAPITAL PROJECT FUNDS		**$ 4,749,661**	**$ 8,527,499**	**$ 8,085,036**	**$ 3,657,750**

Fund	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
21	TIF #1 NEW HOPE FUND	450	150,000	-	-
30	HOTEL/MOTEL TAX FUND	27,990	20,000	-	-
31	PUBLIC SEIZURE FUND	22,452	32,000	-	10,000
34	LEOSE FUND	2,030	5,500	-	10,000
35	DISASTER RECOVERY FUND	1,747,084	1,250,000	1,250,000	381,580
TOTAL SPECIAL REVENUE FUNDS		**$ 1,800,006**	**$ 1,457,500**	**$ 1,250,000**	**$ 401,580**

Fund	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
05	CAPITAL REPLACEMENT FUND	55,778	4,650	20,075	100,000
12	COURT SECURITY FUND	22,599	18,146	18,146	2,278
16	COURT TECHNOLOGY FUND	5,539	13,202	16,487	526
18	JUVENILE CASE MANAGER FUND	-	10,000	-	10,000
40	GRANTS	367,396	-	396,252	1,539,000
41	PARK RECOVERY/DONATION FUND	8,548	9,500	824	1,000
83	TREE RESTORATION FUND	-	-	-	-
85	UNCLAIMED PROPERTY FUND	-	-	-	-
TOTAL OTHER FUNDS		**$ 459,860**	**$ 55,498**	**$ 451,784**	**$ 1,652,804**

Fund	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
15	EDC FUND	524,655	1,552,359	2,013,327	975,286
95	EDC BOND RESERVE FUND	-	-	-	-
TOTAL EDC FUNDS		**$ 524,655**	**$ 1,552,359**	**$ 2,013,327**	**$ 965,286**

TOTAL EXPENDITURES	**$ 28,692,764**	**$ 46,464,299**	**$ 34,370,372**	**$ 42,383,311**

2027 Adopted Common Cost Analysis				
Deparment	01 GF Total	07 Storm Water Allocation 5%	10 Water/Sewer Allocation 20%	15 EDC Allocation 15%
Dept 1 City Manager Expenditures	$ 988,458	$ 49,423	$ 197,692	$ 148,269
Dept 2 Council Expenditures	$ 233,750	$ 11,688	$ 46,750	$ 35,063
Dept 7 Finance Expenditures	$ 709,159	$ 35,458	$ 141,832	$ 106,374
Dept 12 Community Development Exp.	$ 755,465	$ 37,773	$ 151,093	$ 113,320
WC/Admin Fees/Unemployment	$ 253,918	$ 12,696	$ 50,784	$ 38,088
Insurance	$ 170,772	$ 8,539	$ 34,154	$ 25,616
IT Support, Internet, and Phones	$ 162,500	$ 8,125	$ 32,500	$ 24,375
Total Allocated from Fund 1 to Other Funds	**$ 3,274,021**	**$ 163,701**	**$ 654,804**	**$ 491,103**

Deparment	01 Street Personnel	07 Storm Water Allocation 10%	10 Water/Sewer Allocation 25%	15 EDC Allocation 10%
Dept 20 Public Works (Street Personnel Only)	$ 984,601	$ 98,460	$ 246,150	$ 98,460
Total Allocated from Dept 20 to Other Funds	**$ 984,601**	**$ 98,460**	**$ 246,150**	**$ 98,460**

FUND / ACCOUNT		FY 25 Actual	FY 26 Budget	FY 26 Projected	FY 27 Budget	Notes
GENERAL FUND TRANSFERS IN						
01-4510-00-00	ADMIN CHARGE-WATER/SEWER	757,935	837,350	837,350	900,955	Value of services provided from General Fund
01-4512-00-00	ADMIN CHARGE-EDC	540,545	547,231	547,231	589,563	Added in audit and value of services provided
01-4514-00-00	TRANSFER IN STORM WATER	*218,674*	*244,072*	*244,072*	262,161	Value of services provided from General Fund
GENERAL FUND TRANSFERS OUT						
01-5705-90-01	TRANSFER OUT-CAPITAL REPLAC FUND	(139,200)	(139,200)	(139,200)	-	Enterprise Lease Closed in FY26
01-5498-90-01	INCREMENTAL PROP TAX TO TIF	(221,612)	(192,715)	(192,715)	(192,715)	City payment for incremental property tax
DEBT SERVICE FUND TRANSFERS IN						
02-4960-00-00	CAPITAL PROJECTS FUND	108,265	104,475	104,475	102,685	Dick Price Road Set By Debt Schedule
02-4963-00-00	TRANSFER IN-TIRZ	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	8,000	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	(757,935)	(837,350)	(837,350)	(900,955)	Value of services provided from General Fund
10-5596-90-00	PAYMENT IN LIEU OF	-	-	-	-	Services provided by Street Personnel
STORMWATER FUND TRANSFERS OUT						
07-5598-35-01	ADMIN CHARGE-STREET	(77,841)	(92,493)	(92,493)	(98,460)	Value of services provided from Public Works
07-5701-35-01	TRANSFER OUT - GENER	(140,833)	(151,579)	(151,579)	(163,701)	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)	(8,000)	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	221,612	192,715	192,715	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)	-	-	-	Payment toward 2023 $17.4MM CO Bond
CAPITAL REPLACEMENT FUND TRANSFERS IN						
05-4906-00-00	TRANSFER IN-GENERAL	139,200	139,200	139,200	-	Enterprise Lease
EDC FUND TRANSFERS OUT						
15-5595-06-01	ADMIN CHARGE-GENERAL	(540,545)	(547,231)	(547,231)	(589,563)	Added in audit and value of services provided
CAPITAL PROJECTS FUND TRANSFERS OUT						
04-5702-00-00	DEBT SERVICE FUND	(108,265)	(104,475)	(104,475)	(102,685)	Dick Price Road Set By Debt Schedule



General Fund

26TH ANNIVERSARY KENNEDALE HOMETOWN CHRISTMAS

NOVEMBER 29, 2025
2:00 TO 6:00 PM

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

TOWNCENTER PARK
405 MUNICIPAL DRIVE

SCAN TO REGISTER

5K RACE AT 8:00AM

RIDES!





GAMES!





PRIZES!



SPONSORS:

WWW.KENNEDALEHOMETOWNCHRISTMAS.COM

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

Reds ROADHOUSE TX drive in bar and grill

Beard's TOWING 817-478-2001

FRONTIER WASTE SOLUTIONS

LBK ROOFING

HAWK STEEL INDUSTRIES

AZZ GALVANIZING KENNEDALE

HUGHES COMMERCIAL REAL ESTATE & DEVELOPMENT

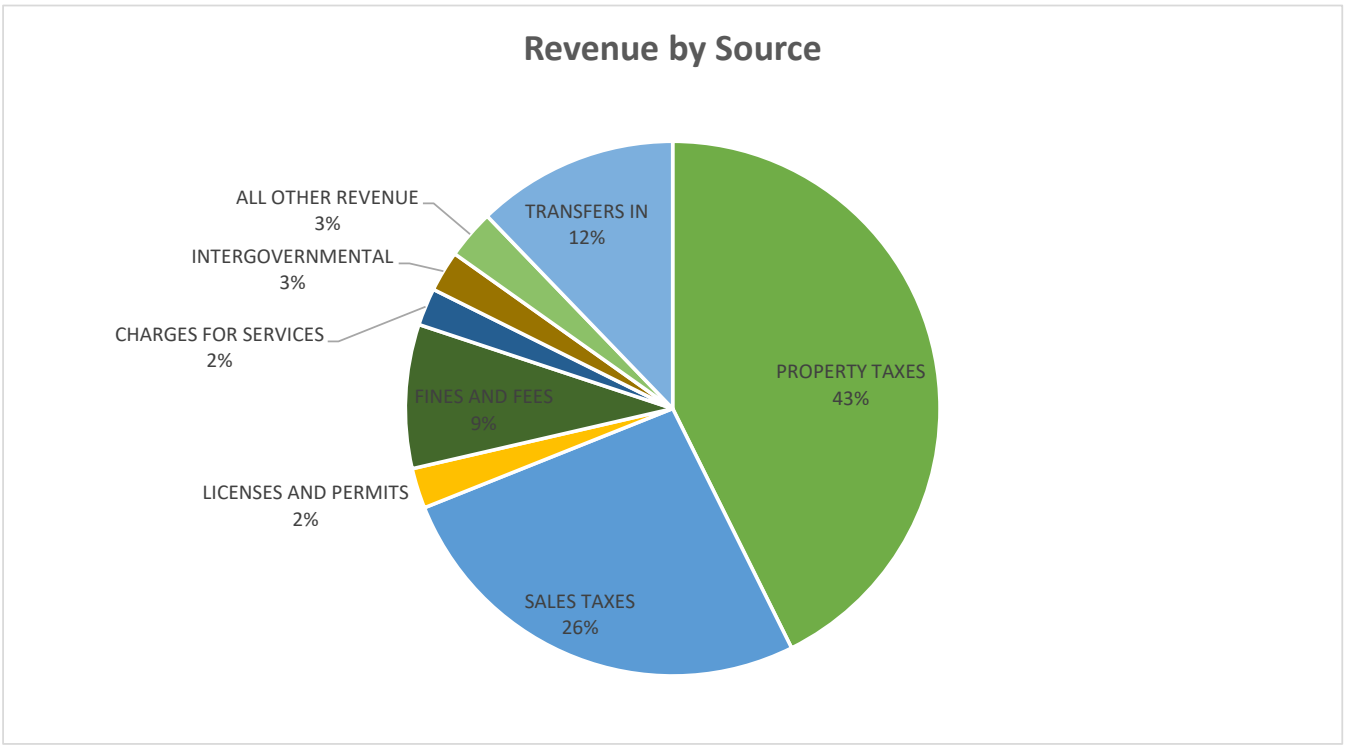
HARRISON JET GUNS

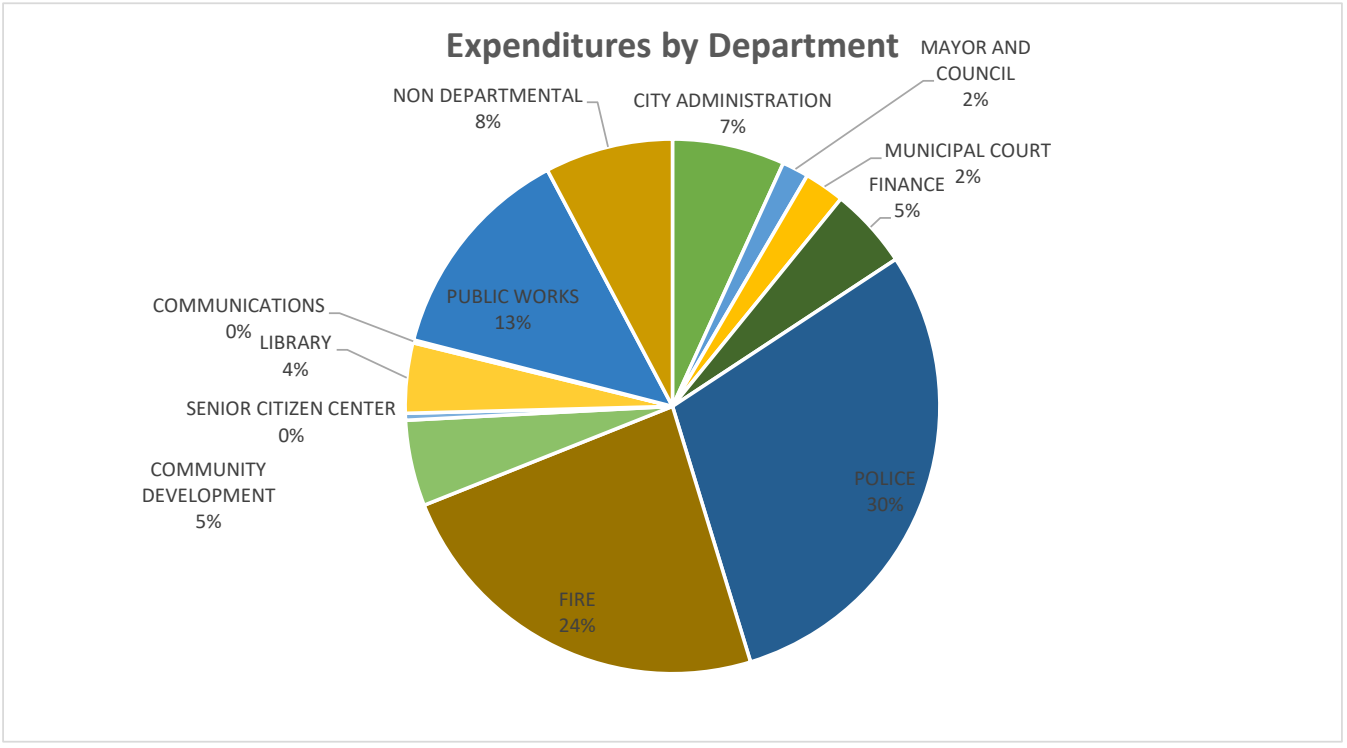
GENERAL FUND REVENUE AND INCOMMING TRANSFERS					
Department	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
	PROPERTY TAXES	6,456,313	5,998,567	6,099,406	6,127,136
	SALES TAXES	3,087,020	3,647,834	3,647,834	3,775,508
	LICENSES AND PERMITS	169,540	450,000	297,036	350,000
	FINES AND FEES	1,006,155	1,033,500	1,137,947	1,250,000
	CHARGES FOR SERVICES	298,155	325,000	299,050	325,100
	INTERGOVERNMENTAL	308,572	230,000	308,572	355,000
	ALL OTHER REVENUE	505,467	425,000	336,787	426,350
	TRANSFERS IN	1,517,154	1,628,853	1,628,853	1,752,679
TOTAL REVENUE AND TRANSFERS IN		**$ 13,348,378**	**$ 13,738,754**	**$ 13,755,485**	**$ 14,361,773**

GENERAL FUND EXPENDITURES					
Department	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
01	CITY ADMINISTRATION	813,897	868,804	792,866	988,458
02	MAYOR AND COUNCIL	212,951	211,550	153,537	233,750
04	MUNICIPAL COURT	332,739	332,256	300,112	354,167
07	FINANCE	566,960	663,129	636,765	709,159
09	POLICE	3,906,402	4,002,396	3,689,599	4,293,798
10	FIRE	3,115,552	3,303,997	3,259,339	3,442,025
12	COMMUNITY DEVELOPMENT	591,086	695,940	474,604	755,465
16	SENIOR CITIZEN CENTER	68,276	60,850	50,578	60,590
17	LIBRARY	580,118	560,638	555,729	616,308
18	COMMUNICATIONS	9,118	19,900	11,185	25,300
20	PUBLIC WORKS	1,220,157	2,087,877	1,673,186	1,924,821
90	NON DEPARTMENTAL	941,568	1,151,808	1,101,058	1,126,190
TOTAL EXPENDITURES		**$ 12,358,823**	**$ 13,959,144**	**$ 12,698,558**	**$ 14,530,030**

Department	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
90	NON DEPARTMENTAL	360,812	331,915	331,915	192,715
TOTAL OUTGOING TRANSFERS		**$ 360,812**	**$ 331,915**	**$ 331,915**	**$ 192,715**
TOTAL OUTGOING FUNDS		**$ 12,719,634**	**$ 14,291,059**	**$ 13,030,473**	**$ 14,722,745**
NET CHANGE IN FUND BALANCE		**$ 628,743**	**$ (552,305)**	**$ 725,012**	**$ (360,972)**
BEGINNING FUND BALANCE — OCT 1		**$ 4,218,927**	**$ 4,847,670**	**$ 4,847,670**	**$ 5,572,683**
ENDING FUND BALANCE — SEPT 30		**$ 4,847,670**	**$ 4,295,365**	**$ 5,572,683**	**$ 5,211,711**
AVERAGE DAILY ANNUAL EXPENDITURES		**$ 34,848**	**$ 39,154**	**$ 35,700**	**$ 40,336**
DAYS OF FUND BALANCE		**139**	**110**	**156**	**129**

GENERAL FUND SUMMARY





DEPARTMENT OUTLINE: 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 Administration Department consists of the City Manager's Office, City Secretary's Office and Human Resources. Together, this department is responsible for implementing the City Council's vision and policies, ensuring transparent and effective governance, maintaining official records and legislative processes, supporting workforce recruitment and development, and promoting efficient, accountable operations across all City departments. The City Manager is accountable to the City Council for the proper administration of all the affairs of the City.

PRIOR YEAR RESULTS & ACCOMPLISHMENTS

- Completed roadway improvements on New Hope Rd. and Eden Rd.
- Received 80% match from Texas Water Development Board on the Valley Lane Project
- Completed community-wide survey
- Partnered with YMCA for sports complex and office space in TownCenter complex
- Successful completion of TML Leadership Academy for Councilman Nevarez
- Grew General Fund Reserve over 31%.
- Successfully implemented JustFOIA records management software
- Implemented CivicClerk electronic voting system
- Digitized all Administration records and files
- Conducted a staff-wide climate survey
- Implemented Tyler applicant tracking system
- Reduced employer insurance costs 5% (approximately $57k)
- Reduced employee turnover by 2%

SHORT-TERM GOALS

- Continue to improve the City's financial strength and integrity by growing the general fund reserve to 35%
- Send leadership team to TML Leadership Academy
- Secure business for Kennedale Parkway near Interstate 20 and Oak Crest addition
- Residential Development on New Hope Road
- Increase pedestrian traffic in the TownCenter development complex by 10% and complete final phase of the TownCenter Development
- Assist in creation of the Youth Advisory Committee
- Audit retention periods for all city records to determine record permanency
- Achieve 100% on-time completion rate of all open records requests
- Create and provide job descriptions for all employee positions
- Implement NEOGOV HRIS platform
- Create and implement an organization-wide AI Use policy
- Update employee handbook
- Reduce employee turnover by 3%

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
- 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)
- City Secretary to complete certification through Texas Municipal Clerks Certification Program
- Establish a candidate information forum to guide candidate through the process of filling out and turning in all election required material
- Conduct a full compensation and classification study and implement pay ranges for all position
- Create clear career pathways across organization to increase employee retention
- Implement succession plans for each department to ensure leadership continuity and preservation of institutional knowledge
- Develop an enterprise AI strategy and plan for workforce integration

PERFORMANCE MEASURES

Measure	Type	FY25 Actual	FY26 Target	FY26 Projected	FY27 Target
General Fund Reserve %	Effectiveness	38%	29%	43%	35%
Town Center Event Attendance	Effectiveness	4360	5000	3300	6000
TownCenter Available Pads	Effectiveness	2	2	1	1
PIRs Processed	Output		300	199	250
Training Hours	Output		N/A	101	120
Turnover	Workload		N/A	20%	18%
Benefit Participation (%)	Effectiveness		85%	75%	80%

Strategic Priorities

Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

GENERAL FUND EXPENDITURES BY DEPARTMENT
01 CITY ADMINISTRATION

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
Personnel		584,354	626,854	582,709	728,458
Operations		229,543	241,950	210,157	260,000
TOTAL CITY ADMINISTRATION		**$ 813,897**	**$ 868,804**	**$ 792,866**	**$ 988,458**

Positions				
City Manager	1.0	1.0	1.0	1.0
Assisitant City Manager	-	-	-	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	1.0	-
Administrative Assistant	1.0	-	-	-
File Clerk (Temporary)	-	0.3	0.3	-
TOTAL POSITIONS	**4.00**	**4.30**	**4.30**	**4.00**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
01-5101-01-01	SALARIES	433,699	454,717	448,509	518,578
01-5107-01-01	OVERTIME	782	2,000	-	2,000
01-5109-01-01	TEMPORARY / PART-TIME	-	9,750	4,908	-
01-5114-01-01	LONGEVITY PAY	3,168	3,136	2,984	3,128
01-5115-01-01	RETIREMENT	71,560	79,415	77,973	90,444
01-5117-01-01	FICA	29,717	35,178	3,432	40,064
01-5118-01-01	MEDICAL INSURANCE	39,897	36,824	37,177	67,194
01-5120-01-01	LIFE INSURANCE	2,469	3,500	4,335	4,335
01-5121-01-01	DENTAL INSURANCE	1,978	1,230	2,166	1,526
01-5122-01-01	VISION INSURANCE	250	103	329	189
01-5126-01-01	DISABILITY	833	1,000	896	1,000
TOTAL PERSONNEL		**$ 584,354**	**$ 626,854**	**$ 582,709**	**$ 728,458**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
01-5220-01-01	UNIFORMS	148	-	-	750
01-5125-01-01	TUITION REIMBURSEMENT	3,380	5,000	3,240	5,000
01-5240-01-01	PRINTED SUPPLIES	344	2,500	200	1,500
01-5260-01-01	GENERAL OFFICE SUPPLIES	2,217	2,750	1,273	2,750
01-5261-01-01	POSTAGE	286	800	301	800
01-5280-01-01	MINOR EQUIP/SMALL TOOLS	1,636	1,500	-	500
01-5285-01-01	FUEL	3,235	4,000	3,622	4,500
01-5290-01-01	EXPENDABLE SUPPLIES	1,660	11,000	2,641	9,500
01-5298-01-01	VICTUALS BEVERAGES & GROCERY	4,884	-	-	-
01-5403-01-01	BUILDING MAINTENANCE	30,101	25,000	12,940	30,000
01-5430-01-01	MOTOR VEHICLE MAINTENANCE	878	1,500	743	2,500
01-5440-01-01	OFFICE EQUIP	7,134	5,000	2,035	5,000
01-5445-01-01	SOFTWARE	39,639	35,000	35,000	49,300
01-5501-01-01	ADVERTISING	9,456	2,500	5,197	6,000
01-5510-01-01	ASSOC DUES/PUBLICATICATIONS	3,339	8,500	8,499	8,500
01-5525-01-01	TRAINING/SEMINARS	4,934	8,000	5,851	8,000
01-5530-01-01	ELECTRIC SERVICES	14,646	15,000	13,158	15,000
01-5535-01-01	GAS SERVICES	4,281	6,000	5,995	6,000
01-5570-01-01	SPECIAL SERVICES	2,037	18,000	15,867	18,000
01-5571-01-01	SPECIAL EVENTS	10,888	12,000	15,307	12,000
01-5573-01-01	ELECTION SERVICES	25,486	20,000	18,092	20,000
01-5574-01-01	FILING FEES	-	300	-	300
01-5575-01-01	EQUIPMENT RENTAL	-	8,500	6,556	8,500
01-5578-01-01	TRAVEL	7,945	8,000	8,000	8,000
01-5585-01-01	TELEPHONE SERVICES	2,727	3,100	2,853	3,100
01-5588-01-01	HR RELATED TESTS	15,183	20,000	19,620	15,000
01-5589-01-01	JANITORIAL SERVICES	29,850	13,500	19,347	15,000
01-5590-01-01	WATER/SEWER SERVICES	3,232	4,500	3,821	4,500
TOTAL OPERATIONS		**$ 229,543**	**$ 241,950**	**$ 210,157**	**$ 260,000**

TOTAL CITY ADMINISTRATION	**$ 813,897**	**$ 868,804**	**$ 792,866**	**$ 988,458**

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 30+ training hours
- Hosted TML Region 8 meeting
- Completed city-wide community survey
- Received CMO designation for two councilmembers

SHORT-TERM GOALS

- Complete city-wide strategic plan, Imagine Kennedale 2035
- Receive a minimum of one additional CMO designation
- Increase Boards & Commissions annual training hours
- Complete updates to Council Chambers interior and AV system

VOLUNTEER RESOURCES

ADVISORY BOARD AND COMMISSION REGULAR MEETING SCHEDULE:

Board of Adjustment (BOA)/Board of Appeals (BBA)	2nd Tuesdays at 6:00 p.m., as needed
Economic Development Corporation (EDC) Board	4th Tuesdays at 6:00 p.m.
Keep Kennedale Beautiful (KKB) Commission	2nd Tuesdays at 6:00 p.m.
Library Board	As Needed
Parks and Recreation Board	1st Wednesdays at 7:00 p.m.
Planning and Zoning (P&Z) Commission	2nd 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	FY25 Actual	FY26 Target	FY26 Projected	FY27 Target
Capital Projects Funded	Output	5	2	5	5
Training Hours Completed	Effectiveness	20	20	130	150

Strategic Priorities

Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

GENERAL FUND EXPENDITURES BY DEPARTMENT
02 MAYOR AND COUNCIL

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
Operations		212,951	211,550	153,537	233,750
TOTAL MAYOR & CITY COUNCIL		**$ -**	**$ 211,550**	**$ 153,537**	**$ 233,750**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
01-5520-02-01	UNIFORMS	248	-	-	1,500
01-5240-02-01	PRINTED SUPPLIES	-	2,000	-	-
01-5260-02-01	GENERAL OFFICE SUPPLIES	411	300	165	-
01-5280-02-01	MINOR EQUIP/SMALL TOOLS<$5K	-	500	-	-
01-5290-02-01	EXPENDABLE SUPPLIES	-	1,000	397	500
01-5298-02-01	VICTUALS BEVERAGES & GROCERY	442	-	-	-
01-5403-02-01	BUILDING MAINTENANCE	269	-	-	32,000
01-5510-02-01	ASSOC DUES/PUBLICATICATIONS	6,140	6,500	6,376	6,500
01-5511-02-01	VOLUNTEER MEETINGS	-	500	-	500
01-5525-02-01	TRAINING/SEMINARS	14,226	8,000	3,425	6,000
01-5440-02-01	OFFICE EQUIP	-	1,500	2,488	2,000
01-5565-02-01	LEGAL SERVICES	179,583	170,000	125,000	150,000
01-5570-02-01	SPECIAL SERVICES	2,576	2,500	291	15,000
01-5571-02-01	SPECIAL EVENTS	1,665	9,000	9,000	9,000
01-5578-02-01	TRAVEL	4,376	6,500	3,364	7,500
01-5585-02-01	TELEPHONE SERVICES	3,015	3,250	3,031	3,250
TOTAL OPERATIONS		**$ 212,951**	**$ 211,550**	**$ 153,537**	**$ 233,750**

TOTAL MAYOR AND CITY COUNCIL		**$ 212,951**	**$ 211,550**	**$ 153,537**	**$ 233,750**

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

- Recipient of the 2026 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 2026 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 2025 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.
- Onboarded a new Judge and Associate Judge, strengthening the court's leadership structure and enhancing its capacity to manage caseloads efficiently while upholding high standards of judicial excellence and service.

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.
- Implement an automated warrant data exchange between Municipal Justice and the regional system to improve data accuracy, enhance system reliability, reduce verification delays, and strengthen cross-jurisdictional coordination.
- 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.
- Leverage the continued use of technology.
- Collaborate closely with local agencies and community partners to connect defendants with available resources and support services.

- Increase and implement alternative programs designed to enhance customer service within the court system.

PERFORMANCE MEASURES					
Measure	Type	FY25 Actual	FY26 Target	FY26 Projected	FY27 Target
Cases Filed	Input	3,390	3,100	3,800	3,000
Fine Revenue Received	Output	$511,303	$400,000	$550,000	$480,000
Arrest Warrants Issued	Output	1,738	1,300	1,300	1,300
Cases Set for Court	Output	3,259	2,800	2,800	2,800

Strategic Priorities	
Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

GENERAL FUND EXPENDITURES BY DEPARTMENT

04 COURT

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
Personnel		246,582	269,006	245,208	285,317
Operations		86,157	63,250	54,905	68,850
TOTAL MUNICIPAL COURT		**$ 332,739**	**$ 332,256**	**$ 300,112**	**$ 354,167**

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	1.0
TOTAL POSITIONS	**3.00**	**3.00**	**3.00**	**3.00**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
01-5101-04-01	SALARIES	172,611	190,556	176,921	202,447
01-5107-04-01	OVERTIME	1,677	615	850	615
01-5114-04-01	LONGEVITY PAY	464	656	384	776
01-5115-04-01	RETIREMENT	30,390	33,129	31,072	35,203
01-5117-04-01	FICA	12,600	14,675	13,333	15,594
01-5118-04-01	MEDICAL INSURANCE	26,101	26,580	20,658	28,341
01-5120-04-01	LIFE INSURANCE	1,083	1,200	570	570
01-5121-04-01	DENTAL INSURANCE	1,053	1,144	949	1,131
01-5122-04-01	VISION INSURANCE	158	51	121	189
01-5126-04-01	DISABILITY	446	400	349	450
TOTAL PERSONNEL		**$ 246,582**	**$ 269,006**	**$ 245,208**	**$ 285,317**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
01-5240-04-01	PRINTED SUPPLIES	876	600	1,010	600
01-5260-04-01	GENERAL OFFICE SUPPLIES	2,686	3,300	2,715	2,900
01-5261-04-01	POSTAGE	2,046	2,700	3,158	2,900
01-5280-04-01	MINOR EQUIP/SMALL TOOLS <$5K	-	250	-	250
01-5290-04-01	EXPENDABLE SUPPLIES	446	800	245	1,000
01-5220-04-01	UNIFORMS	672	600	599	500
01-5440-04-01	OFFICE EQUIP	319	1,000	145	900
01-5445-04-01	SOFTWARE	49,067	11,500	11,500	11,500
01-5510-04-01	ASSOC DUES/PUBLICATICATIONS	341	500	338	500
01-5525-04-01	TRAINING/SEMINARS	2,136	3,000	1,483	3,000
01-5565-04-01	LEGAL SERVICES	-	700	-	700
01-5570-04-01	SPECIAL SERVICES	491	1,000	323	1,000
01-5575-04-01	EQUIPMENT RENTAL	-	2,600	2,129	2,600
01-5578-04-01	TRAVEL	985	1,300	671	1,900
01-5581-04-01	JUDGE AND PROSECUTOR SERVICES	24,600	32,000	29,104	37,200
01-5585-04-01	TELEPHONE SERVICES	1,493	1,400	1,483	1,400
TOTAL OPERATIONS		**$ 86,157**	**$ 63,250**	**$ 54,905**	**$ 68,850**

TOTAL MUNICIPAL COURT	**$ 332,739**	**$ 332,256**	**$ 300,112**	**$ 354,167**

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

- 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
- Continued stability of staff (no new hires since November 2023)
- Projected to double our ACH payment percentage goal

SHORT-TERM (FY26) GOALS

- Sustain 25% or more vendor payments made through ACH
- Continue the streak of obtaining 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 grow the General Fund reserve balance for use in long-term investments
- Expand the grant program to include more complex awards and internalize all award management

PERFORMANCE MEASURES

Measure	Type	FY25 Actual	FY26 Target	FY26 Projected	FY27 Target
Total Vendor Payments	Output	1,779	1,600	1,723	1,800
ACH Payments (%)	Efficiency	28%	15%	34%	30%
Financial Policies Reviewed	Output	9	9	9	9
GFOA Award - Budget	Effectiveness	Awarded	Awarded	Awarded	Awarded
GFOA Award - ACFR	Effectiveness	Awarded	Awarded	Awarded	Awarded
Bond Rating (S&P Global)	Effectiveness	AA	AA	AA	AA

Strategic Priorities

Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

GENERAL FUND EXPENDITURES BY DEPARTMENT

07 FINANCE

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
Personnel		350,068	401,549	369,762	433,159
Operations		216,892	261,580	267,003	276,000
TOTAL FINANCE		**$ 566,960**	**$ 663,129**	**$ 636,765**	**$ 709,159**

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/II/Sr Accounting Associate	0.75	0.75	0.75	0.75
TOTAL POSITIONS	**3.75**	**3.75**	**3.75**	**3.75**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
01-5101-07-01	SALARIES	239,241	244,670	251,562	259,647
01-5107-07-01	OVERTIME	1,080	850	750	850
01-5109-07-01	TEMPORARY / PART-TIME	15,855	48,204	18,250	48,672
01-5114-07-01	LONGEVITY PAY	256	624	624	928
01-5115-07-01	RETIREMENT	42,169	50,834	46,726	53,554
01-5117-07-01	FICA	16,963	22,518	20,292	23,722
01-5118-07-01	MEDICAL INSURANCE	30,825	30,123	28,601	42,674
01-5120-07-01	LIFE INSURANCE	1,610	1,800	970	970
01-5121-07-01	DENTAL INSURANCE	1,263	1,302	1,225	1,302
01-5122-07-01	VISION INSURANCE	167	-	147	189
01-5126-07-01	DISABILITY	639	625	615	650
TOTAL PERSONNEL		**$ 350,068**	**$ 401,549**	**$ 369,762**	**$ 433,159**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
01-5240-07-01	PRINTED SUPPLIES	194	400	-	250
01-5220-07-01	UNIFORMS	86	250	244	250
01-5260-07-01	GENERAL OFFICE SUPPLIES	1,399	1,250	750	1,250
01-5261-07-01	POSTAGE	718	1,300	626	700
01-5290-07-01	EXPENDABLE SUPPLIES	234	550	425	500
01-5440-07-01	OFFICE EQUIP	2,796	2,000	1,200	2,000
01-5445-07-01	SOFTWARE	43,309	18,530	18,530	18,200
01-5510-07-01	ASSOC DUES/PUBLICATICATIONS	1,211	2,000	1,950	2,000
01-5525-07-01	TRAINING/SEMINARS	1,790	2,250	750	2,250
01-5567-07-01	AUDIT SERVICES - FORVIS	73,950	75,000	88,550	88,550
01-5570-07-01	SPECIAL SERVICES - Ext Consultants	41,470	100,100	100,100	102,500
01-5575-07-01	EQUIPMENT RENTAL	-	3,800	4,282	4,300
01-5578-07-01	TRAVEL	735	1,500	75	1,500
01-5585-07-01	TELEPHONE SERVICES	503	650	503	650
01-5587-07-01	APPRAISAL SERVICES	48,498	51,000	47,039	51,000
01-5884-07-01	FINES AND PENALTIES	-	1,000	1,980	100
TOTAL OPERATIONS		**$ 216,892**	**$ 261,580**	**$ 267,003**	**$ 276,000**

TOTAL FINANCE	**$ 566,960**	**$ 663,129**	**$ 636,765**	**$ 709,159**

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

- 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
- Implemented formal Emergency Operations processes (Hazard Mitigation Plan)
- Implemented Drone (unmanned aerial vehicle) program
- Implemented Power Time scheduling

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
  - Arthur and Delaney PD visits
  - National Night Out
  - Drug Take Back
- 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
  - School Career Days
  - Public Safety Open House
  - Santa Around Town
  -

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 90 hours of training during 2025

SHORT-TERM (FY26) GOALS

- Implement officer/employee fitness program
- Upgrade manual/paper field training program to Central Square digital platform. (standardization, paper reduction, digital user interface, online access and clearing house database)
- Upgrade manual/paper quartermaster inventory system to Central Square digital platform. (standardization, paper reduction, digital user interface, online access, inventory tracking/control)
- Community engagement (youth academy for high school)

FUTURE INITIATIVES

- Implement traffic safety program (motor unit, reduce vehicle crashes, enforcement, complaint resolution)
- Citizens on Patrol (COPS) Academy and Patrol Program

PERFORMANCE MEASURES

Measure	Type	FY25 Actual	FY26 Target	FY26 Projected	FY27 Target
Full-Time Positions	Input	23	24	24	24
Self-Initiated Traffic Enforcement	Output	6,218	6,500	7,000	7,000
Self-Initiated Business Checks	Output	4,122	3,800	3,000	3,000
Community Engagement Programs	Output	5	7	7	6

Strategic Priorities

Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

GENERAL FUND EXPENDITURES BY DEPARTMENT

09 POLICE OPERATIONS

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
Personnel		2,843,806	3,102,636	2,675,735	3,243,140
Operations		1,062,596	899,760	1,013,863	1,050,658
TOTAL POLICE		**$ 3,906,402**	**$ 4,002,396**	**$ 3,689,599**	**$ 4,293,798**

Positions				
Police Chief	1.0	1.0	1.0	1.0
Assistant Chief	-	-	-	1.0
Police Captain	1.0	1.0	1.0	-
Sergeant	4.0	4.0	5.0	5.0
Corporal	4.0	4.0	2.0	2.0
Detective	2.0	2.0	2.0	2.0
Officer	4.0	4.0	7.0	7.0
Community Engagement Officer	1.0	1.0	-	-
Auto Theft Task Force Officer	1.0	1.0	1.0	1.0
DEA Task Force Officer	1.0	1.0	-	-
School Resource Officer	2.0	2.0	2.0	3.0
Total Commissioned Officers	**21.00**	**21.00**	**21.00**	**22.00**
Animal Control Officer	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**	**3.00**	**2.00**
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**	**2.00**	**2.00**
TOTAL POSITIONS	**26.00**	**26.00**	**26.00**	**26.00**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
01-5101-09-01	SALARIES	1,785,693	1,975,836	1,641,020	1,933,680
01-5107-09-01	OVERTIME	97,861	60,000	105,000	70,000
01-5109-09-01	TEMPORARY/PART-TIME	-	-	-	-
01-5112-09-01	ASSIGNMENT PAY	-	5,000	-	5,000
01-5113-09-01	INCENTIVE PAY	46,438	36,000	39,355	36,000
01-5114-09-01	LONGEVITY PAY	16,476	19,222	16,414	14,576
01-5115-09-01	RETIREMENT	336,168	361,989	339,573	355,634
01-5117-09-01	FICA	142,815	160,348	147,469	157,533
01-5118-09-01	MEDICAL INSURANCE	162,473	238,810	138,488	294,127
01-5120-09-01	LIFE INSURANCE	10,961	3,500	5,957	6,500
01-5121-09-01	DENTAL INSURANCE	7,818	11,027	7,314	10,541
01-5122-09-01	VISION INSURANCE	1,085	565	899	1,452
01-5126-09-01	DISABILITY	4,125	4,300	3,295	4,300
01-5101-09-02	SALARIES	161,659	164,770	163,759	246,773
01-5107-09-02	OVERTIME	3,326	-	5,000	
01-5113-09-02	INCENTIVE PAY	3,915	-	2,530	
01-5114-09-02	LONGEVITY PAY	768	1,200	944	848
01-5115-09-02	RETIREMENT	32,671	28,663	29,745	42,764
01-5117-09-02	FICA	12,533	12,696	12,917	18,943
01-5118-09-02	MEDICAL INSURANCE	14,830	17,087	14,133	41,777
01-5120-09-02	LIFE INSURANCE	954	300	677	900
01-5121-09-02	DENTAL INSURANCE	751	774	792	1,203
01-5122-09-02	VISION INSURANCE	111	149	98	189
01-5126-09-02	DISABILITY	375	400	356	400
TOTAL PERSONNEL		**$ 2,843,806**	**$ 3,102,636**	**$ 2,675,735**	**$ 3,243,140**

GENERAL FUND EXPENDITURES BY DEPARTMENT

09 POLICE OPERATIONS

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
01-5220-09-01	UNIFORMS	25,144	25,000	31,000	25,000
01-5230-09-01	CLEANING SUPPLIES	782	1,000	1,000	-
01-5240-09-01	PRINTED SUPPLIES	6,016	5,500	5,500	5,500
01-5260-09-01	GENERAL OFFICE SUPPLIES	2,861	4,000	3,000	3,500
01-5261-09-01	POSTAGE	436	600	600	600
01-5280-09-01	MINOR EQUIP/SMALL TOOLS<$5K	15,850	10,000	10,000	10,000
01-5285-09-01	FUEL	39,391	40,000	38,474	45,000
01-5289-09-01	MEDICAL SUPPLY AND EQUIPMENT	739	500	1,193	700
01-5290-09-01	EXPENDABLE SUPPLIES	2,517	5,200	5,200	6,000
01-5298-09-01	VICTUALS BEVERAGES & GROCERY	2,584	-	42	-
01-5403-09-01	BUILDING MAINTENANCE	32,487	25,000	26,975	25,000
01-5420-09-01	MACHINERY/TOOL MAINTENANCE	440	-	-	-
01-5430-09-01	MOTOR VEHICLE MAINTENANCE	30,095	20,000	29,804	25,000
01-5440-09-01	OFFICE EQUIP	16,204	8,000	5,144	16,000
01-5445-09-01	SOFTWARE	2,800	14,000	18,641	14,500
01-5460-09-01	RADIO MAINTENANCE	15,819	28,000	15,276	18,000
01-5501-09-01	ADVERTISING	498	500	-	500
01-5510-09-01	ASSOC DUES/PUBLICATICATIONS	1,436	2,000	6,143	15,200
01-5517-09-01	FIREARMS TRAINING	3,149	3,000	3,652	4,000
01-5525-09-01	TRAINING/SEMINARS	7,227	10,000	8,281	7,000
01-5530-09-01	ELECTRIC SERVICES	14,737	18,000	12,881	18,000
01-5535-09-01	GAS SERVICES	2,411	4,000	2,576	4,000
01-5564-09-01	COMMUNITY RELATIONS	5,549	3,500	2,857	3,500
01-5570-09-01	SPECIAL SERVICES	35,099	60,000	47,521	30,000
01-5575-09-01	EQUIPMENT RENTAL	-	5,460	7,866	7,960
01-5578-09-01	TRAVEL	2,162	5,000	5,044	3,000
01-5583-09-01	ANIMAL CONTROL	21,883	25,000	120,000	122,850
01-5585-09-01	TELEPHONE SERVICES	36,407	33,000	26,397	33,000
01-5589-09-01	JANITORIAL SERVICES	1,370	7,500	7,500	-
01-5590-09-01	WATER/SEWER SERVICES	5,069	6,000	3,616	6,000
01-5557-09-01	INTERGOV- CITY OF MAN	527,786	520,000	562,713	590,848
01-5870-09-01	OTHER EQUIPMENT	16,304	10,000	4,968	10,000
01-5910-09-01	MOTOR VEHICLES	187,343	-	-	-
TOTAL OPERATIONS		**$ 1,062,596**	**$ 899,760**	**$ 1,013,863**	**$ 1,050,658**

TOTAL POLICE	**$ 3,906,402**	**$ 4,002,396**	**$ 3,689,599**	**$ 4,293,798**

DEPARTMENT OUTLINE: FIRE

The mission of the Kennedale Fire Department is to protect life and property for the citizens of Kennedale through public education, fire prevention code enforcement, and the response of highly trained professional Firefighter-Paramedics.

The Kennedale Fire Department provides emergency medical services and fire operations 24/7 with 22 personnel. Fire Operations has 18 Firefighter Paramedics who work a 48/96 shift schedule, staffing one ambulance and one fire apparatus. Fire Administration has 4 personnel, consisting of the Fire Chief, Assistant Fire Chief, Fire Inspector, and Administrative Assistant.

The Kennedale Fire Department recently moved back into the fire station after an extensive remodel and addition to the older fire station. This move was completed in June 2026.

Our main objectives for the Fire Department for FY 27 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, Assistant Fire Chief, 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.
- Completed numerous community events and programs.
- Increased training with the police department. CPR/AED training to city employees.
- Replaced Brush 59
- Reimbursement of two ambulance purchases from Tarrant County ESD totaling $1,147,000
- Completed our Hazard Mitigation Action Plan and submitted it to FEMA for approval
- Acquired an outdoor public notification system to be placed at Sonora Park
- Established approved EMS CE training site through the Texas Department of State Health Services
- Completed successful review and certification of Fire and EMS services as mandated by state agencies.

SHORT-TERM (FY27) GOALS

- Evaluate and maintain quality reaction and response times to all dispatched Fire and EMS incidents.
- Evaluate 4-man engine staffing and staffing of a second ambulance
- Evaluate our Emergency Management Plan – conduct annual drills, review and increase training on Everbridge, utilize the outdoor public alerting system at Sonora Park
- Complete the process for Best Practices accreditation for Kennedale Fire Department.
- Replacement of outdated portable radios for our personnel
- Replacement of outdated Automated External Defibrillators in city buildings
- Implement a Citizens Fire Academy program for citizens and businesses within the City of Kennedale.
- Smoke detector program for citizens of Kennedale.
- Increase our career day event opportunities, including recruitment fairs
- Review methods to reduce supply waste when it comes to expirations and additional stock
- Host training courses within our department.

FUTURE INITIATIVES

- Develop a citizen support group from graduates of our Citizen Fire Academy program
- Stay updated on current technology and changes in National Standards on Fire Protection (NFPA) and the quality standards of EMS care.
- Evaluate call volume and response times to help predict future staffing needs.
- Continued involvement on recruitment and retention of fire personnel
- Evaluate the progress of the Little School Road bridge
- Evaluate the planning of Fire Station 2

PERFORMANCE MEASURES

Measure	Type	FY25 Actual	FY26 Target	FY26 Projected	FY27 Target
Annual Fire Inspections	Output	506	600	429	600
Alarm to En-route Time	Efficiency	1min 00sec	1min 00sec	1min 03sec	0min 45sec
En-route to On scene time	Efficiency	4min 45sec	4 min 30sec	4min 50sec	4min 30sec

Strategic Priorities

Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

GENERAL FUND EXPENDITURES BY DEPARTMENT

10 FIRE

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
Personnel		2,678,134	2,921,036	2,864,729	3,050,760
Operations		437,417	382,961	394,610	391,265
TOTAL FIRE		**$ 3,115,552**	**$ 3,303,997**	**$ 3,259,339**	**$ 3,442,025**

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

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
01-5101-10-01	SALARIES	1,573,646	1,841,447	1,736,650	1,915,919
01-5107-10-01	OVERTIME	213,808	120,000	192,000	120,000
01-5108-10-01	FLSA OVERTIME	184,803	162,000	162,000	162,000
01-5112-10-01	ASSIGNMENT PAY	3,076	5,000	6,990	5,000
01-5113-10-01	INCENTIVE PAY	40,743	40,000	32,890	40,000
01-5114-10-01	LONGEVITY PAY	11,812	14,762	12,664	14,926
01-5115-10-01	RETIREMENT	356,199	377,040	409,038	389,917
01-5117-10-01	FICA	149,584	167,015	177,637	172,720
01-5118-10-01	MEDICAL INSURANCE	126,487	171,486	118,282	210,634
01-5120-10-01	LIFE INSURANCE	7,791	8,100	6,069	8,100
01-5121-10-01	DENTAL INSURANCE	5,855	8,188	6,503	6,534
01-5122-10-01	VISION INSURANCE	869	1,998	749	1,010
01-5126-10-01	DISABILITY	3,461	4,000	3,258	4,000
TOTAL PERSONNEL		**$ 2,678,134**	**$ 2,921,036**	**$ 2,864,729**	**$ 3,050,760**

GENERAL FUND EXPENDITURES BY DEPARTMENT					
		10 FIRE			
Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
01-5220-10-01	UNIFORMS	17,516	24,765	24,765	24,765
01-5225-10-01	LIFE SAFETY EQUIPMENT	821	25,052	25,052	28,437
01-5230-10-01	CLEANING SUPPLIES	2,437	2,500	543	2,500
01-5240-10-01	PRINTED SUPPLIES	1,977	3,000	-	3,000
01-5260-10-01	GENERAL OFFICE SUPPLIES	546	2,500	1,058	2,500
01-5261-10-01	POSTAGE	397	150	137	150
01-5280-10-01	MINOR EQUIP/SMALL TOOLS <$5K	4,961	40,294	40,294	9,512
01-5285-10-01	FUEL	20,996	22,000	25,514	24,000
01-5288-10-01	EMS SUPPLIES	27,783	32,000	23,625	35,000
01-5290-10-01	EXPENDABLE SUPPLIES	1,522	8,250	3,867	11,250
01-5291-10-01	GRANT FUNDED SUPPLIES	-	-	-	-
01-5297-10-01	FIRE OPERATIONS EXPENDABLE SUPPLIES	3,947	6,000	3,066	-
01-5298-10-01	VICTUALS BEVERAGES & GROCERY	1,510	-	-	-
01-5403-10-01	BUILDING MAINTENANCE	13,405	20,000	13,818	20,000
01-5420-10-01	MACHINERY/TOOL MAINTENANCE	21,661	18,000	9,356	18,000
01-5430-10-01	MOTOR VEHICLE MAINTENANCE	60,756	47,500	55,626	51,900
01-5440-10-01	OFFICE EQUIP	12,691	8,000	17,806	12,200
01-5445-10-01	SOFTWARE	1,080	10,000	800	14,626
01-5460-10-01	RADIO MAINTENANCE	9,228	10,000	15,432	16,000
01-5510-10-01	ASSOC DUES/PUBLICATIONS	7,103	6,000	3,882	6,875
01-5525-10-01	TRAINING/SEMINARS	8,844	24,000	23,081	24,000
01-5521-10-01	PUBLIC SAFETY EDUCATION	1,337	6,000	5,424	6,000
01-5530-10-01	ELECTRIC SERVICES	9,104	10,000	4,855	12,000
01-5535-10-01	GAS SERVICES	2,104	4,200	1,500	4,200
01-5570-10-01	SPECIAL SERVICES	18,611	29,000	39,808	37,000
01-5575-10-01	EQUIPMENT RENTAL	-	7,000	7,672	8,500
01-5578-10-01	TRAVEL	1,930	6,500	1,840	8,600
01-5585-10-01	TELEPHONE SERVICES	7,244	6,500	6,904	6,500
01-5590-10-01	WATER/SEWER SERVICES	3,845	3,750	4,188	3,750
01-5861-10-01	MOTOR VEHICLES	174,063	-	34,696	
01-5870-10-01	OTHER EQUIPMENT	-	-	-	-
TOTAL OPERATIONS		**$ 437,417**	**$ 382,961**	**$ 394,610**	**$ 391,265**
TOTAL FIRE		**$ 3,115,552**	**$ 3,303,997**	**$ 3,259,339**	**$ 3,442,025**

DEPARTMENT OUTLINE: COMMUNITY DEVELOPMENT

Main objectives: 1) Promote a safe and healthy built environment. 2) Implement City standards and plans. 3) Plan and prepare for the future. 4) Enhance stewardship of land and property.

PRIOR YEAR RESULTS & ACCOMPLISHMENTS

- Enhancements to the City's online permitting and licensing system.
- Maintained base customer services despite 60% personnel loss/turnover.
- Cross trained available staff to cover for vacant positions.
- Initiate a Unified Development Code Update (In Progress).
- Tools for a future Pilot Program at the Library acquired.

SHORT TERM (FY27) GOALS

- Update ICC Building Codes. The adopted 2018 series of codes are no longer supported by the International Code Council (ICC). Training, certification, or assistance is therefore unavailable. Most tradespeople have already implemented updated codes.
- Update UDC (various provisions). To comply with local directions and State & Federal standards, amendments are needed for various areas in the UDC.
- Impact Fee Update. State law requires updates periodically. The City should evaluate current land use assumptions and update these fees to maintain compliance.

FUTURE INITIATIVES

- Pursue agency accreditation of staff with relevant professional organizations.
- Pursue grant opportunities as may be available.

PERFORMANCE MEASURES

Measure	Type	FY25 Actual	FY26 Target	FY26 Projected	FY27 Target
ICC 21 Code Adoption	Effectiveness	N/A	Complete	Submitted	Complete
UDC or COO Ordinances	Effectiveness	N/A	3	2	3
Impact Fee Update	Effectiveness	N/A	N/A	Initiated	Complete

Strategic Priorities

Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

GENERAL FUND EXPENDITURES BY DEPARTMENT
12 COMMUNITY DEVELOPMENT

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
Personnel		396,906	426,265	333,360	465,115
Operations		194,179	269,675	141,244	290,350
TOTAL COMMUNITY DEVELOPMENT		**$ 591,086**	**$ 695,940**	**$ 474,604**	**$ 755,465**

Positions				
Director	1.0	1.0	1.0	1.0
Building Inspector	1.0	1.0	1.0	1.0
Code Enforcement Officer	1.0	1.0	1.0	1.0
Planner	-	-	1.0	1.0
Planning Technician	1.0	1.0	-	-
Permit Clerk	1.0	1.0	1.0	1.0
TOTAL POSITIONS	**5.00**	**5.00**	**5.00**	**5.00**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
01-5101-12-01	SALARIES	280,149	304,535	237,291	328,848
01-5107-12-01	OVERTIME	2,373	3,000	800	3,000
01-5114-12-01	LONGEVITY PAY	480	1,080	469	536
01-5115-12-01	RETIREMENT	49,683	53,298	41,199	57,436
01-5117-12-01	FICA	20,301	23,609	17,892	25,442
01-5118-12-01	MEDICAL INSURANCE	39,058	36,829	32,738	45,512
01-5120-12-01	LIFE INSURANCE	2,202	1,100	1,196	2,000
01-5121-12-01	DENTAL INSURANCE	1,733	1,946	1,210	1,588
01-5122-12-01	VISION INSURANCE	199	367	143	252
01-5126-12-01	DISABILITY	728	500	422	500
TOTAL PERSONNEL		**$ 396,906**	**$ 426,265**	**$ 333,360**	**$ 465,115**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
01-5220-12-01	UNIFORMS	1,206	1,350	367	1,400
01-5240-12-01	PRINTED SUPPLIES	993	500	1,000	1,000
01-5260-12-01	GENERAL OFFICE SUPPLIES	1,035	1,500	150	1,500
01-5261-12-01	POSTAGE	1,525	600	1,134	2,400
01-5280-12-01	MINOR EQUIP/SMALL TOOLS<$5K	2,073	5,000	2,500	5,000
01-5285-12-01	FUEL	2,115	1,500	1,417	1,850
01-5290-12-01	EXPENDABLE SUPPLIES	449	1,000	500	1,000
01-5298-12-01	VICTUALS BEVERAGES & GROCERY	302	-	-	-
01-5430-12-01	MOTOR VEHICLE MAINTENANCE	1,106	1,000	500	1,100
01-5440-12-01	OFFICE EQUIP	3,486	5,000	4,540	5,000
01-5445-12-01	SOFTWARE	32,535	28,000	28,000	36,000
01-5501-12-01	ADVERTISING	1,540	2,000	446	4,600
01-5510-12-01	ASSOC DUES/PUBLICATICATIONS	2,079	1,850	2,900	3,300
01-5525-12-01	TRAINING/SEMINARS	4,922	5,000	1,500	7,500
01-5570-12-01	SPECIAL SERVICES	53,870	75,000	68,000	75,000
01-5572-12-01	CODE ENFORCEMENT SERVICES	795	5,000	3,000	5,000
01-5574-12-01	FILING FEES	74	500	250	500
01-5575-12-01	EQUIPMENT RENTAL	3,892	4,600	4,640	7,000
01-5576-12-01	STRATEGIC PLANNING	586	25,000	-	50,000
01-5578-12-01	TRAVEL	506	1,625	500	3,000
01-5580-12-01	ENGINEERING SERVICES	76,718	100,000	17,000	75,000
01-5585-12-01	TELEPHONE SERVICES	2,370	3,650	2,900	3,200
TOTAL OPERATIONS		**$ 194,179**	**$ 269,675**	**$ 141,244**	**$ 290,350**

TOTAL COMMUNITY DEVELOPMENT	**$ 591,086**	**$ 695,940**	**$ 474,604**	**$ 755,465**

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 FT Senior Center dedicated coordinator

PERFORMANCE MEASURES

Measure	Type	FY25 Actual	FY26 Target	FY26 Projected	FY27 Target
Lunches Served	Output	4,988	4,500	4,700	4,800
Activities Scheduled	Output	531	500	500	500
New Members	Input	37	35	35	35
New Programs	Output	12	12	7	10
New Member Volunteers	Efficiency	5	5	5	5

Strategic Priorities

Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

GENERAL FUND EXPENDITURES BY DEPARTMENT

16 SENIOR CENTER

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
Personnel		-	-	-	-
Operations		68,276	60,850	50,578	60,590
TOTAL SENIOR CENTER		**$ 68,276**	**$ 60,850**	**$ 50,578**	**$ 60,590**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
01-5230-16-01	CLEANING SUPPLIES	60	-		
01-5260-16-01	GENERAL OFFICE SUPPLIES	-	150	73	150
01-5290-16-01	EXPENDABLE SUPPLIES	3,539	5,000	3,067	5,000
01-5403-16-01	BUILDING MAINTENANCE	33,196	10,000	6,882	10,000
01-5440-16-01	OFFICE EQUIP/SOFTWARE	-	2,000	2,000	500
01-5530-16-01	ELECTRIC SERVICES	5,042	5,500	4,539	5,500
01-5535-16-01	GAS SERVICES	2,221	2,200	2,200	2,420
01-5564-16-01	COMMUNITY RELATIONS	911	1,000	1,000	1,000
01-5570-16-01	SPECIAL SERVICES	21,167	24,000	21,838	24,720
01-5589-16-01	JANITORIAL SERVICES	-	8,000	6,440	8,000
01-5590-16-01	WATER/SEWER SERVICES	2,142	3,000	2,539	3,300
TOTAL OPERATIONS		**$ 68,276**	**$ 60,850**	**$ 50,578**	**$ 60,590**

TOTAL SENIOR CENTER		**$ 68,276**	**$ 60,850**	**$ 50,578**	**$ 60,590**

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

- Upgraded and installed RFID system and tags
- Received Atmos Energy Summer Reading donation - $5,000
- Received HEB Summer Reading grant - $2,500
- Received TSLAC accreditation
- Provided at least one Innovation Station workshop per month
- Increased programming for adults and teens
- Increased attendance and usage of services and programs

NEW FOR FY26

- Convert Adult Services Librarian to Adult Services/Supervising Librarian to meet operations and programming needs – total expected salary cost difference for this change is $10,000.

SHORT-TERM (FY26) GOALS

- Receive TSLAC accreditation
- Establish consistent audit and weeding schedule
- Prioritize marketing through social media and print
- Create the Library of Things – start with yard tools and recreation kits (disc golf)
- Create Kennedale Historical collection in partnership with the Kennedale Historical Society
- Develop Small Business programming
- Continue emphasis on staff training for program development, delivery, and evaluation
- Continue to provide new programming and activities for all ages

FUTURE INITIATIVES

- Build a new building for Community Resources
- Increase community outreach
- Continue to build community partnerships and relationships
- Increase awareness of services through effective marketing and community engagement
- Develop Historical Society local history collection
- Add FT Youth Services librarian and change PT Library Assistant to FT

PERFORMANCE MEASURES					
Measure	Type	FY25 Actual	FY26 Target	FY26 Projected	FY27 Target
New Cards Issued	Input	315	275	250	275
Circulation	Output	35,564	37,000	37,000	38,000
In-person Programs	Output	319	280	300	300
Innovation Station Appts	Output	15	50	50	50
In-Person Visits	Output	23,993	25,000	25,000	26,000
Receive Accreditation	Effectiveness	y	Y	Y	Y

Strategic Priorities

Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

GENERAL FUND EXPENDITURES BY DEPARTMENT

17 LIBRARY

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
Personnel		406,639	423,738	442,391	471,798
Operations		173,479	136,900	113,337	144,510
TOTAL LIBRARY		**$ 580,118**	**$ 560,638**	**$ 555,729**	**$ 616,308**

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

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
01-5101-17-01	SALARIES	247,966	256,239	290,409	286,329
01-5107-17-01	OVERTIME	1,297	1,500	150	1,500
01-5109-17-01	TEMPORARY/PART-TIME	39,052	42,835	27,833	45,887
01-5114-17-01	LONGEVITY PAY	4,066	4,928	4,422	5,464
01-5115-17-01	RETIREMENT	51,127	52,760	55,750	58,576
01-5117-17-01	FICA	21,283	23,371	24,211	25,947
01-5118-17-01	MEDICAL INSURANCE	37,563	36,829	36,415	44,512
01-5120-17-01	LIFE INSURANCE	1,859	2,300	1,048	1,500
01-5121-17-01	DENTAL INSURANCE	1,554	1,957	1,437	1,243
01-5122-17-01	VISION INSURANCE	222	368	169	189
01-5126-17-01	DISABILITY	650	650	547	650
TOTAL PERSONNEL		**$ 406,639**	**$ 423,738**	**$ 442,391**	**$ 471,798**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
01-5230-17-01	CLEANING SUPPLIES	-	-		
01-5240-17-01	PRINTED SUPPLIES	-	-		
01-5260-17-01	GENERAL OFFICE SUPPLIES	301	500	313	500
01-5261-17-01	POSTAGE	254	1,200	339	500
01-5280-17-01	MINOR EQUIP/SMALL TOOLS<$5K	450	300	300	200
01-5290-17-01	EXPENDABLE SUPPLIES	4,486	8,000	5,734	8,800
01-5292-17-01	LIBRARY PROCESSING SUPPLIES	2,540	500	485	500
01-5294-17-01	LIBRARY BOOK-CITY FUND	18,565	25,000	18,947	27,500
01-5403-17-01	BUILDING MAINTENANCE	87,779	30,000	22,269	32,000
01-5455-17-01	SOFTWARE MAINT	14,073	18,000	15,000	18,000
01-5440-17-01	OFFICE EQUIP	15,062	4,000	4,825	3,000
01-5510-17-01	ASSOC DUES/PUBLICATICATIONS	990	1,500	1,113	1,500
01-5525-17-01	TRAINING/SEMINARS	127	3,000	1,045	3,000
01-5530-17-01	ELECTRIC SERVICES	7,433	7,500	7,224	8,250
01-5535-17-01	GAS SERVICES	2,112	2,500	2,466	2,750
01-5564-17-01	COMMUNITY RELATIONS	3,365	5,000	4,469	5,000
01-5570-17-01	SPECIAL SERVICES	4,375	6,000	6,000	7,000
01-5575-17-01	EQUIPMENT RENTAL	4,160	4,200	4,259	4,640
01-5578-17-01	TRAVEL	20	2,500	1,800	2,500
01-5585-17-01	TELEPHONE SERVICES	2,585	2,700	2,472	2,970
01-5589-17-01	JANITORIAL SERVICES	719	10,000	10,000	11,000
01-5590-17-01	WATER/SEWER SERVICES	4,082	4,500	4,277	4,900
TOTAL OPERATIONS		**$ 173,479**	**$ 136,900**	**$ 113,337**	**$ 144,510**

TOTAL LIBRARY	**580,118**	**$ 560,638**	**$ 555,729**	**$ 616,308**

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 2 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

- Centralize web maintenance and updates
- Centralize social media updates and responses
- Purchase and implement online reservation platform for facilities and parks
- Establish a larger communications network for broader reach
- Conduct outreach and awareness campaigns for City events and activities
- Increase social media followers and webpage users

FUTURE INITIATIVES

- Increase community participation in City events and activities
- Prioritize communications for increased awareness internally and externally
- Update all department web pages and ensure ADA compliance
- Add dedicated social media moderator
- Add 100% Event Coordinator/Marketing employee

PERFORMANCE MEASURES					
Measure	Type	FY25 Actual	FY26 Target	FY26 Projected	FY27 Target
Event Attendance	Effectiveness	9,617	12,000	10,000	12,000
Webpage Visits	Effectiveness	254,000	250,000	240,000	250,000
1 Trained Admin/Department	Efficiency	5	8	5	0
Newsletter Subscriptions	Effectiveness	1,040	1,100	1,101	1,150
Social Media New Followers	Effectiveness	683	600	615	600

Strategic Priorities

Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

GENERAL FUND EXPENDITURES BY DEPARTMENT
18 COMMUNICATIONS

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
Personnel		-	-	-	-
Operations		9,118	19,900	11,185	25,300
TOTAL COMMUNICATIONS		**$ 9,118**	**$ 19,900**	**$ 11,185**	**$ 25,300**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
01-5260-18-01	GENERAL OFFICE SUPPLIES	-	100	100	-
01-5290-18-01	EXPENDABLE SUPPLIES	-	500	500	-
01-5440-17-01	OFFICE EQUIP	-		-	-
01-5455-18-01	SOFTWARE	982	4,000	4,000	10,000
01-5501-18-01	ADVERTISING	969	1,000	448	1,000
01-5510-18-01	ASSOC DUES/PUBLICATICATIONS	250	300	265	300
01-5525-18-01	TRAINING/SEMINARS	465	500	-	500
01-5564-18-01	COMMUNITY RELATIONS	4,108	6,000	4,611	6,000
01-5570-18-01	SPECIAL SERVICES	2,227	2,000	-	2,000
01-5571-18-01	SPECIAL EVENTS	16	5,000	1,261	5,000
01-5578-18-01	TRAVEL	101	500		500
TOTAL OPERATIONS		**$ 9,118**	**$ 19,900**	**$ 11,185**	**$ 25,300**

TOTAL COMMUNICATIONS		**$ 9,118**	**$ 19,900**	**$ 11,185**	**$ 25,300**

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

- With CDBG allocation of $170,000.00, replaced approximately 1,250 LF of 6" asbestos cement pipe with 8" PVC, including services, meter boxes, and appurtenances such as gate valves and fire hydrants along North Road, within the limits of W. 3rd. St. and the Avalon Apts. (400-600 Blks.)
- Based on engineering studies and public requests, installed solar powered flashing stop signs at various high-traffic intersections throughout the City
- Completed the removal and replacement of our T4, 0.5MG ground storage water tank at 750 Caruther Ln. with a 0.75MG glass-fused-to-steel panel system for approximately $1.6M
- Based on citizen request, installed five (5) solar panel street lights for approximately $50,000.00 at strategic locations within the City
- Rehabilitated Swiney Hiett Rd., S. New Hope Rd., and Hilltop Dr. with approximately 30,850 SY. of asphalt pavement

SHORT-TERM (FY27) 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 3% 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
- Upgrade playground equipment at Rogers Farm Park
- Reduce the potential for flooding by systemically removing siltation from the box culverts, drainage pipes and bar ditches

FUTURE INITIATIVES

- Little School Road Extension Project

- 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	FY25 Actual	FY26 Target	FY26 Projected	FY27 Target
100% replacement of water meters (3,248)	Efficiency	389	3,248	3,248	100%(3,248)
% of streets classified as poor condition	Effectiveness	8.53% (72,220 LF)	4.26% (36,110 LF)	4.26%	2.5% (17,730 LF)
Investment dollars	Output	$889,882	$500,000	$1,900,000	$500,000
% completion of ballfield	Efficiency	0%	100%	100%	100%
% completion of routine workorders within	Effectiveness	97%	100%	100%	100%
% completion of emergency workorders wit	Efficiency	N/A	100%	100%	100%

Strategic Priorities

Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

GENERAL FUND EXPENDITURES BY DEPARTMENT

20 PUBLIC WORKS

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
Personnel		713,133	924,927	793,087	984,601
Operations		507,024	1,162,950	880,100	940,220
TOTAL PUBLIC WORKS		**$ 1,220,157**	**$ 2,087,877**	**$ 1,673,186**	**$ 1,924,821**

Positions	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
Director	1.0	1.0	1.0	1.0
Project Manager	-	1.0	1.0	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	1.8	1.75	1.75	1.75
Administrative Assistant	1.0	1.0	1.0	1.0
TOTAL PUBLIC WORKS POSITIONS	**10.75**	**11.75**	**11.75**	**11.75**

STREET MAINTENANCE

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
01-5101-20-03	SALARIES	478,864	580,623	551,093	610,580
01-5107-20-03	OVERTIME	3,767	10,000	2,250	10,000
01-5109-20-03	TEMPORARY/PART-TIME	31,886	52,441	28,117	55,492
01-5113-20-03	INCENTIVE PAY	3,840	2,800	2,827	3,900
01-5114-20-03	LONGEVITY PAY	6,036	11,040	6,896	11,832
01-5115-20-03	RETIREMENT	91,644	113,223	102,097	119,404
01-5117-20-03	FICA	38,634	50,154	44,339	52,892
01-5118-20-03	MEDICAL INSURANCE	51,041	93,148	49,922	112,463
01-5120-20-03	LIFE INSURANCE	3,112	5,000	1,832	2,500
01-5121-20-03	DENTAL INSURANCE	2,632	4,107	2,249	3,533
01-5122-20-03	VISION INSURANCE	431	891	296	505
01-5126-20-03	SHORT-TERM DISABILITY	1,247	1,500	1,167	1,500
TOTAL PERSONNEL		**$ 713,133**	**$ 924,927**	**$ 793,087**	**$ 984,601**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
01-5210-20-03	CHEMICAL SUPPLIES	42	5,000	408	4,000
01-5220-20-03	UNIFORMS	4,534	9,250	11,651	10,800
01-5230-20-03	CLEANING SUPPLIES	1,913	3,000	1,417	2,500
01-5240-20-03	PRINTED SUPPLIES	238	500	343	400
01-5260-20-03	GENERAL OFFICE SUPPLIES	712	2,000	982	1,500
01-5261-20-03	POSTAGE	401	-	8	100
01-5280-20-03	MINOR EQUIP/SMALL TOOLS<$5K	1,966	7,000	6,296	7,500
01-5285-20-03	FUEL	16,748	15,500	18,755	16,120
01-5290-20-03	EXPENDABLE SUPPLIES	3,198	2,800	3,160	3,000
01-5403-20-03	BUILDING MAINTENANCE	24,857	24,000	4,050	22,000
01-5407-20-03	STREET MAINTENANCE	102,090	350,000	350,000	200,000
01-5409-20-03	IRRIGATION MAINTENANCE	638	2,500	476	2,000
01-5420-20-03	MACHINERY/TOOL MAINTENANCE	6,444	10,000	9,202	10,000
01-5430-20-03	MOTOR VEHICLE MAINTENANCE	20,785	20,000	13,734	20,000
01-5440-20-03	OFFICE EQUIP	254	9,000	120	5,000
01-5445-20-03	SOFTWARE	1,349	10,000	10,000	10,000
01-5480-20-03	SIGNS/FENCE/SIDEWALK MAINTENANCE	55,504	74,000	16,677	24,000
01-5510-20-03	ASSOC DUES/PUBLICATICATIONS	1,132	5,000	2,348	5,000
01-5525-20-03	TRAINING/SEMINARS	450	7,000	4,110	7,000
01-5530-20-03	ELECTRIC SERVICES	60,954	66,000	59,995	66,000
01-5535-20-03	GAS SERVICES	1,964	1,400	1,724	1,800
01-5570-20-03	SPECIAL SERVICES	12,476	193,000	2,586	185,000
01-5575-20-03	EQUIPMENT RENTAL	13,118	18,000	13,048	5,000
01-5578-20-03	TRAVEL	360	2,500	185	2,500
01-5580-20-03	ENGINEERING SERVICES	20,646	80,000	193,093	112,000
01-5585-20-03	TELEPHONE SERVICES	2,054	3,500	2,424	3,500
01-5590-20-03	WATER/SEWER SERVICES	13,205	45,000	4,396	45,000
01-5591-20-03	TRASH/DISPOSAL/DUMP SERVICES	-	1,500	-	1,500
01-5870-20-03	OTHER EQUIPMENT	9,638	86,500	-	8,000
TOTAL STREET MAINTENANCE OPERATIONS		**$ 377,671**	**$ 1,053,950**	**$ 731,188**	**$ 781,220**

GENERAL FUND EXPENDITURES BY DEPARTMENT
20 PUBLIC WORKS
PARK MAINTENANCE

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
01-5404-20-04	PARK MAINTENANCE	55,683	27,500	68,916	77,000
01-5405-20-04	TOWN CENTER PLAZA	533	-	474	
01-5406-20-04	SONORA AND RODGERS FARM PARK	16,496	27,500	28,250	28,500
01-5408-20-04	OTHER PARKS/MISC.	-	-	-	
01-5530-20-04	ELECTRIC SERVICES	3,786	3,500	4,038	3,500
01-5522-20-04	KEEP KENNEDALE BEAUTIFUL	4,897	12,500	9,439	15,000
01-5575-20-04	EQUIPMENT RENTAL	-	3,000	-	-
01-5590-20-04	WATER/SEWER SERVICES	47,957	35,000	37,795	35,000
TOTAL PARK MAINTENANCE OPERATIONS		**$ 129,353**	**$ 109,000**	**$ 148,912**	**$ 159,000**

DEPARTMENT OUTLINE: NONDEPARTMENTAL

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

Strategic Priorities	
Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

GENERAL FUND EXPENDITURES BY DEPARTMENT

90 NON-DEPARTMENTAL

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
Personnel		-	-	-	-
Operations		941,568	1,151,808	1,101,058	1,126,190
TOTAL NON-DEPARTMENTAL		**$ 941,568**	**$ 1,151,808**	**$ 1,101,058**	**$ 1,126,190**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
01-5116-90-01	UNEMPLOYMENT INSURANCE	6,823	30,495	23,124	32,630
01-5118-90-01	MEDICAL INSURANCE - RETIREE	-	12,752	6,500	6,500
01-5119-90-01	WORKERS' COMPENSATION	136,017	138,868	144,252	140,000
01-5123-90-01	HEALTH ADMIN FEES	55,792	75,970	75,000	81,288
01-5403-90-01	BUILDING MAINTENANCE	-	-	-	-
01-5440-90-01	OFFICE EQUIP	9,292	8,000		8,000
01-5445-90-01	SOFTWARE	50,930	9,500	9,500	9,500
01-5540-90-01	INSURANCE-AUTO	66,120	87,031	89,204	89,204
01-5545-90-01	INSURANCE-PROPERTY	41,220	39,099	47,981	47,981
01-5550-90-01	INSURANCE-GENERAL LIABILITY	17,888	32,915	16,644	16,644
01-5560-90-01	INSURANCE-LAW ENFORCEMENT	18,007	17,289	16,943	16,943
01-5569-90-01	IT SUPPORT	129,780	140,000	140,000	140,000
01-5570-90-01	SPECIAL SERVICES	33,000	18,000	16,910	10,000
01-5585-90-01	TELEPHONE SERVICES	-	12,500	-	12,500
01-5615-90-01	FUNCTIONAL GRANT	376,701	529,389	515,000	515,000
TOTAL OPERATIONS		**$ 941,568**	**$ 1,151,808**	**$ 1,101,058**	**$ 1,126,190**

TOTAL NON-DEPARTMENTAL		**$ 941,568**	**$ 1,151,808**	**$ 1,101,058**	**$ 1,126,190**

90 NON-DEPARTMENTAL - TRANSFERS OUT

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
01-5705-90-01	TRANSFER OUT- CAP REPLACEMENT	139,200	139,200	139,200	-
01-5717-90-01	TRANSFER OUT - STREET IMPROV.	-			
01-5498-90-01	INCREMENTAL PROPERTY TAX	221,612	192,715	192,715	192,715
TOTAL TRANSFERS OUT		**$ 360,812**	**$ 331,915**	**$ 331,915**	**$ 192,715**

Debt Service Fund



9/11

MEMORIAL CEREMONY

September 11 9:00 am

Monument Tours begin at 8:00AM

FEATURED SPEAKERS

MAYOR BRIAN JOHNSON

COUNTY COMMISSIONER ALISA SIMMONS

405 MUNICIPAL DR
KENNEDALE, TX 76060

CITYOFKENNEDALE.COM/FINANCE

City of KENNEDALE. Texas EST. 1887

YOU'RE HERE 94 YOUR HOME

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 $1,408,976 in unassigned fund balance, primarily due to property tax revenues being more than what was needed to pay debt service requirements in prior years. $448,933 of excess debt collections were applied to debt service for FY27. This budget decreases the Interest and Sinking portion of Ad Valorem taxes by $.012792 per $100 valuation.

EXPENSES AND BOND RATING

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

The City of Kennedale's AA bond rating was affirmed on August 10, 2026 by S&P Global Ratings.

DEBT SERVICE REQUIREMENTS

The City has bond expenditures in three funds – 02 Debt Service, 10 Water/Sewer, and 15 EDC. The chart below depicts all bond payments for all 3 funds. On the next page, the $2,501,802.25 has been programed into the total expenditure budget for Fund 02 Debt Service Fund. The $1,188,623.76 for Fund 10 and $112,297.50 for EDC Fund 15, are shown later in the book with the expenditures for those funds.

Strategic Priorities	
Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

Fund 02 DEBT SERVICE

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
02-4001-00-00	PROPERTY TAX-CURRENT	2,447,551	2,646,384	2,646,384	2,475,308
02-4011-00-00	PROPERTY TAX-DELINQUENT	(4,383)	7,500	7,500	7,500
02-4041-00-00	PROPERTY TAX-PENALTY	17,031	7,500	7,500	7,500
02-4401-00-00	INVESTMENT INCOME	54,995	43,985	44,910	43,985
02-4902-00-00	PROCEEDS-DEBT/LOAN	-	-	-	-
TOTAL REVENUES		**$ 2,515,194**	**$ 2,705,369**	**$ 2,706,294**	**$ 2,534,293**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
02-5606-21-06	2016 3.72M REFUNDING	375,000	385,000	385,000	315,000
02-5607-21-06	2016 3.72M REFUNDING	21,704	14,902	14,902	8,637
02-5621-21-06	BANK FEES / PAYING AGENT FEES	1,200	500	500	1,200
02-5622-21-06	ARBITRAGE/DISCLOSURE	2,250	2,500	2,750	3,000
02-5625-21-06	ISSUANCE COSTS	-	-	-	-
02-5626-21-06	PMT TO ESCROW AGENT	-	-	-	-
02-5651-21-06	2019 $2.0M TAX NOTES	385,000	395,000	395,000	
02-5652-21-06	2019 $2.0M TAX NOTES	11,163	3,753	3,753	
02-5655-21-06	2020A $1.54M GO RFND	150,000	155,000	155,000	155,000
02-5656-21-06	2020A $1.54M GO RFND	12,424	10,645	10,645	8,754
02-5657-21-06	2021 $6.0M CO-PRINCIPAL	240,000	265,000	265,000	275,000
02-5658-21-06	2021 $6.0M CO - INTEREST	124,050	113,950	113,950	103,150
02-5659-21-06	2020 1.26M GO REFUND-INTEREST	13,848	11,435	11,435	8,975
02-5660-21-06	2020 1.26M GO REFUND-PRINCIPAL	125,000	125,000	125,000	130,000
02-5661-21-06	2023 $17.0 MM C/O - INTEREST	80,000	100,125	100,125	96,000
02-5662-21-06	2023 $17.0 MM C/O - PRINCIPAL	104,125	80,000	80,000	85,000
02-5669-21-06	2024 $3MM GO - INTEREST	148,925	123,800	123,800	118,925
02-5670-21-06	2024 $3MM GO - PRINCIPAL	90,000	95,000	95,000	100,000
02-5671-21-06	2024 $11.0 MM C/O - INTEREST	461,488	441,363	441,363	421,988
02-5672-21-06	2024 $11.0 MM C/O - PRINCIPAL	395,000	410,000	410,000	365,000
TBD	2026 CO Interest	-	-	-	210,375
TBD	2026 CO Principal	-	-	-	100,000
TOTAL EXPENDITURES		**$ 2,741,175**	**$ 2,732,972**	**$ 2,733,222**	**$ 2,506,002**

TOTAL REVENUES OVER (UNDER) EXPENDITURES		**$ (225,982)**	**$ (27,603)**	**$ (26,928)**	**$ 28,291**
02-4915-00-00	TRANSFER IN-EDC FUND	138,847	136,432	136,432	138,975
02-4961-00-00	TRANSFER IN-TIRZ	228,229	-	-	-
02-4960-00-00	TRANSFER IN-PROJECTS	108,265	104,475	104,475	102,685
TOTAL OTHER FINANCING SOURCES (USES)		**$ 475,341**	**$ 240,907**	**$ 240,907**	**$ 241,660**
NET CHANGE IN FUND BALANCE		**$ 249,359**	**$ 213,304**	**$ 213,980**	**$ 269,951**
BEGINNING FUND BALANCE — OCT 1		**$ 945,637**	**$ 1,194,996**	**$ 1,194,996**	**$ 1,408,976**
ENDING FUND BALANCE — SEPT 30		**$ 1,194,996**	**$ 1,408,301**	**$ 1,408,976**	**$ 1,678,926**

Debt Service Requirements -- 2027 Adopted Budget

Debt Instruments	Fund 02 Debt Service Fund (I&S Ad Valorem Tax Levy)	Fund 10 Water Sewer Fund	Fund 15 Economic Develop Corp	Fund 02 Debt Service Fund (I&S Ad Valorem Tax Levy)	Fund 10 Water Sewer Fund	Fund 15 Economic Development Corporation	2027 Principal $	2027 Interest $
$2,900,000 Comb Tax & Rev C/O Series 2007		100%			214,305.00		210,000.00	4,305.00
$1,200,000 Sales Tax Rev Bonds Taxable Series 2007			100%			112,297.50	105,000.00	7,297.50
$3,720,000 GO Refunding Bond Series 2016	100%			323,636.75			315,000.00	8,636.75
$1,260,000 GO Refunding Bonds Series 2020	100%			138,974.50			130,000.00	8,974.50
$1,540,000 GO Refunding Bonds Series 2020A	100%			163,753.50			155,000.00	8,753.50
$5,735,000 Comb Tax and Rev C/O Series 2021	100%			378,150.00			275,000.00	103,150.00
$17,065,000 Comb Tax and Revenue C/O Series 2023		86%			974,318.76		350,000.00	624,318.76
$17,065,000 Comb Tax and Revenue C/O Series 2023	14%			181,000.00			85,000.00	96,000.00
$2,980,000 General Obligation Bonds Series 2024	100%			218,925.00			100,000.00	118,925.00
$10,810,000 Comb Tax and Revenue C/O Series 2024	100%			786,987.50			365,000.00	421,987.50
TBD Comb Tax and Revenue C/O Series 2026	100%			310,375.00			100,000.00	210,375.00
Total Debt Service by Year				2,501,802.25	1,188,623.76	112,297.50	2,190,000.00	1,612,723.51

Name	Maturity Date	Purpose
$2,900,000Comb 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
$3,720,000GO Refunding Bond Series 2016	2028	Refund outstanding 2005 and 2008 bonds for Library and Community Center
$2,000,000Tax 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 Hiett
$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
$5,000,000 Comb Tax and Revenue C/O Series 2026	2047	Fire apparatus, infrastructure repairs/rebuilds

Utility Funds

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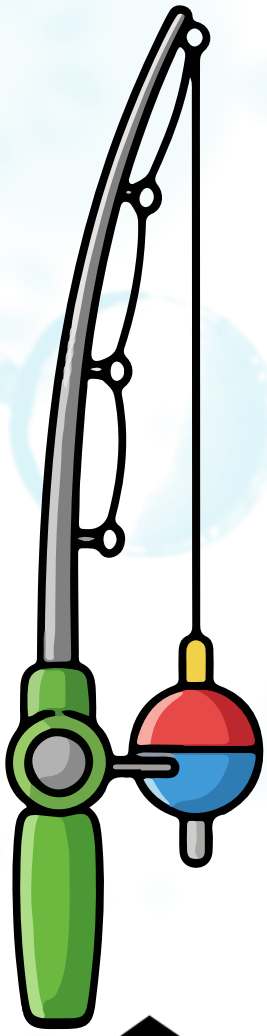
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OVERVIEW: STORMWATER FUND

The Stormwater Utility Fund is an Enterprise Fund with the responsibility for providing stormwater management to approximately 3,251 residential, commercial and industrial customers. It serves approximately 10,626 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

Strategic Priorities	
Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

FUND 7 STORMWATER

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
07-4205-00-00	DRAINAGE FEES	279,505	305,200	305,200	332,668
07-4401-00-00	INVESTMENT INCOME	39,008	40,000	23,251	20,000
TOTAL REVENUES		**$ 318,512**	**$ 345,200**	**$ 328,451**	**$ 352,668**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
07-5510-35-01	ASSOC DUES/PUBLICATIONS	409	4,200	2,750	4,200
07-5525-35-01	TRAINING/SEMINARS	-	-	-	-
07-5570-35-01	SPECIAL SERVICES	24,990	120,000	62,494	560,000
07-5574-35-01	FILING FEES	100	100	100	100
07-5580-35-01	ENGINEERING SERVICES	11,074	21,500	43,924	21,500
07-5637-90-00	DEPRECIATION EXPENSE	21,061	-	-	-
TOTAL EXPENDITURES		**$ 57,634**	**$ 145,800**	**$ 109,268**	**$ 585,800**

TOTAL REVENUES OVER (UNDER) EXPENDITURES	**$ 260,879**	**$ 199,401**	**$ 219,183**	**$ (233,132)**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
07-5598-35-01	ADMIN CHARGE - STREET	(77,841)	(92,493)	(92,493)	(98,460)
07-5701-35-01	TRANSFER OUT GENERAL FUND	(140,833)	(151,579)	(151,579)	(163,701)
TOTAL OTHER FINANCING SOURCES (USES)		**$ (218,674)**	**$ (244,072)**	**$ (244,072)**	**$ (262,161)**

NET CHANGE IN FUND BALANCE	**$ 42,205**	**$ (44,671)**	**$ (24,889)**	**$ (495,293)**

BEGINNING FUND BALANCE — OCT 1	**$ 811,647**	**$ 853,852**	**$ 853,852**	**$ 828,963**
ENDING FUND BALANCE — SEPT 30	**$ 853,852**	**$ 809,181**	**$ 828,963**	**$ 333,669**

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 elevated tank, T_3, 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

Strategic Priorities	
Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

FUND 10 WATER/SEWER

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
10-4010-00-00	WATER SERVICE	3,694,842	4,312,520	4,312,520	4,700,647
10-4020-00-00	SEWER SERVICE	2,478,751	2,314,671	2,314,671	2,522,991
10-4061-00-00	METER PURCHASE/INSTALATION	4,643	6,300	1,240	6,300
10-4073-00-00	SANITATION BILLING FEES	10,175	8,500	8,500	8,500
10-4081-00-00	SALES TAX	160	175	177	175
10-4090-00-00	ARLINGTON OPERATOR COST	456,885	425,000	425,000	425,000
10-4095-00-00	CDBG Revenue	21,782	-	-	
10-4202-00-00	CAPITAL CONTRIBUTIONS	-	-	-	-
10-4401-00-00	INVESTMENT INCOME	938,606	750,000	549,397	550,000
10-4409-00-00	MISCELLANEOUS INCOME	2,371	-		-
10-4485-00-00	EQUIPMENT SALE GAIN (LOSS)	-	-		-
10-4999-00-00	2023 C/O SERIES A	-	11,000,000	64,995	11,000,000
TOTAL REVENUES		**$ 7,608,216**	**$ 18,817,166**	**$ 7,676,500**	**$ 19,213,613**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
	UTILITY BILLING	2,145,440	2,157,800	1,882,628	2,097,761
	OPERATIONS	3,076,068	3,081,910	3,497,072	3,489,854
	DEBT SERVICE	662,844	1,102,029	1,102,029	1,188,624
	CAPITAL PROJECTS	-	11,640,000	509,379	11,250,000
	NON-DEPARTMENTAL	116,599	51,789	38,069	47,820
TOTAL EXPENDITURES		**$ 6,000,951**	**$ 18,033,528**	**$ 7,029,177**	**$ 18,074,059**

TOTAL REVENUES OVER (UNDER) EXPENDITURES	**$ 1,607,265**	**$ 783,639**	**$ 647,323**	**$ 1,139,554**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
10-4916-00-00	TRANSFER IN-DEBT SERVICE FUND	-	-	-	-
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	8,000
10-4965-00-00	TRANSFER IN-ROADWAY	97,525	97,525	97,525	97,525
10-5595-90-00	ADMIN CHARGE – GENERAL FUND	(757,935)	(837,350)	(837,350)	(900,955)
TOTAL OTHER FINANCING SOURCES (USES)		**$ (570,410)**	**$ (649,825)**	**$ (649,825)**	**$ (765,430)**

NET CHANGE IN FUND BALANCE	**$ 1,036,855**	**$ 133,814**	**$ (2,502)**	**$ 374,124**

BEGINNING FUND BALANCE — OCT 1	**$ 1,531,787**	**$ 2,568,642**	**$ 2,568,642**	**$ 2,566,140**
ENDING FUND BALANCE — SEPT 30	**$ 2,568,642**	**$ 2,702,456**	**$ 2,566,140**	**$ 2,940,265**

FUND 10 / DEPARTMENT 01 INTERLOCAL AGREEMENT CITY OF ARLINGTON					
Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
10-5510-36-01	ASSOC DUES/PUBLICATIONS	-	-	-	
10-5530-36-01	ELECTRIC SERVICES	197,202	250,000	204,778	250,000
10-5535-36-01	GAS SERVICES	-	-	-	
10-5570-36-01	SPECIAL SERVICES	268,115	250,000	271,428	250,000
10-5575-36-01	EQUIPMENT RENTAL	-	100	-	-
10-5580-36-01	ENGINEERING SERVICES	-	20,000	-	-
10-5585-36-01	TELEPHONE SERVICES	748	850	737	850
10-5590-36-01	WATER/SEWER SERVICES	2,723	5,250	3,665	5,250
10-5599-36-01	INTERLOCAL-CITY OF ARLINGTON	2,590,078	2,343,000	2,983,754	2,983,754
10-5653-36-01	2019 $2.0M TAX NOTES	17,731	12,710	12,710	-
10-5654-36-01	2019 $2.0M TAX NOTES	(528)	200,000	20,000	-
TOTAL UTILITY OPERATIONS		**$ 3,076,068**	**$ 3,081,910**	**$ 3,497,072**	**$ 3,489,854**

FUND 10 / DEPARTMENT 06 WATER DEBT SERVICE					
Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
10-5625-36-06	ISSUANCE COSTS	-	-	-	-
10-5626-36-06	2007 $2.9M CO-INTEREST	-	12,710	12,710	4,305
10-5620-36-06	2007 $2.9M CO-PRINCIPAL	19,731	200,000	200,000	210,000
10-5627-36-06	2023 $17.65 UTILITY PRIN	-	250,000	250,000	350,000
10-5628-36-06	2023 $17.65 UTILITY INT	643,113	639,319	639,319	624,319
TOTAL DEBT SERVICE		**$ 662,844**	**$ 1,102,029**	**$ 1,102,029**	**$ 1,188,624**

FUND 10 / DEPARTMENT 09 WATER CAPITAL PROJECTS					
Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
10-5833-36-09	CDBG SEWER PROJECT	-	300,000	266,176	-
10-5834-36-09	WATER LINE INSTALLATION	-	340,000	178,208	250,000
10-5835-36-09	SEWER LINE INSTALLATION	-	11,000,000	64,995	11,000,000
10-5839-36-09	COA WATER CONNECTION LINE	-	-	-	-
10-5841-36-09	WATER/WASTEWATER RAT	-	-	-	-
TOTAL CAPITAL PROJECTS		**$ -**	**$ 11,640,000**	**$ 509,379**	**$ 11,250,000**

FUND 10 / DEPARTMENT 90 NON-DEPARTMENTAL					
Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
10-5545-90-01	INSURANCE-PROPERTY	14,569	15,360	18,659	18,659
10-5550-90-01	INSURANCE-GENERAL LIABILITY	3,972	8,229	4,161	4,161
10-5565-90-01	LEGAL SERVICES	85,000	-	-	-
10-5570-90-01	SPECIAL SERVICES	13,058	25,000	15,248	25,000
10-5580-90-01	ENGINEERING SERVICES	-	-	-	-
10-5585-90-01	TELEPHONE SERVICES	-	3,200	-	-
10-5884-90-01	FINES AND PENALTIES	-	-	-	-
TOTAL NON-DEPARTMENTAL		**$ 116,599**	**$ 51,789**	**$ 38,069**	**$ 47,820**

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).

Strategic Priorities

Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

FUND 61 - WATER IMPACT FUND

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
61-4201-00-00	IMPACT FEES	22,680	15,000	13,009	14,000
61-4401-00-00	INVESTMENT INCOME	5,127	4,000	2,685	3,500
TOTAL REVENUES		**$ 27,806**	**$ 19,000**	**$ 15,694**	**$ 17,500**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
61-5580-00-00	ENGINEERING SERVICES	-	-	-	-
TOTAL EXPENDITURES		**$ -**	**$ -**	**$ -**	**$ -**
REVENUES OVER (UNDER) EXPENDITURES		**$ 27,806**	**$ 19,000**	**$ 15,694**	**$ 17,500**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 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		**$ (2,194)**	**$ (11,000)**	**$ (14,306)**	**$ (12,500)**
BEGINNING FUND BALANCE — OCT 1		**$ 97,765**	**$ 95,571**	**$ 95,571**	**$ 81,265**
ENDING FUND BALANCE — SEPT 30		**$ 95,571**	**$ 84,571**	**$ 81,265**	**$ 68,765**

FUND 62 - SEWER IMPACT FUND

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
62-4201-00-00	IMPACT FEES	12,271	15,000	1,500	1,500
62-4201-00-00	INVESTMENT INCOME	4,450	5,000	1,395	1,000
TOTAL REVENUES		**$ 16,721**	**$ 20,000**	**$ 2,895**	**$ 2,500**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
62-5580-00-00	ENGINEERING SERVICES		-	-	-
TOTAL EXPENDITURES		**$ -**	**$ -**	**$ -**	**$ -**
REVENUES OVER (UNDER) EXPENDITURES		**$ 16,721**	**$ 20,000**	**$ 2,895**	**$ 2,500**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
62-5710-00-00	TRANSFER OUT- W/S FUND	(60,000)	(60,000)	(60,000)	(8,000)
TOTAL OTHER FINANCING SOURCES (USES)		**$ (60,000)**	**$ (60,000)**	**$ (60,000)**	**$ (8,000)**
NET CHANGE IN FUND BALANCE		**$ (43,279)**	**$ (40,000)**	**$ (57,105)**	**$ (5,500)**
BEGINNING FUND BALANCE — OCT 1		**$ 109,605**	**$ 66,326**	**$ 66,326**	**$ 9,221**
ENDING FUND BALANCE — SEPT 30		**$ 66,326**	**$ 26,326**	**$ 9,221**	**$ 3,721**



Capital Project Funds

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OVERVIEW: CAPITAL PROJECTS FUND

The Capital Projects Fund (04) receives revenue from 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.

Strategic Priorities

Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

Fund 04 CAPITAL PROJECTS

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
04-4401-00-00	INVESTMENT INCOME	14,612	7,950	10,279	11,250
04-4421-00-00	LANDFILL REVENUE-WASTE CONNECTION	165,235	120,000	133,065	135,000
TOTAL FUND REVENUES		**$ 179,848**	**$ 127,950**	**$ 143,344**	**$ 146,250**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
		-	-	-	-
TOTAL EXPENDITURES		**$ -**	**$ -**	**$ -**	**$ -**
REVENUES OVER (UNDER) EXPENDITURES		**$ 179,848**	**$ 127,950**	**$ 143,344**	**$ 146,250**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
04-5702-00-00	TRANSFER OUT – DEBT SERVICE	(108,265)	(104,475)	(104,475)	(102,685)
TOTAL OTHER FINANCING SOURCES (USES)		**$ (108,265)**	**$ (104,475)**	**$ (104,475)**	**$ (102,685)**
NET CHANGE IN FUND BALANCE		**$ 71,583**	**$ 23,475**	**$ 38,869**	**$ 43,565**
BEGINNING FUND BALANCE — OCT 1		**$ 215,569**	**$ 287,152**	**$ 287,152**	**$ 326,021**
ENDING FUND BALANCE — SEPT 30		**$ 287,152**	**$ 310,627**	**$ 326,021**	**$ 369,586**

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. Projected activity in FY27 is primarily due to a new series of bonds expected to be issued in August 2026. Street improvements, and the purchase of a Quint, are the two largest expenditures. Expenses related to bond issuance and administration are included in the Debt Service Fund.

Strategic Priorities

Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

FUND 13 CAPITAL BOND

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
13-4401-00-00	INVESTMENT INCOME	950,099	356,600	438,043	
TBD	2026 CO	-	-	-	5,000,000
13-4887-00-00	CAPITAL PROJECT REIMBURSEMENT	958,657	-	-	-
TOTAL REVENUES		**$ 1,908,756**	**$ 356,600**	**$ 438,043**	**$ 5,000,000**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
13-5261-01-00	C.O. ISSUANCE COST	-	-	-	-
13-5550-46-09	STREET IMPROVEMENTS	351,513	900,000	877,001	1,330,000
13-5850-42-09	TXDOT BRIDGE PROJECT	54,773	-	-	-
13-5851-43-09	SAFE ROUTES TO SCHOOL	475,806	-	3,466	-
13-5854-44-09	COLLETT SUBLET	666,104	-	-	-
13-5859-11-09	VALLEY LANE	42,029	-	1,657	-
13-5910-11-00	FIRE & POLICE VEHICLES	-	-	-	2,000,000
13-5911-11-09	NEW HOPE ROAD	-	900,000	900,000	-
13-5912-11-09	WEST 3RD STREET RECO	-	-	-	-
13-5914-51-09	PARKS	18,000	2,000,000	350,000	-
13-5915-11-09	PUBLIC SAFETY REMODEL	2,927,529	4,189,549	5,451,568	67,500
TBD	WATER/SEWER PROJECTS	-	-	-	-
TOTAL EXPENDITURES		**$ 4,535,754**	**$ 7,989,549**	**$ 7,583,692**	**$ 3,397,500**
REVENUES OVER (UNDER) EXPENDITURES		**$ (2,626,998)**	**$ (7,632,949)**	**$ (7,145,649)**	**$ 1,602,500**
NET CHANGE IN FUND BALANCE		**$ (2,626,998)**	**$ (7,632,949)**	**$ (7,145,649)**	**$ 1,602,500**
BEGINNING FUND BALANCE — OCT 1		**$ 19,918,926**	**$ 17,291,928**	**$ 17,291,928**	**$ 10,146,278**
ENDING FUND BALANCE — SEPT 30		**$ 17,291,928**	**$ 9,658,979**	**$ 10,146,278**	**$ 11,748,778**

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.

Strategic Priorities

Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

FUND 14 PARK DEDICATION

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
14-4194-00-00	PARK DEDICATION FEES	3,600	2,500	1,200	-
14-4401-00-00	INVESTMENT INCOME	14,172	13,500	8,028	7,800
14-4409-00-00	MISCELLANEOUS INCOME	346	-	-	-
TOTAL REVENUES		**$ 18,118**	**$ 16,000**	**$ 9,228**	**$ 7,800**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
14-5580-52-09	BRICK PAVERS	-	-	-	-
14-5820-51-09	BUILDING IMPROVEMENTS	27,561	160,000	178,000	100,000
14-5875-51-09	CONSTRUCTION	-	-	-	14,000
14-5955-51-09	SONORA PARK BALLFIELDS	-	-	-	-
TOTAL EXPENDITURES		**$ 27,561**	**$ 160,000**	**$ 178,000**	**$ 114,000**
NET CHANGE IN FUND BALANCE		**$ (9,443)**	**$ (144,000)**	**$ (168,772)**	**$ (106,200)**
BEGINNING FUND BALANCE — OCT 1		**$ 289,611**	**$ 280,168**	**$ 280,168**	**$ 111,396**
ENDING FUND BALANCE — SEPT 30		**$ 280,168**	**$ 136,168**	**$ 111,396**	**$ 5,196**

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.

Strategic Priorities	
Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

FUND 32 LIBRARY BUILDING FUND					
Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
32-4406-00-00	LIBRARY FINES	353	200	262	300
32-4401-00-00	INVESTMENT INCOME	40	41	32	35
32-4501-00-00	CONTRIBUTION-LIBRARY		-		-
TOTAL REVENUES		$ 393	$ 241	$ 294	$ 335

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
		-	-	-	$ -
TOTAL EXPENDITURES		$ -	$ -	$ -	$ -
NET CHANGE IN FUND BALANCE		$ 393	$ 241	$ 294	$ 335
BEGINNING FUND BALANCE — OCT 1		$ (1,209)	$ (816)	$ (816)	$ (522)
ENDING FUND BALANCE — SEPT 30		$ (816)	$ (575)	$ (522)	$ (187)

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 FY27, 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 FY26.

Strategic Priorities	
Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

FUND 45- ROADWAY IMPACT FUND

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
45-4215-00-00	IMPACT FEES	30,121	20,000	90,900	20,000
45-4401-00-00	INVESTMENT INCOME	12,147	14,000	6,849	14,000
TOTAL REVENUES		**$ 42,268**	**$ 34,000**	**$ 97,749**	**$ 34,000**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
45-5582-01-01	IMPACT FEE STUDY	6,498	50,000		
45-5407-01-01	STREET MAINTENANCE		200,000	180,000	
TOTAL EXPENDITURES		**$ 6,498**	**$ 250,000**	**$ 180,000**	**$ -**
REVENUES OVER (UNDER) EXPENDITURES		**$ 35,770**	**$ (216,000)**	**$ (82,251)**	**$ 34,000**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 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		**$ (71,755)**	**$ (323,525)**	**$ (189,776)**	**$ (73,525)**
BEGINNING FUND BALANCE — OCT 1		**$ 429,643**	**$ 357,888**	**$ 357,888**	**$ 168,112**
ENDING FUND BALANCE — SEPT 30		**$ 357,888**	**$ 34,363**	**$ 168,112**	**$ 94,587**



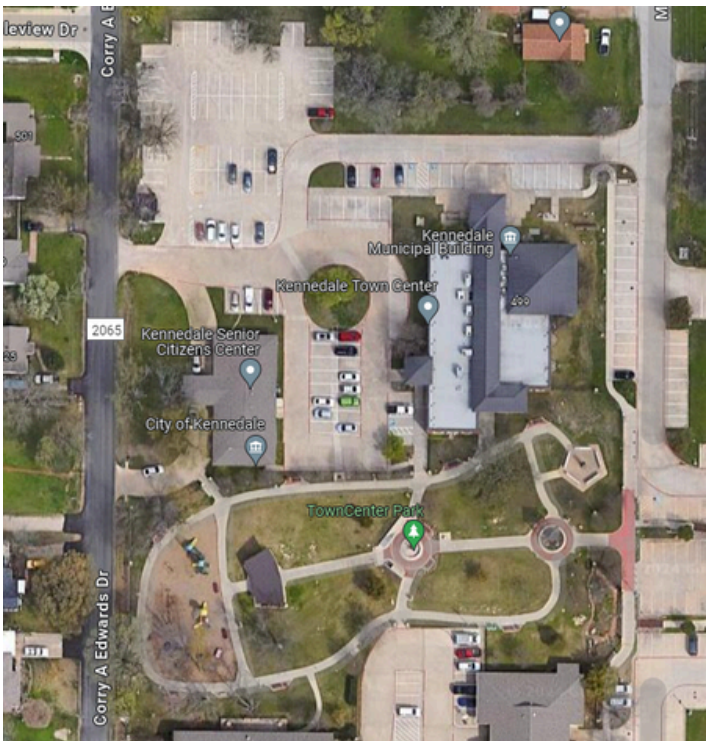
Special Revenue Funds

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September 5, 2026
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Proof of Kennedale Residency is Required



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Kennedale Town Center,
Entrance off Corry A. Edwards Dr
By the Senior Center:
420 Corry A. Edwards Dr

DO BRING: Paint and painting supplies, used cooking oil, batteries and light bulbs, automotive fluids, household chemicals, personal or home office documents to shred, bundled newspapers and magazines, computers*, printers, keyboards, chargers, kitchen electronics, televisions*, mattresses, tires (not truck tires), and game consoles.

***a disposal fee applies for tube televisions and CRT monitors.**

DO NOT BRING: Ammunition, building material, smoke detectors, bulk trash or yard waste, butane/propane cylinders, commercial chemicals and waste, freon appliances, hazardous/regulated materials, medicines and medical waste.

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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

Strategic Priorities	
Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

FUND 21 TIF NEW HOPE ROAD FUND

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
21-4401-00-00	INVESTMENT INCOME	13,542	12,500	9,979	10,000
21-4516-00-00	INTERGOV-TARRANT COUNTY	39,369	40,000	40,000	40,000
21-4517-00-00	INTERGOV-TARRANT HOSPITAL	25,875	27,000	27,000	27,000
21-4518-00-00	INTERGOV-TARRANT COLLEGE	17,607	15,500	15,500	15,500
TOTAL REVENUES		**$ 96,393**	**$ 95,000**	**$ 92,479**	**$ 92,500**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
21-5580-06-01	ENGINEERING SERVICES	450	150,000	-	-
TOTAL EXPENDITURES		**$ 450**	**$ 150,000**	**$ -**	**$ -**
REVENUES OVER (UNDER) EXPENDITURES		**$ 95,942**	**$ (55,000)**	**$ 92,479**	**$ 92,500**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
21-4519-00-00	INTERGOV-CITY OF KENNEDALE	221,612	192,715	192,715	192,715
21-4945-00-00	TRANSFER IN - ROADWAY IMPACT	10,000	10,000	10,000	10,000
21-4950-00-00	TRANSFER IN-PROJECT COSTS	69,051	-	-	-
21-5702-06-06	TRANSFER OUT - DEBT SERVICE	(228,229)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)		**$ 72,434**	**$ 202,715**	**$ 202,715**	**$ 202,715**
NET CHANGE IN FUND BALANCE		**$ 168,376**	**$ 147,715**	**$ 295,194**	**$ 295,215**
BEGINNING FUND BALANCE — OCT 1		**$ 150,493**	**$ 318,869**	**$ 318,869**	**$ 614,063**
ENDING FUND BALANCE — SEPT 30		**$ 318,869**	**$ 466,584**	**$ 614,063**	**$ 909,278**

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 8% for FY27) 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.

Strategic Priorities

Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

FUND 30 HOTEL OCCUPANCY TAX FUND

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
30-4084-00-00	OCCUPANCY TAX	17,223	19,000	11,019	15,000
30-4091-00-00	SPECIAL EVENT REVENUE	12,110	5,500	-	-
30-4401-00-00	INVESTMENT INCOME	4,907	5,250	1,968	2,200
TOTAL REVENUES		**$ 34,240**	**$ 29,750**	**$ 12,987**	**$ 17,200**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
30-5561-06-01	RECREATION	27,990	20,000	-	-
30-5562-06-01	TOURISM	-	-	-	-
TOTAL EXPENDITURES		**$ 27,990**	**$ 20,000**	**$ -**	**$ -**
NET CHANGE IN FUND BALANCE		**$ 6,250**	**$ 9,750**	**$ 12,987**	**$ 17,200**
BEGINNING FUND BALANCE — OCT 1		**$ 90,924**	**$ 97,174**	**$ 97,174**	**$ 110,161**
ENDING FUND BALANCE — SEPT 30		**$ 97,174**	**$ 106,924**	**$ 110,161**	**$ 127,361**

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.

Strategic Priorities

Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

FUND 31 POLICE SEIZURE FUND

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
31-4401-00-00	INVESTMENT INCOME	1,005	1,150	255	300
31-4409-00-00	MISCELLANEOUS INCOME	10,063	8,000	11,974	10,000
TOTAL REVENUES		**$ 11,068**	**$ 9,150**	**$ 12,229**	**$ 10,300**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
31-5280-06-01	MINOR EQUIP/SMALL TOOLS<$5K	22,452	32,000	-	10,000
31-5570-00-00	SPECIAL SERVICES	-	-	-	
TOTAL EXPENDITURES		**$ 22,452**	**$ 32,000**	**$ -**	**$ 10,000**
NET CHANGE IN FUND BALANCE		**$ (11,384)**	**$ (22,850)**	**$ 12,229**	**$ 300**
BEGINNING FUND BALANCE — OCT 1		**$ 15,302**	**$ 3,918**	**$ 3,918**	**$ 16,147**
ENDING FUND BALANCE — SEPT 30		**$ 3,918**	**$ (18,932)**	**$ 16,147**	**$ 16,447**

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.

Strategic Priorities

Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

FUND 34 LEOSE FUND

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
34-4094-00-00	LEOSE POLICE TRAINING	1,602	3,700	5,225	4,500
34-4401-00-00	INVESTMENT INCOME	90	90	83	85
TOTAL REVENUES		**$ 1,691**	**$ 3,790**	**$ 5,308**	**$ 4,585**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
34-5514-09-01	TRAINING/SEMINARS-LEOSE	2,030	5,500	-	10,000
TOTAL EXPENDITURES		**$ 2,030**	**$ 5,500**	**$ -**	**$ 10,000**
NET CHANGE IN FUND BALANCE		**$ (339)**	**$ (1,710)**	**$ 5,308**	**$ (5,415)**
BEGINNING FUND BALANCE — OCT 1		**$ 2,228**	**$ 1,889**	**$ 1,889**	**$ 7,198**
ENDING FUND BALANCE — SEPT 30		**$ 1,889**	**$ 179**	**$ 7,198**	**$ 1,783**

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 a renovation of the elevated storage tank near the intersection of Dick Price Road and Linda Road (anticipated completion before 11/1/2026). All ARPA funding must be spent before December 31, 2026.

Strategic Priorities	
Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

FUND 35 DISASTER RECOVERY FUND

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
35-4085-00-00	CARES ACT FUNDING	1,747,084	1,250,000	1,250,000	188,165
35-4401-00-00	INVESTMENT INCOME	70,126	45,000	6,678	5,250
TOTAL REVENUES		**$ 1,817,210**	**$ 1,295,000**	**$ 1,256,678**	**$ 193,415**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
35-5446-06-01	WATER/SEWER PROJECTS	1,747,084	1,250,000	1,250,000	381,580
TOTAL EXPENDITURES		**$ 1,747,084**	**$ 1,250,000**	**$ 1,250,000**	**$ 381,580**
NET CHANGE IN FUND BALANCE		**$ 70,126**	**$ 45,000**	**$ 6,678**	**$ (188,165)**
BEGINNING FUND BALANCE — OCT 1		**$ 111,361**	**$ 181,487**	**$ 181,487**	**$ 188,165**
ENDING FUND BALANCE — SEPT 30		**$ 181,487**	**$ 226,487**	**$ 188,165**	**$ 0**



Other Funds

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SATURDAY SEPTEMBER 12

9AM TO 12PM



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BIGGEST & SMALLEST DOGS!
BEST IN SHOW!

SONORA PARK
263 S. NEW HOPE ROAD

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You can help the shelter, too. Pet food and monetary donations will be accepted.

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OVERVIEW: CAPITAL REPLACEMENT FUND

The Capital Replacement Fund (05) receives transfers from other funds that utilize vehicles. This fund was previously used to make payments towards the City's fleet lease with Enterprise. That agreement concluded in FY26. Going forward this fund will be used as 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. This annual transfer has been suspended for FY27 with the existing balance budgeted to purchase one police patrol vehicle.

Strategic Priorities	
Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

Fund 05 CAPITAL REPLACEMENT

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
05-4401-00-00	INVESTMENT INCOME	-	-	169	
05-4409-00-00	MISCELLANEOUS INCOME	39,685	15,000	42,000	15,000
TOTAL REVENUES		**$ 39,685**	**$ 15,000**	**$ 42,169**	**$ 15,000**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
05-5601-30-17	ENTERPRISE LEASE POLICE	22,221	2,260	3,838	-
05-5602-30-17	ENTERPRISE LEASE STREETS	3,287	920	1,025	-
05-5603-30-17	ENTERPRISE LEASE SENIOR CENTER	-	-	-	-
05-5604-30-17	ENTERPRISE LEASE FIRE	3,464	490	491	-
05-5605-30-17	ENTERPRISE LEASE COMM DEV	643	460	599	-
05-5606-30-17	LEASE PRINCIPAL	-	-	-	-
05-5608-30-17	ENTERPRISE LEASE CITY MNGR	360	520	722	-
05-5636-30-17	LEASE INTEREST	3,353	-	-	-
05-5642-30-17	LEASE PRINCIPAL	22,449	-	-	-
05-5861-30-17	MOTOR VEHICLES	-	-	-	100,000
05-5910-30-17	VEHICLES-POLICE	-	-	-	-
05-5870-30-17	OTHER EQUIPMENT	-	-	13,400	-
TOTAL EXPENDITURES		**$ 55,778**	**$ 4,650**	**$ 20,075**	**$ 100,000**

REVENUES OVER (UNDER) EXPENDITURES	**$ (16,093)**	**$ 10,350**	**$ 22,094**	**$ (85,000)**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
05-4906-00-00	TRANSFER IN-GENERAL	139,200	139,200	139,200	-
05-4917-00-00	TRANSFER IN-STREET FUND	-	-	-	
TOTAL OTHER FINANCING SOURCES (USES)		**$ 139,200**	**$ 139,200**	**$ 139,200**	**$ -**

NET CHANGE IN FUND BALANCE	**$ 123,107**	**$ 149,550**	**$ 161,294**	**$ (85,000)**

BEGINNING FUND BALANCE — OCT 1	**$ (186,904)**	**$ (63,797)**	**$ (63,797)**	**$ 97,497**
ENDING FUND BALANCE — SEPT 30	**$ (63,797)**	**$ 85,753**	**$ 97,497**	**$ 12,497**

OVERVIEW: COURT SECURITY FUND

Revenue for the Court Security Fund (12) came 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.

Strategic Priorities

Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

FUND 12 COURT SECURITY FUND

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
12-4249-00-00	COURT SECURITY FEE	8,162	-		-
12-4401-00-00	INVESTMENT INCOME	933	-	657	-
TOTAL REVENUES		**$ 9,094**	**$ -**	**$ 657**	**$ -**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
12-5303-00-01	BUILDING MAINTENANCE	22,599	18,146	18,146	2,278
TOTAL EXPENDITURES		**$ 22,599**	**$ 18,146**	**$ 18,146**	**$ 2,278**
NET CHANGE IN FUND BALANCE		**$ (13,505)**	**$ (18,146)**	**$ (17,489)**	**$ (2,278)**
BEGINNING FUND BALANCE — OCT 1		**$ 33,272**	**$ 19,767**	**$ 19,767**	**$ 2,278**
ENDING FUND BALANCE — SEPT 30		**$ 19,767**	**$ 1,621**	**$ 2,278**	**$ 0**

OVERVIEW: COURT TECHNOLOGY FUND

Revenue for the Court Technology Fund (16) came 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.

Strategic Priorities

Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

FUND 16 COURT TECHNOLOGY

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
16-4247-00-00	TECHNOLOGY FEES	6,668	-	-	-
16-4401-00-00	INVESTMENT INCOME	814	-	358	-
TOTAL REVENUES		**$ 7,482**	**$ -**	**$ 358**	**$ -**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
16-5440-00-00	OFFICE EQUIP	5,539	13,202	1,487	526
16-5280-00-00	MINOR EQUIP/SMALL TOOLS >5K	-	-	-	-
16-5445-00-01	SOFTWARE	-	-	15,000	-
TOTAL EXPENDITURES		**$ 5,539**	**$ 13,202**	**$ 16,487**	**$ 526**
NET CHANGE IN FUND BALANCE		**$ 1,943**	**$ (13,202)**	**$ (16,129)**	**$ (526)**
BEGINNING FUND BALANCE — OCT 1		**$ 14,712**	**$ 16,655**	**$ 16,655**	**$ 526**
ENDING FUND BALANCE — SEPT 30		**$ 16,655**	**$ 3,453**	**$ 526**	**$ 0**

OVERVIEW: MUNIPCAL 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 $4 and $4.90 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.

Strategic Priorities

Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

FUND 19 MUNICIPAL COURT BUILDING SECURITY AND TECHNOLOGY FUND

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
19-4250-00-00	COURT FEE INCOME	-	15,350	21,626	18,250
19-4401-00-00	INVESTMENT INCOME	-	1,475	18	20
TOTAL REVENUES		**$ -**	**$ 16,825**	**$ 21,644**	**$ 18,270**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
19-5280-04-01	MINOR EQUIP/SMALL TOOLS >5K	-	-	-	
19-5303-04-01	BUILDING MAINTENANCE	-	5,000	-	14,457
19-5440-04-01	OFFICE EQUIP	-	5,000	5,000	14,957
19-5445-04-01	SOFTWARE	-	-	-	5,500
TOTAL EXPENDITURES		**$ -**	**$ -**	**$ 5,000**	**$ 34,914**
NET CHANGE IN FUND BALANCE		**$ -**	**$ 16,825**	**$ 16,644**	**$ (16,644)**
BEGINNING FUND BALANCE — OCT 1		**$ -**	**$ -**	**$ -**	**$ 16,644**
ENDING FUND BALANCE — SEPT 30		**$ -**	**$ 16,825**	**$ 16,644**	**$ -**

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.

Strategic Priorities

Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

FUND 18 LOCAL YOUTH DIVERSION FUND

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
18-4248-00-00	LOCAL YOUTH DIVERSION FEES	12	50	3	50
18-4401-00-00	INVESTMENT INCOME	499	500	303	300
TOTAL REVENUES		**$ 511**	**$ 550**	**$ 306**	**$ 350**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
18-5570-56-01	SPECIAL SERVICES	-	10,000	-	10,000
TOTAL EXPENDITURES		**$ -**	**$ 10,000**	**$ -**	**$ 10,000**
NET CHANGE IN FUND BALANCE		**$ 511**	**$ (9,450)**	**$ 306**	**$ (9,650)**
BEGINNING FUND BALANCE — OCT 1		**$ 9,680**	**$ 10,191**	**$ 10,191**	**$ 10,497**
ENDING FUND BALANCE — SEPT 30		**$ 10,191**	**$ 741**	**$ 10,497**	**$ 847**

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).

Strategic Priorities	
Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

FUND 40 GRANTS

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
40-4086-09-01	POLICE DEPARTMENT GRANTS	1,000	-	-	200,000
40-4095-17-00	LIBRARY GRANTS	90,032	-	5,000	-
40-4098-10-00	FIRE DEPARTMENT GRANTS	286,004	-	580,000	-
40-XXXX-12-00	COMMUNITY DEVEOPMENT GRANTS				139,000
40-XXXX-20-00	PUBLIC WORKS GRANTS				1,200,000
40-4401-00-00	INVESTMENT INCOME	-	-	83	-
TOTAL REVENUES		**$ 377,036**	**$ -**	**$ 585,083**	**$ 1,539,000**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
40-5291-09-01	GRANT FUNDED SUPPLIES-POLICE	-	-		200,000
40-5291-10-01	GRANT FUNDED SUPPLIES-FIRE	286,004	-	391,252	-
40-5291-12-01	GRANT FUNDED SUPPLIES-COMM DEV				139,000
40-5291-17-01	GRANT FUNDED SUPPLIES-LIBRARY	81,392		5,000	-
40-5291-20-01	GRANT FUNDED - PUBLIC WORKS				1,200,000
TOTAL EXPENDITURES		**$ 367,396**	**$ -**	**$ 396,252**	**$ 1,539,000**
NET CHANGE IN FUND BALANCE		**$ 9,639**	**$ -**	**$ 188,831**	**$ -**
BEGINNING FUND BALANCE — OCT 1		**$ (621,039)**	**$ (611,400)**	**$ (611,400)**	**$ (422,569)**
ENDING FUND BALANCE — SEPT 30		**$ (611,400)**	**$ (611,400)**	**$ (422,569)**	**$ (422,569)**

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.

Strategic Priorities	
Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

FUND 41 PARK RECOVERY & OTHER DONATIONS					
Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
41-4401-00-00	INVESTMENT INCOME	1,531	1,800	768	770
41-4409-00-00	MISCELLANEOUS INCOME	220	750	-	-
41-4522-00-00	DONATIONS	-	-	-	-
41-4920-00-00	TRANSFERS IN	-	-	-	-
TOTAL REVENUES		**$ 1,751**	**$ 2,550**	**$ 768**	**$ 770**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
41-5518-10-01	FIRE DONATION USE	3,175	-	-	-
41-5526-09-01	POLICE DONATION USE	4,598	8,000	-	-
41-5527-15-01	BARK IN PARK	775	1,500	824	1,000
41-5522-00-00	KEEP KENNEDALE BEAUT	-	-	-	-
TOTAL EXPENDITURES		**$ 8,548**	**$ 9,500**	**$ 824**	**$ 1,000**
NET CHANGE IN FUND BALANCE		**$ (6,797)**	**$ (6,950)**	**$ (56)**	**$ (230)**
BEGINNING FUND BALANCE — OCT 1		**$ 12,637**	**$ 5,840**	**$ 5,840**	**$ 5,784**
ENDING FUND BALANCE — SEPT 30		**$ 5,840**	**$ (1,110)**	**$ 5,784**	**$ 5,554**

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.

Strategic Priorities	
Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

FUND 83 TREE REFORESTATION

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
83-4197-00-00	TREE REFORESTATION	-	-	-	-
83-4401-00-00	INVESTMENT INCOME	4,242	4,500	1,725	1,725
TOTAL REVENUES		**$ 4,242**	**$ 4,500**	**$ 1,725**	**$ 1,725**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
83-5290-06-01	EXPENDABLE SUPPLIES	-	-	-	-
83-5570-06-01	SPECIAL SERVICES	-	-	-	-
TOTAL EXPENDITURES		**$ -**	**$ -**	**$ -**	**$ -**
NET CHANGE IN FUND BALANCE		**$ 4,242**	**$ 4,500**	**$ 1,725**	**$ 1,725**
BEGINNING FUND BALANCE — OCT 1		**$ 82,313**	**$ 86,555**	**$ 86,555**	**$ 88,280**
ENDING FUND BALANCE — SEPT 30		**$ 86,555**	**$ 91,055**	**$ 88,280**	**$ 90,005**

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.

Strategic Priorities

Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

FUND 85 - UNCLAIMED PROPERTY

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
85-4401-00-00	INVESTMENT INCOME	-	-	-	-
TOTAL REVENUES		**$ -**	**$ -**	**$ -**	**$ -**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
85-5261-06-01	POSTAGE	-	-	-	-
TOTAL EXPENDITURES		**$ -**	**$ -**	**$ -**	**$ -**
REVENUES OVER (UNDER) EXPENDITURES		**$ -**	**$ -**	**$ -**	**$ -**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
85-5760-06-01	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

PUBLIC SAFETY OPEN HOUSE

Saturday, October 11

10:00 AM - 12:00 PM

TownCenter Park
405 Municipal Drive



We will see you here!





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CITYOFKENNEDALE.COM/FINANCE

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

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 FY27, the EDC has budgeted $75,000 in grants for entrepreneurs looking to establish, or further grow, their business in Kennedale.

Strategic Priorities	
Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

FUND 15 ECONOMIC DEVELOPMENT CORPORATION

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
15-4002-00-00	MMD TAX-CURRENT YEAR	-	-	-	
15-4081-00-00	SALES TAX	1,029,007	1,045,223	1,045,223	1,081,806
15-4104-00-00	CHRISTMAS EVENT DONATION	17,500	5,000	25,850	20,000
15-4401-00-00	INVESTMENT INCOME	118,427	120,000	67,738	60,000
15-4409-00-00	MISCELLANEOUS INCOME	10,428	10,000	6,913	50,000
15-4412-00-00	LAND PROCEEDS	-	-	-	-
15-4413-00-00	SIGN FOUNDATION REVENUE	12,000	-	-	-
15-4805-00-23	RENTAL FEES-SHOPPING CENTER	294,717	240,000	240,000	184,000
15-4808-00-00	RENTAL FEES-LAND	36,000	18,000	36,000	18,000
TOTAL REVENUES		**$ 1,518,078**	**$ 1,438,223**	**$ 1,421,724**	**$ 1,413,806**

-

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
15-5280-06-01	MINOR EQUIP/SMALL TOOLS<$5K			11	
15-5403-06-01	BUILDING MAINTENANCE	10,541	25,000	25,000	35,000
15-5501-06-01	ADVERTISING	-	7,000	2,500	5,000
15-5510-06-01	ASSOC DUES/PUBLICATICATIONS	557	1,500	2,500	1,500
15-5525-06-01	TRAINING/SEMINARS	-	-	-	500
15-5565-06-01	LEGAL SERVICES	707	12,000	15,000	22,000
15-5570-06-01	SPECIAL SERVICES	147,541	125,000	52,000	75,000
15-5571-06-01	SPECIAL EVENTS	94,159	53,000	54,949	80,000
15-5578-06-01	TRAVEL	637	2,500	450	2,000
15-5615-06-01	FUNCTIONAL GRANT	11,778	125,000	55,000	75,000
15-5800-06-01	LAND	757	-	621,932	-
TOTAL OPERATIONS		**$ 266,678**	**$ 351,000**	**$ 829,342**	**$ 296,000**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
15-5628-06-06	2007 $1.2M TAX BOND-INTEREST	20,503	14,248	14,248	7,298
15-5629-06-06	2007 $1.2M TAX BOND-PRINCIPAL	90,000	100,000	100,000	105,000
15-5645-06-06	2011 $1.7M TX LEVERAGE – INT	5,777	2,421	669	-
15-5646-06-06	2011 $1.7M TX LEVERAGE – PRIN	50,219	58,925	58,970	-
TBD	Private Financed Land - Principal	-	-	-	324,740
TBD	Private Financed Land - Interest	-	-	-	28,748
TOTAL DEBT SERVICE EXPENDITURES		**$ 166,499**	**$ 175,594**	**$ 173,886**	**$ 465,786**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
15-5403-53-23	BUILDING MAINTENANCE	36,922	758,405	758,405	40,000
15-5405-53-23	TOWN CENTER PLAZA	15,458	-	-	20,000
15-5530-53-23	ELECTRIC SERVICES	7,178	-	7,265	7,500
15-5545-53-23	INSURANCE-PROPERTY	16,970	15,360	21,299	26,000
15-5570-53-23	SPECIAL SERVICES	12,664	18,000	75,000	
15-5595-53-23	LANDSCAPING---CAM	2,286	-		
15-5870-53-23	FOUNTAIN	-	80,000	80,000	-
15-5870-53-23	MONUMENTS FOR CITY ENTRANCES	-	84,000	-	100,000
15-5870-53-23	OTHER EQUIPMENT	-	70,000	68,130	20,000
TOTAL TOWN SHOPPING CENTER EXPENDITURES		**$ 91,478**	**$ 1,025,765**	**$ 1,010,099**	**$ 213,500**

TOTAL EXPENDITURES	**$ 524,655**	**$ 1,552,359**	**$ 2,013,327**	**$ 975,286**
REVENUES OVER (UNDER) EXPENDITURES	**$ 993,424**	**$ (114,136)**	**$ (591,603)**	**$ 448,520**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
15-5595-06-01	ADMIN CHARGE – GENERAL FUND	(540,545)	(454,738)	(454,738)	(491,103)
15-5702-06-01	TRANSFER OUT – DEBT SERVICE	(138,847)	(136,432)	(136,432)	(138,975)
15-5717-06-01	TRANSFER OUT - PUBLIC WORKS	-	(92,493)	(92,493)	(98,460)
TOTAL OTHER FINANCING SOURCES (USES)		**$ (679,392)**	**$ (683,663)**	**$ (683,663)**	**$ (728,538)**

NET CHANGE IN FUND BALANCE	**$ 314,032**	**$ (797,799)**	**$ (1,275,266)**	**$ (290,018)**
BEGINNING FUND BALANCE — OCT 1	**$ 2,192,554**	**$ 2,506,586**	**$ 2,506,586**	**$ 1,231,320**
ENDING FUND BALANCE — SEPT 30	**$ 2,506,586**	**$ 1,708,787**	**$ 1,231,320**	**$ 941,302**

FUND 95 ECONOMIC DEVELOPMENT CORPORATION BOND RESERVE FUND

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
95-4401-00-00	INVESTMENT INCOME	7,054	6,500	4,259	4,250
TOTAL REVENUES		**$ 7,054**	**$ 6,500**	**$ 4,259**	**$ 4,250**

-

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
		-	-	-	-
TOTAL EXPENDITURES		**$ -**	**$ -**	**$ -**	**$ -**

-

REVENUES OVER (UNDER) EXPENDITURES		**$ 7,054**	**$ 6,500**	**$ 4,259**	**$ 4,250**

-

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
TRANSFERS IN (OUT)		-	-	-	-
TOTAL OTHER		**$ -**	**$ -**	**$ -**	**$ -**

-

NET CHANGE IN FUND BALANCE	**$ 7,054**	**$ 6,500**	**$ 4,259**	**$ 4,250**
BEGINNING FUND BALANCE — OCT 1	**$ 136,884**	**$ 143,938**	**$ 143,938**	**$ 148,197**
ENDING FUND BALANCE — SEPT 30	**$ 143,938**	**$ 150,438**	**$ 148,197**	**$ 152,447**



Appendix

SPRING CLEANING EVENT

The City of Kennedale and Frontier Waste Solutions will be holding a

FREE household bulk waste drop-off event on



Saturday, April 11th
8:00 am to 12:00 pm
405 Municipal Drive

Citizens can drop off bulk waste at City Hall parking lot dumpsters (next to Corry A Edwards).

Items not accepted: hazardous waste, tires, batteries, oils, and metals.

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FRONTIER WASTE SOLUTIONS

CITY OF KENNEDALE, TEXAS

ORDINANCE NO. 803

AN ORDINANCE OF THE CITY OF KENNEDALE, TEXAS ADOPTING THE BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2026, AND ENDING SEPTEMBER 30, 2027; 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, 2026, and ending September 30, 2027, (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 18, 2026, 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, 2026, and ending September 30, 2027, 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 less total property taxes than last year's budget by an amount of $42,057, which is a 0.492 percent decrease from last year's budget.

The municipal property tax rate for the preceding fiscal year was $0.696190 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 $0.694395 per $100;

(C) the Voter-Approval tax rate is $0.754427 per $100;

(D) the De Minimis Rate tax rate is $0.732221 per $100 taxable property value after exemptions;

(E) the debt rate is $0.200325 per $100 taxable property value; and

(F) the total amount of municipal debt obligations secured by property taxes is $36,212,641.54.

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 18th DAY OF AUGUST 2026, BY A VOTE OF 5 AYES, Ø NAYS, AND Ø ABSTENTIONS AT A REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF KENNEDALE, TEXAS.

	Aye	Nay	Abstention
David Glover, Place 1	✓	Ø	Ø
Bryant Griffith, Place 2	✓	Ø	Ø
Kenneth Michels, Place 3	✓	Ø	Ø
Ryon Ray, Place 4	✓	Ø	Ø
Jeff Nevarez, Place 5	✓	Ø	Ø

CITY OF KENNEDALE, TEXAS

APPROVED:

Brian Johnson, Mayor

ATTEST:

Tina Cox, Interim City Secretary

CITY OF KENNEDALE
TARRANT COUNTY, TEXAS

APPROVED AS TO FORM AND LEGALITY:

Carvan Adkins, City Attorney

EXHIBIT A

CITY OF KENNEDALE, TEXAS
ORDINANCE NO. 804

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, 2026, AND ENDING SEPTEMBER 30, 2027 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, 2026, and ending September 30, 2027, 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 2026-2027, 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 18, 2026, a separate budget ordinance for the fiscal year beginning October 1, 2026, and ending September 30, 2027; 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 18, 2026, during a regular 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 2026-2027 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, 2026, and ending September 30, 2027, 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 $0.495865 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 $0.200325 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 DECREASE BY 0.492% PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A $100,000 HOME BY APPROXIMATELY $12.79.

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, 2026, and all ad valorem taxes for the year shall become delinquent after January 31, 2027. There shall be no discount for payment of taxes prior to said January 31, 2027. 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, 2027, 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, 2027 but not later than May 1, 2027 and that remain delinquent on July 1, 2027, 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, 2027, 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 18th DAY OF AUGUST 2026, BY A VOTE OF 5 AYES, Ø NAYS, AND Ø ABSTENTIONS AT A REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF KENNEDALE, TEXAS.

	Aye	Nay	Abstention
David Glover, Place 1	✓	Ø	Ø
Bryant Griffith, Place 2	✓	Ø	Ø
Kenneth Michels, Place 3	✓	Ø	Ø
Ryon Ray, Place 4	✓	Ø	Ø
Jeff Nevarez, Place 5	✓	Ø	Ø

APPROVED:

Brian Johnson, Mayor

ATTEST:

Tina Cox, Interim City Secretary

APPROVED AS TO FORM AND LEGALITY:

Carvan Adkins, City Attorney

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	$ .696190	per $100
NO-NEW-REVENUE TAX RATE	$ .694395	per $100
VOTER-APPROVAL TAX RATE	$ .754427	per $100

The no-new-revenue tax rate is the tax rate for the 2026 (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 2025 (preceding tax year) tax year and the 2026 (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 2026 (current tax year) tax year.

A PUBLIC HEARING ON THE PROPOSED TAX RATE WILL BE HELD ON 8/18/26 5:30 pm (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:

Property tax amount = (tax rate) x (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 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 *(name of taxing unit)* last year to the taxes proposed to the be imposed on the average residence homestead by the City of Kennedale *(name of taxing unit)* this year.

	2025	2026	Change
Total tax rate (per $100 of value)	$0.696190	$0.696190	No change
Average homestead taxable value	$335,000	$334,006	Decrease of 0.297%
Tax on average homestead	$2,332.24	$2,325.32	Decrease of $6.92, or 0.297%
Total tax levy on all properties	$8,644,951	$8,602,444	Decrease of $42,507 or 0.492%

For assistance with tax calculations, please contact the tax assessor for Tarrant County *(name of taxing unit)* at 817-844-1100 *(telephone number)* or taxoffice@tarrantcountytx.goc *(email address)*, or visit www.tarrantcountytx.gov/en/tax.html *(internet website address)*

2026 Tax Rate Calculation Worksheet
Taxing Units Other Than School Districts or Water Districts

Form 50-856

CITY OF KENNEDALE
Taxing Unit Name

(817) 985-2105
Phone *(area code and number)*

405 Municipal Dr Kennedale TX 76060
Taxing Unit's Address, City, State, ZIP Code

http://www.cityofkennedale.com
Taxing Unit's Website Address

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

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

Taxing units must include a hyperlink to a document that evidences the accuracy of each entry in the worksheet other than an entry making a mathematical calculation.[1] Source materials must contain data for all worksheets used, including supplemental worksheets.

Insert hyperlink:

https://cityofkennedale.com/DocumentCenter/View/9706/Tax-Year-2026-Certified-Roll

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).[2]	$ 1,273,189,302
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.[3]	$ 211,915,938
3.	**Preliminary prior year adjusted taxable value.** Subtract Line 2 from Line 1.	$ 1,061,273,364
4.	**Prior year total adopted tax rate.**	$ 0.69619 /$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:** $ 64,660,020 **B. Prior year values resulting from final court decisions:** - $ 60,395,200 **C. Prior year value loss.** Subtract B from A.[4]	$ 4,264,820

[1] Tex. Tax Code §§5.07(g)(4) and 26.04(d-1)
[2] Tex. Tax Code §26.012(14)
[3] Tex. Tax Code §26.012(14)
[4] Tex. Tax Code §26.012(13)

Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
6.	**Prior year taxable value subject to an appeal under Chapter 42, as of July 25.** **A. Prior year ARB certified value:** $ 4,890,000 **B. Prior year disputed value:** - $ 733,500 **C. Prior year undisputed value.** Subtract B from A. [5]	$ 4,156,500
7.	**Prior year Chapter 42 related adjusted values.** Add Line 5C and Line 6C.	$ 8,421,320
8.	**Prior year taxable value, adjusted for actual and potential court-ordered adjustments.** Add Line 3 and Line 7.	$ 1,069,694,684
9.	**Prior year taxable value of property in territory the taxing unit deannexed after Jan. 1 of the prior year.** Enter the prior year value of property in deannexed territory. [6]	$ 0
10.	**Prior year taxable value lost because property first qualified for an exemption in the current year.** If the taxing unit increased an original exemption, use the difference between the original exempted amount and the increased exempted amount. Do not include value lost due to freeport, goods-in-transit, temporary disaster exemptions. Note that lowering the amount or percentage of an existing exemption in the current year does not create a new exemption or reduce taxable value. **A. Absolute exemptions.** Use prior year market value: $ 0 **B. Partial exemptions.** Current year exemption amount or current year percentage exemption times prior year value: + $ 17,816,043 **C. Value loss.** Add A and B. [7]	$ 17,816,043
11.	**Prior year taxable value lost because property first qualified for agricultural appraisal (1-d or 1-d-1), timber appraisal, recreational/ scenic appraisal or public access airport special appraisal in the current year.** Use only properties that qualified for the first time in the current year; do not use properties that qualified in the prior year. **A. Prior year market value:** $ 254,900 **B. Current year productivity or special appraised value:** - $ 532 **C. Value loss.** Subtract B from A. [8]	$ 254,368
12.	**Total adjustments for lost value.** Add Lines 9, 10C and 11C.	$ 18,070,411
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. [9] If the taxing unit has no captured appraised value in line 18D, enter 0.	$ 33,657,332
14.	**Prior year total value.** Subtract Line 12 and Line 13 from Line 8.	$ 1,017,966,941
15.	**Adjusted prior year total levy.** Multiply Line 4 by Line 14 and divide by $100.	$ 7,086,984
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. [10]	$ 0
17.	**Adjusted prior year levy with refunds.** Add Lines 15 and 16. [11]	$ 7,086,984

[5] Tex. Tax Code §26.012(13)
[6] Tex. Tax Code §26.012(15)
[7] Tex. Tax Code §26.012(15)
[8] Tex. Tax Code §26.012(15)
[9] Tex. Tax Code §26.03(c)
[10] Tex. Tax Code §26.012(13)
[11] Tex. Tax Code §26.012(13) and (15)

Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
18.	**Total current year taxable value on the current year certified appraisal roll today.** This value includes only certified values or certified estimate of values and includes the total taxable value of homesteads with tax ceilings (will deduct in Line 20). These homesteads include homeowners age 65 or older or disabled. [12] **A. Certified values:** ..... $ 1,214,069,709 **B. Counties:** Include railroad rolling stock values certified by the Comptroller's office: ..... + $ 0 **C. Pollution control and energy storage system exemption:** Deduct the value of property exempted for the current tax year for the first time as pollution control or energy storage system property: ..... - $ 0 **D. Tax increment financing:** Deduct the current year captured appraised value of property taxable by a taxing unit in a tax increment reinvestment 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. [13] Adjustments to the taxable value must be calculated separately for each reinvestment zone using Form 50-110.[14] Enter the total from Form 50-110 ..... - $ 31,510,721 **E. Total current year value.** Add A and B, then subtract C and D.	$ 1,182,558,988
19.	**Total value of properties under protest or not included on certified appraisal roll.** [15] **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. [16] ..... $ 30,982,514 **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. [17] ..... + $ 0 **C. Total value under protest or not certified.** Add A and B.	$ 30,982,514
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.[18]	$ 188,775,931
21.	**Anticipated contested value.** Affected taxing units enter the contested taxable value for all property that is subject to anticipated substantial litigation. [19] 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.[20] If completing this line, the taxing unit must include supporting documentation in Section 9.[21] Taxing units that are not affected, enter 0.	$ 0
22.	**Current year total taxable value.** Add Lines 18E and 19C, then subtract Lines 20 and 21.[22]	$ 1,024,765,571
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. [23]	$ 0
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. [24]	$ 4,167,897

[12] Tex. Tax Code §§26.012(6) and 26.04(c-2)
[13] Tex. Tax Code §26.03(c)
[14] Tex. Tax Code §26.03(e)
[15] Tex. Tax Code §26.01(c) and (d)
[16] Tex. Tax Code §26.01(c)
[17] Tex. Tax Code §26.01(d)
[18] Tex. Tax Code §26.012(6)(B)
[19] Tex. Tax Code §§26.012(6)(C) and 26.012(1-b)
[20] Tex. Tax Code §26.012(1-a)
[21] Tex. Tax Code §26.04(d-3)
[22] Tex. Tax Code §26.012(6)
[23] Tex. Tax Code §26.012(17)
[24] Tex. Tax Code §26.012(17)

Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
25.	**Total adjustments to the current year taxable value.** Add Lines 23 and 24.	$ 4,167,897
26.	**Adjusted current year taxable value.** Subtract Line 25 from Line 22.	$ 1,020,597,674
27.	**Current year NNR tax rate.** Divide Line 17 by Line 26 and multiply by $100. [25]	$ 0.694395 /$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. [26]	$ 0 /$100

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 tax rate. The type of taxing unit will determine the rate components that apply to a taxing units' overall voter-approval tax rate.

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.

SECTION 2: Maintenance and Operations (M&O) and Debt Tax Rate Worksheet

This section calculates two components of the voter-approval tax rate:

1. **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.
2. **Debt Rate:** The debt rate includes the minimum dollar amount required to be paid toward debt service for the current year.[27] This rate accounts for principal and interest on bonds and other debt secured by property tax revenue.

Line	M&O and Debt Tax Rate Worksheet	Amount/Rate
29.	**Prior year M&O tax rate.** Enter the prior year M&O tax rate.	$ 0.483073 /$100
30.	**Prior year taxable value, adjusted for actual and potential court-ordered adjustments.** Enter the amount in Line 8 of the *No-New-Revenue Tax Rate Worksheet.*	$ 1,069,694,684
31.	**Total prior year M&O levy.** Multiply Line 29 by Line 30 and divide by $100.	$ 5,167,406
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 2025. This line applies only to tax years preceding the prior tax year. + $ 0 **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. – $ 236,847 **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. $ -236,847 **E.** Add Line 31 to 32D.	$ 4,930,559
33.	**Adjusted current year taxable value.** Enter the amount in Line 26 of the *No-New-Revenue Tax Rate Worksheet.*	$ 1,020,597,674
34.	**Current year NNR M&O rate (unadjusted).** Divide Line 32E by Line 33 and multiply by $100.	$ 0.483105 /$100

[25] Tex. Tax Code §26.04(c)
[26] Tex. Tax Code §26.04(d)
[27] Tex. Tax Code §26.012(3)

Line	M&O and Debt Tax Rate Worksheet		Amount/Rate
35.	**Rate adjustment for state criminal justice mandate.** [28]		
	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 /$100	
	D. Enter the rate calculated in C. If not applicable, enter 0.		$ 0 /$100
36.	**Rate adjustment for indigent health care expenditures.** [29]		
	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, 2024 and ending on June 30, 2025, 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 /$100	
	D. Enter the rate calculated in C. If not applicable, enter 0.		$ 0 /$100
37.	**Rate adjustment for county indigent defense compensation.** [30]		
	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	
	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, 2024 and ending on June 30, 2025, less any state grants received by the county for the same purpose.	$ 0	
	C. Subtract B from A and divide by Line 33 and multiply by $100.	$ 0 /$100	
	D. Multiply B by 0.05 and divide by Line 33 and multiply by $100.	$ 0 /$100	
	E. Enter the lesser of C and D. If not applicable, enter 0.		$ 0 /$100
38.	**Rate adjustment for county hospital expenditures.** [31]		
	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	
	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, 2024 and ending on June 30, 2025.	$ 0	
	C. Subtract B from A and divide by Line 33 and multiply by $100.	$ 0 /$100	
	D. Multiply B by 0.08 and divide by Line 33 and multiply by $100.	$ 0 /$100	
	E. Enter the lesser of C and D, if applicable. If not applicable, enter 0.		$ 0 /$100

[28] Tex. Tax Code §26.044
[29] Tex. Tax Code §26.0441
[30] Tex. Tax Code §26.0442
[31] Tex. Tax Code §26.0443

Line	M&O and Debt Tax Rate Worksheet	Amount/Rate
39.	**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. **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 **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 **C.** Subtract B from A and divide by Line 33 and multiply by $100 $ 0 /$100 **D.** Enter the rate calculated in C. If not applicable, enter 0.	$ 0 /$100
40.	**Adjusted current year NNR M&O rate.** Add Lines 34, 35D, 36D, 37E, and 38E. Subtract Line 39D.	$ 0.483105 /$100
41.	**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. **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 $ 1,029,006.59 **B.** Divide Line 41A by Line 33 and multiply by $100 $ 0.100823 /$100 **C.** Add Line 41B to Line 40.	$ 0.583928 /$100
42.	**Current year voter-approval M&O rate.** Enter the rate as calculated by the appropriate scenario below. **Special Taxing Unit.** If the taxing unit qualifies as a special taxing unit, multiply Line 41C by 1.08. **- or -** **Other Taxing Unit.** If the taxing unit does not qualify as a special taxing unit, multiply Line 41C by 1.035.	$ 0.604365 /$100
D42.	***Disaster Line 42 (D42):* Current year voter-approval M&O rate for taxing unit affected by disaster declaration.** [32] 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 a rate equal to the lesser of: **A.** The voter-approval tax rate calculated in the manner provided for a special taxing unit. Multiply line 41C by 1.08 [33] $ 0 /$100 **- or -** **B.** The voter-approval M&O tax rate calculated in the manner provided for a taxing unit other than a special taxing unit plus the disaster relief rate. [34] Complete Section 5 through Line 68 to complete D42(B). a. Enter the **disaster relief cost.** $ 0 b. **Disaster relief rate**. Divide Line D42(B)(a) by Line 26 and multiply by 100 $ 0 /$100 c. Add Line D42(B)(b) to Line 42. $ 0.604365 /$100 d. Enter the **current year unused increment rate** from Line 68 $ 0.05015 /$100 e Add Line D42(c) to Line D42(d). $ 0.654515 /$100 The taxing unit shall continue to calculate the voter-approval tax rate in this manner until the earlier of: 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 2) the third tax year after the tax year in which the disaster occurred. **C.** Enter Line D42(A) if less than Line D42(B)(e). If Line D42(B)(e) is less than line D42(A), enter Line D42(B)(c). [35] If the taxing unit does not qualify, do not complete Disaster Line 42 (Line D42).	$ 0 /$100

[32] Tex. Tax Code §26.042
[33] Tex. Tax Code §26.042(a-2)(1)
[34] Tex. Tax Code §§26.042(a-1) and 26.042(a-2)(2)
[35] Tex. Tax Code §26.042(a-2)

Line	M&O and Debt Tax Rate Worksheet	Amount/Rate
43.	**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: **(1)** are paid by property taxes; **(2)** are secured by property taxes; **(3)** are scheduled for payment over a period longer than one year; and **(4)** are not classified in the taxing unit's budget as M&O expenses. **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. [36] Enter debt amount ..... $ 2,501,803 **B.** Subtract **unencumbered fund amount** used to reduce total debt. ..... – $ 0 **C.** Subtract **certified amount spent from sales tax to reduce debt** (enter zero if none) ..... – $ 0 **D.** Subtract **amount paid** from other resources ..... – $ 0 **E. Adjusted debt.** Subtract B, C and D from A.	$ 2,501,803
44.	**Certified prior year excess debt collections.** Enter the amount certified by the collector. [37]	$ 448,933
45.	**Adjusted current year debt.** Subtract Line 44 from Line 43E.	$ 2,052,870
46.	**Current year anticipated collection rate.** **A.** Enter the current year anticipated collection rate certified by the collector. [38] ..... 100 % **B.** Enter the prior year actual collection rate. ..... 101.34 % **C.** Enter the 2024 actual collection rate. ..... 100.33 % **D.** Enter the 2023 actual collection rate. ..... 99.29 % **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%. [39]	100 %
47.	**Current year debt adjusted for collections.** Divide Line 45 by Line 46E.	$ 2,052,870
48.	**Current year total taxable value.** Enter the amount on Line 22 of the *No-New-Revenue Tax Rate Worksheet.*	$ 1,024,765,571
49.	**Current year debt rate.** Divide Line 47 by Line 48 and multiply by $100.	$ 0.200325 /$100
50.	**Current year voter-approval M&O rate plus current year debt rate.** Add Lines 42 and 49.	$ 0.80469 /$100
D50.	***Disaster Line 50 (D50):* Current year voter-approval M&O and debt tax rate for taxing unit affected by disaster declaration.** Complete this line if the taxing unit calculated the voter-approval M&O tax rate in the manner provided by Line D42. Add Line D42(C) and 49.	$ 0 /$100
51.	**COUNTIES ONLY.** Add together the voter-approval M&O and debt tax rates for each type of tax the county levies. The total is the current year county voter-approval M&O and debt tax rate.	$ 0 /$100

[36] Tex. Tax Code §26.012(7)
[37] Tex. Tax Code §§26.012(10) and 26.04(b)
[38] Tex. Tax Code §26.04(b))
[39] Tex. Tax Code §26.04(h), (h-1) and (h-2)

SECTION 3: 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.[40] 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. [41] **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. [42] **- 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.	$ 1,029,007
54.	**Current year total taxable value.** Enter the amount from Line 22 of the *No-New-Revenue Tax Rate Worksheet*.	$ 1,024,765,571
55.	**Sales tax adjustment rate.** Divide Line 53 by Line 54 and multiply by $100.	$ 0.100413 /$100
56.	**Current year NNR tax rate, unadjusted for sales tax.**[43] Enter the rate from Line 27 or 28, as applicable, on the *No-New-Revenue Tax Rate Worksheet*.	$ 0.694395 /$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.	$ 0.593982 /$100
58.	**Current year voter-approval tax rate, unadjusted for sales tax.**[44] Enter the rate from Line 50, Line D50 (disaster) or Line 51 (counties) as applicable, of the *M&O and Debt Tax Rate Worksheet*.	$ 0.80469 /$100
59.	**Current year voter-approval tax rate, adjusted for sales tax.** Subtract Line 55 from Line 58.	$ 0.704277 /$100

SECTION 4: 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	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. [45] The taxing unit shall provide its tax assessor-collector with a copy of the letter. [46]	$ 0
61.	**Current year total taxable value.** Enter the amount from Line 22 of the *No-New-Revenue Tax Rate Worksheet*.	$ 1,024,765,571
62.	**Additional rate for pollution control.** Divide Line 60 by Line 61 and multiply by $100.	$ 0 /$100
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).	$ 0.704277 /$100

[40] Tex. Tax Code §26.041(d)
[41] Tex. Tax Code §26.041(i)
[42] Tex. Tax Code §26.041(d)
[43] Tex. Tax Code §26.04(c)
[44] Tex. Tax Code §26.04(c)
[45] Tex. Tax Code §26.045(d)
[46] Tex. Tax Code §26.045(i)

SECTION 5: 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. [47] The Foregone Revenue Amount for each year is equal to that year's adopted tax rate subtracted from that year's voter-approval tax rate adjusted to remove the unused increment rate multiplied by that year's current total value. [48]

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; [49]
- a tax year in which the municipality is a defunding municipality, as defined by Tax Code Section 26.0501(a); [50] 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. [51]

This section should only be completed by a taxing unit that does not meet the definition of a special taxing unit. [52]

Line	Unused Increment Rate Worksheet	Amount/Rate
64.	**Year 3 Foregone Revenue Amount. Subtract the 2025 unused increment rate and 2025 actual tax rate from the 2025 voter-approval tax rate. Multiply the result by the 2025 current total value**	
	A. Voter-approval tax rate (Line 69)	$ 0.745716 /$100
	B. Unused increment rate (Line 68)	$ 0.00947 /$100
	C. Subtract B from A	$ 0.736246 /$100
	D. Adopted Tax Rate	$ 0.69619 /$100
	E. Subtract D from C	$ 0.040056 /$100
	F. 2025 Total Taxable Value (Line 61)	$ 1,037,671,633
	G. Multiply E by F and divide the results by $100. If the number is less than zero, enter zero.	$ 415,649.74
65.	**Year 2 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	$ 0.70619 /$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.	$ 98,062.63
66.	**Year 1 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 /$100
	C. Subtract B from A	$ 0.706208 /$100
	D. Adopted Tax Rate	$ 0.70619 /$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.	$ 211.39
67.	**Total Foregone Revenue Amount.** Add Lines 64G, 65G and 66G	$ 513,923.76
68.	**2026 Unused Increment Rate.** Divide Line 67 by Line 22 of the *No-New-Revenue Rate Worksheet*. Multiply the result by 100	$ 0.05015 /$100
69.	**Total 2026 voter-approval tax rate.** Add Line 68 to one of the following lines (as applicable): Line 50, Line D50 (only if Line D42(B) was used), Line 51 (counties), Line 59 (taxing units with additional sales tax) or Line 63 (taxing units with pollution)	$ 0.754427 /$100

[47] Tex. Tax Code §26.013(b)
[48] Tex. Tax Code §26.013(a)(1-a), (1-b), and (2)
[49] Tex. Tax Code §§26.04(c)(2)(A) and 26.042(a)
[50] Tex. Tax Code §26.0501(a) and (c)
[51] Tex. Local Gov't Code §120.007(d)
[52] 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. [53]

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. [54]

Line	De Minimis Rate Worksheet	Amount/Rate
70.	**Adjusted current year NNR M&O tax rate.** Enter the rate from Line 40 of the *M&O and Debt Tax Rate Worksheet.*	$ 0.483105 /$100
71.	**Current year total taxable value.** Enter the amount on Line 22 of the *No-New-Revenue Tax Rate Worksheet.*	$ 1,024,765,571
72.	**Rate necessary to impose $500,000 in taxes.** Divide $500,000 by Line 71 and multiply by $100.	$ 0.048791 /$100
73.	**Current year debt rate.** Enter the rate from Line 49 of the *M&O and Debt Tax Rate Worksheet.*	$ 0.200325 /$100
74.	**De minimis rate.** Add Lines 70, 72 and 73.	$ 0.732221 /$100

SECTION 7: 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. [55]

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.

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.	**2025 adopted tax rate.** Enter the rate in Line 4 of the *No-New-Revenue Tax Rate Worksheet.*	$ 0 /$100
76.	**Adjusted 2025 voter-approval tax rate.** Use the taxing unit's Tax Rate Calculation Worksheets from the prior year(s) to complete this line. [56] If a disaster occurred in 2025 and the taxing unit calculated its 2025 voter-approval tax rate using a multiplier of 1.08 on Disaster Line 42 (D42) of the 2025 worksheet due to a disaster, complete the applicable sections or lines of *Form 50-856-a, Adjusted Voter-Approval Tax Rate for Taxing Units in Disaster Area Calculation Worksheet.* **- or -** If a disaster occurred prior to 2025 for which the taxing unit continued to calculate its voter-approval tax rate using a multiplier of 1.08 on Disaster Line 42 (D42) in 2025, complete form 50-856-a, *Adjusted Voter-Approval Tax Rate for Taxing Units in Disaster Area Calculation Worksheet* to recalculate the voter-approval tax rate the taxing unit would have calculated in 2025 if it had generated revenue based on an adopted tax rate using a multiplier of 1.035 in the years following the disaster. [57] Enter the final adjusted 2025 voter-approval tax rate from the worksheet.	$ 0 /$100
77.	**Increase in 2025 tax rate due to disaster.** Subtract Line 76 from Line 75.	$ 0 /$100
78.	**Adjusted 2025 taxable value.** Enter the amount in Line 14 of the *No-New-Revenue Tax Rate Worksheet.*	$ 1,017,966,941
79.	**Emergency revenue.** Multiply Line 77 by Line 78 and divide by $100.	$ 0
80.	**Adjusted current year taxable value.** Enter the amount in Line 26 of the *No-New-Revenue Tax Rate Worksheet.*	$ 1,020,597,674
81.	**Emergency revenue rate.** Divide Line 79 by Line 80 and multiply by $100. [58]	$ 0 /$100
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 /$100

[53] Tex. Tax Code §26.012(8-a)
[54] Tex. Tax Code §26.063(a)(1)
[55] Tex. Tax Code §26.042(b)
[56] Tex. Tax Code §26.042(c)
[57] Tex. Tax Code §26.042(b)
[58] Tex. Tax Code §26.042(b)

SECTION 8: Total Tax Rate

Indicate the applicable total tax rates as calculated above.

No-new-revenue tax rate. ..... $ 0.694395 /$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: 27

Voter-approval tax rate ..... $ 0.754427 /$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: 69

De minimis rate. ..... $ 0.732221 /$100
If applicable, enter the current year de minimis rate from Line 74.

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. [59]

print here Jonathan Horton
Printed Name of Taxing Unit Representative

sign here Digitally signed by Jonathan Horton Date: 2026.07.31 08:04:36 -05'00'
Taxing Unit Representative

7/31/2026
Date

[59] Tex. Tax Code §26.04(c-2) and (d-2)

July 20, 2026

To: Mayor and City Council
From: Jon Horton, Director of Finance
RE: Draft Budget For July 27th Meeting

On June 24th each City Department presented proposals for new programs, new positions, and capital requests impacting the next fiscal year. Based on feedback from you and using updated projects for expenditures in the current fiscal year, revenue in the current fiscal year, and revenue in the upcoming fiscal year, adjustments have been made to the operating budget. New programs, a new position, and capital requests shown in our draft budget are listed within this document. To maintain consistency, these programs are listed by department. Funding sources are shown with each request.

On July 13th an initial draft was placed on the City website for public review. That draft was updated on July 20th and matches the budget included within this packet. Changes from that initial draft are shown as strike though text on subsequent pages.

Management will consider your feedback from this work session and apply it to our next draft, which will be presented at our August 4th Special Meeting.

Sincerely,



Jonathan Horton, CPA
Director of Finance

ADMINISTRATION

Capital Expenditure: HRIS Software
Funding Source: General Fund (1) $11,260

NEOGOV will simplify and improve the City's HR processes by replacing outdated, manual tasks with one easy-to-use system that manages the entire employee lifecycle from hiring to separation. It will make recruiting and onboarding faster, reduce paperwork and errors, keep all employee records in one secure place, and provide real-time data to help HR make better decisions, improve efficiency, and stay compliant with public sector requirements.

~~**New Position: Assistant City Manager**~~
~~**Funding Source: General Fund (1) $206,968**~~

~~Adding an Assistant City Manager will provide the City Manager with dedicated support to help lead strategic initiatives, oversee key departments, and advance Council priorities as the City continues to grow. This position will strengthen day-to-day operations, improve coordination across the organization, support long-term planning, enhance succession planning, and help ensure the City can continue delivering high-quality services while preparing for future growth.~~

Capital Expenditure: Cost of Living Adjustment For All Staff
Funding Source: General Fund (1) $274,404

Implementing a 3% cost of living adjustment will help employees keep pace with rising living costs while ensuring the City remains competitive in attracting and retaining a high-quality workforce. A consistent COLA supports fairness across the organization, improves employee morale, reduces turnover and the costs of recruiting and training new staff, and helps retain the experienced employees who keep City operations running efficiently and effectively.

MAYOR AND COUNCIL

Capital Expenditure: Strategic Plan
Funding Source: General Fund (1) ~~$30,000~~ $15,000

Developing a city-wide strategic plan will create a clear vision for the City's future and help guide decisions as the community continues to grow. By bringing together residents, businesses, City Council, boards, and staff, the plan will identify shared priorities and provide a roadmap for future investments, infrastructure, development, and City services. It will also set clear goals and measurable outcomes to help track progress, promote accountability, and keep the City's long-term priorities on track.

Capital Expenditure: Council Chamber Remodel
Funding Source: General Fund (1) $90,000

This project would refresh the dais, carpet, paint, and finishes for the Chamber/Courtroom and Jury areas within the Municipal Building, which have not seen a significant update since this facility was opened.

COURT

No new programs, positions, or capital expenditures.

FINANCE

No new programs, positions, or capital expenditures.

POLICE

Capital Expenditure: One new, fully up-fitted, police built 2026 Ford Interceptor Unit
Funding Source: Capital Replacement Fund (5) $82,300

This unit will replace one of the 2022 Ford police units on patrol. The 2022 until will be handed down to a School Resource Officer. Anticipated cost is $82,300.

Capital Expenditure: Carpet replacement in office spaces
Funding Source: General Fund (1) $37,500 ($4k of new spending)

Building Maintenance Fund allowance has increased due to a movement of funds from, and termination of, two accounts, specifically Janitorial Services and Cleaning Supplies. Building Maintenance ($37,500) increase reflects the movement of account 01-5589-09-01 (Janitorial Services=$7,500), and account 01-5230-09-01 (Cleaning Supplies=$1,000) to Building Maintenance account 01-5403-09-01.

- Original $25,000 ($25,000 + $7,500 + $1,000= $33,500)
- An additional $4,000 is requested for carpet replacement in three office spaces. ($33,500 + $4,000= $37,500)

Clarification Regarding Association Dues and Publications
Funding Source: General Fund, no new spending

Association Dues and Publications (AD&P) fund allowance has increased due to a movement of funds from 01-5570-09-01 (Special Services) to AD&P. The following expenditures were moved from Special Services to AD&P as they are annual and recurring fees:

- Del Carmen & Assoc. Annual Racial Profiling Analysis and Report Publishing ($8,500)
- Safe City Victim Services Annual Dues ($2,010)
- Alliance for Children Annual Dues ($2,559)
- Texas Police Chief Association Department Recognition Dues ($1200)
- Texas Police Chief Association Member Dues x2 ($417 x 2= $834)
- Total= $15,103

Capital Expenditure: Software
Funding Source: General Fund (1) $19,882 ($5,500 of new spending)

Software Allowance has increased due to a movement of funds from 01-5570-09-01 (Special Services) to Software because the expenditures are recurring and annual subscriptions.

- PowerDMS Policy and Scheduling ($11,982)
- TransUnion (TLO Search Database) ($2,400)
- An additional $5,500 is being requested to transition current paper Criminal Trespass Warnings, Accident Information Exchange, and Tow/Impound forms to a digital platform (Tyler Technologies)

currently used as the ticket writer platform.

- Total= $19,882

FIRE

Capital Expenditure: 109’ Quint (Ladder Truck)
Funding Source: Series 2026 Bond $2,200,000

Kennedale Fire Department will work with the apparatus manufacturer to design and build a 107 aerial / quint fire apparatus, which will include needed associated fire equipment.
Life-saving capability: Provides access for rescue and fire suppression in upper floors, roofs, and hard-to-reach areas resulting in faster, safer operations. This is accomplished through improved ventilation operations, reducing fire spread, and enhances firefighter safety.
Versatile use: Supports structure fires, rescues, storm responses, and special incidents.
Community risk coverage: Prepares the city for low-frequency, high-risk events (multi-story fires, commercial structures)
Insurance benefits: It will helps improve ISO rating, potentially lowering insurance costs for residents and businesses.
Supports growth: Aligns with increasing development and future service demands.
Long-term investment: Reliable apparatus with a service life of 15+ years
The five functions of a quint:
1. Pump – has a pump for flowing water
2. Water tank – carries a water supply (400 gallons)
3. Fire hose – equipped with preconnected and supply hose lines
4. Ground ladders – carries multiple sizes of ground ladders
5. Aerial device – includes an 107' aerial ladder

The quint would replace our oldest fire apparatus – 2011 Pierce engine. This quint would be placed a first out response mode for all Fire and EMS incidents.

This new fire apparatus is quoted at $2.2 Million and includes all needed fire equipment/hose.

Capital Expenditure: Portable Radios
Funding Source: General Fund (1) $24,600

The Kennedale Fire Department is in need of replacing older, unreliable portable radios. The department has 34 total portable radios. Of these, 20 portable radios are in poor condition, worn out, and are outdated technology where they are no longer being utilized or even able to be repaired. This is due to age and no longer have part availability. This leaves the department with 14 total working portable radios. Of these portable radios, 11 were donated to our department from Mansfield when they had replaced several of their radios. With the approval of 3 portable radios, we are not only increasing life safety on incidents, but we are also providing new technology and reliability for use.

Older radios may have failing batteries, worn components, or reduced signal performance, increasing the risk of communication failures during emergencies or critical operations. As radios age, repairs become more frequent and replacement parts may become difficult or expensive to obtain. Replacement will reduce long-term costs and downtime. Some older radios may no longer meet current communication regulations or frequency requirements.

New technology radios provide better reception, clearer audio, noise reduction, and stronger transmission capabilities.

Modern portable radios include GPS tracking, emergency alert buttons, encryption, text messaging, Bluetooth connectivity, and longer battery life. The ability to transmit from within large structures is enhanced through cell phone technology. If communications cannot get through, the radio will switch from the antenna to cell phone signals for clear, complete communication. This is the ultimate life-safety issue: the ability to transmit emergency needs.

Mansfield is requiring Kennedale to have encrypted capable radios in the first quarter of 2027. This is necessary to meet that requirement.

Total anticipated financial impact is $24,600

COMMUNITY DEVELOPMENT

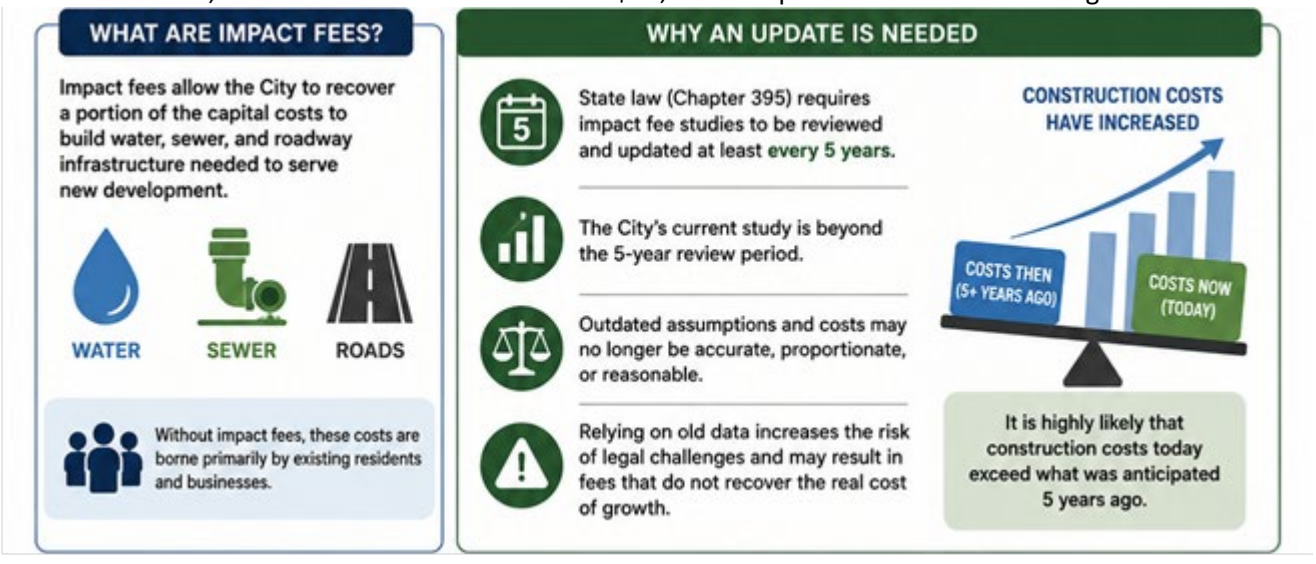
New Program: 2027 Impact Fee Update
Funding Source: General Fund (1) $50,000

Impact fees help the City recover a portion of the costs for new water, sewer, and roadway infrastructure needed to serve new development, reducing the financial burden on existing residents and businesses.

The City's impact fee study is now beyond the five-year review period required by Chapter 395 of the Texas Local Government Code. Because impact fees must be based on current growth projections, land use assumptions, infrastructure plans, and construction costs, the existing study may no longer accurately reflect current conditions. Using outdated data increases the risk of legal challenges and may result in fee collections that fail to recover the actual costs of growth.

Updating the study will keep the City in compliance with state law, ensure fees remain fair and legally supportable, and provide an updated basis for planning future infrastructure improvements.

The cost and schedule for an impact fee update depend on the complexity of the City's infrastructure systems, changes in development patterns, and whether the work is performed in-house or by a consultant. For a city the size of Kennedale, the FY 27 cost is estimated to be $50,000 with possible additional funding needed in FY 2028.



SENIOR CENTER

No new programs, positions, or capital expenditures.

LIBRARY

New Position: Convert Adult Services Librarian position to Supervising/Adult Services Librarian
Funding Source: General Fund (1) $10,000

The Library would like to convert the Adult Services Librarian into the Supervising/Adult Services Librarian to oversee daily operations at the Library. This position will still report to the Library Director but will be responsible for the day-to-day activities at the Library. This move will enable the Director to dedicate more time to the Communications Department, also under her purview.

The goal of this move is to be able to focus on City communications efforts, create a stable and accessible information source for the community, and allow for consistent and efficient information dissemination and awareness building for the City of Kennedale.

Communications functions involved include:

- Resume central control of the webpage including maintenance, updating, and ADA compliance, freeing up that responsibility from individual departments and ensuring it is done correctly and timely
- Citywide social media posting and engagement monitoring. Posts from individual departments will not be discouraged, but language and presentation will be consistent with the City brand
- Promotional posters and other printed material will be created and/or approved by the Communications Director for brand and voice consistency as well as accuracy
- Coordinate EDC events, such as the Car Show and Hometown Christmas, and monitor City events done by individual departments, such as Bark in the Park, KidFish, and Trunk-or-Treat
- Promote all City related events and activities through media channels and community engagement opportunities
- Design and order City merchandise for public distribution at events and meetings

The financial impact to the Library will be around $10,000, depending on final benefit costs.

Capital Expenditure: Percussion Play Park
Funding Source: Park Dedication Fund (14) $25,000

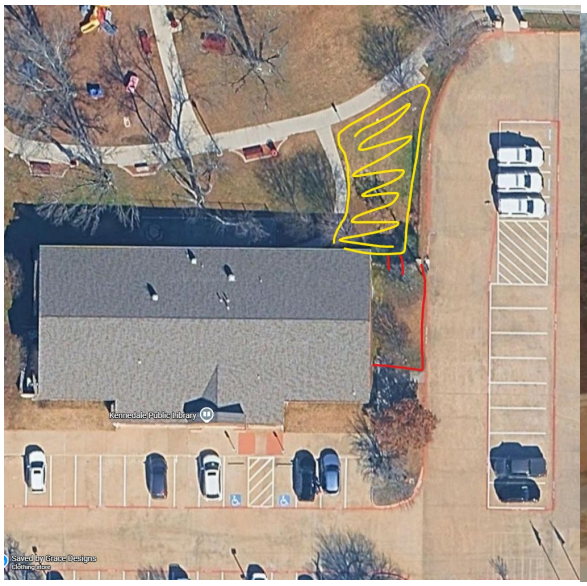
We would like to install a percussion play park in TownCenter Plaza. This park would have two areas, one that would be for Library programming during operating hours, and the other completely open to the public during park hours.

This project would fence in the area outside the east door of the library - from the children's area - and create a play/story/learning space for children's programming. This closed area would have a gate leading to the new percussion play area that is open to the public in TownCenter Plaza.

The percussion play area would feature musical installations that are accessible for all ages and abilities. They are fun, colorful, and sturdy percussion instruments in shapes to coordinate with nature and enhance the look of the park while providing an interactive experience.

The project would include:

Fence and gate with installation
4 Percussion Play instruments
Seating
Ground cover









Ground Install	
PP-ENSE-IN-GF	
MSRP	$12,240.00
Shipping	$1,165.00
Total	**$13,405.00**
Add to cart	

Surface Mounted	
PP-ENSE-IN-SF	
MSRP	$13,685.00
Shipping	$1,195.00
Total	**$14,880.00**
Add to cart	



Ground Install	
PP-BUTT-GF	
MSRP	$3,030.00
Shipping	$362.00
Total	**$3,392.00**
Add to cart	

Surface Mounted	
PP-BUTT-SF	
MSRP	$3,435.00
Shipping	$402.00
Total	**$3,837.00**
Add to cart	

Wall Mounted	
PP-BUTT-WF	
MSRP	$3,030.00
Shipping	$362.00
Total	**$3,392.00**
Add to cart	

We anticipate the project will cost around $25,000.

COMMUNICATIONS

No new programs, positions, or capital expenditures.

PUBLIC WORKS

Capital Expenditure: Box Culvert/Bridges on Eden Road and South New Hope Road
Funding Sources: Stormwater (7) $340,000, Series 2026 Bond $560,000. Total $900,000

Because of structural failures and around 16 traffic incidences during the last couple of years, we are requesting the rehabilitation of the box culvert bridges at 5670 Eden Rd. E and 121 S. New Hope Rd. These improvements will improve public safety, reduce flooding, erosion, water logging, and our standard of service to the community.

Currently, the deck span on Eden Rd. is 20' x 20' and does not accommodate the safe passage of vehicles traveling in either direction. Therefore, we will be expanding the span to 35'. Similarly, the New Hope bridge span will be increased, for future widening of New Hope, but the pavement will remain the same.



Capital Expenditure: Street Repair
Funding Sources: General Fund ~~$400,000~~ $300,000, Series 2026 Bond $864,390

Based on our 2023 streets network survey the following streets were classified as poor to very poor:

Peggy Ln. within the limits of Kennedale Sublett Rd. to Dead End
Shady Creek Dr. from Oak Ridge Trl. to N. Little School Rd.
Oak Ridge Trl. from Kennedale Sublett Rd. to Shady Creek Dr. and,
Swiney Hiett Rd. from Mansfield Cardinal Rd. to Collett Sublett Rd.

Therefore, considering these street segments existing condition and customer complaints, we have decided to improve the riding comfort. Peggy Ln. will undergo a pulverize and overlay (POL) procedure, and Swiney Hiett will receive a full mill and overlay (FMOL). The concrete pavement on Oak Ridge Trl. and Shady Creek will undergo an overlay (OL).

Paved roads are essential for modern society because they enhance safety, increase efficiency for transporting goods, and improve economic connectivity, improved drainage as well as reducing maintenance costs. Therefore,

to reduce the number of poor lane miles in our network system, we are requesting these capital infrastructure improvements.

Capital Expenditure: Water Utilities
Funding Source: Series 2026 Bond $165,000

In an effort to systematically improve our aging utility infrastructure for FY26/27 we are requesting to pursue the following two (2) projects:

Bloxom Park – looping dead end mains
614 N. Dick Price Rd. – sanitary sewer aerial crossing

Looping of dead-end water mains not only improves water quality, provides higher, more reliable pressure and volume for fire hydrants, prevents widespread outages but also addresses the unaccounted-for water loss as well as public perception, and our standard of service.
The aerial crossing at Dick Price is imperative to provide necessary, accessible infrastructure to maintain proper gravitational flow, protect against environmental damage, and ensure easier maintenance in unstable or sensitive areas.

Currently, the deck span on Eden Rd. is 20’ x 20’ and does not accommodate the safe passage of vehicles traveling in either direction. Therefore, we will be expanding the span to 35’. Similarly, the New Hope bridge span will be increased, for future widening of New Hope, but the pavement will remain the same.





Capital Expenditure: Equipment
Funding Source: General Fund (1) ~~$85,000~~ $8,000

For this fiscal budget, we are requesting the purchases of a snow plow, ~~one trailer, and a drum mulcher~~. These purchases will help enhance public safety, improve municipal facilities, expand public services, and support community growth. ~~The trailer is a necessity for the department to safely, effectively and efficiently haul the large and heavy pieces of machinery to the worksites~~. The snow plow attachment would reduce delays for emergency responders and help keep pathways clear for pedestrians and the traveling public. Similarly, it eliminates the physical labor of manual shoveling and cold-weather-related health issues. ~~The drum mulcher, on the other hand, will assist the Code and PWs. departments for cleaning dense vegetation along the bar ditches, drainage-ways, and to provide safe access to unhoused camps.~~







~~**Capital Expenditure: Streetlights**~~
~~**Funding Source: General Fund (1) $50,000**~~

~~The streetlights capital request is crucial for safety, security, and enhancing the quality of life in our communities. It will improve visibility for drivers and pedestrians, reduces the risk for incidents, and can deter crime by illuminating public spaces. Well-lit streets also make areas feel safe and can contribute to the overall aesthetic appeal of neighborhoods.~~

Capital Expenditure: Sports Park Maintenance
Funding Source: General Fund (1) $52,000

Contracted field maintenance services for the upcoming sports complex. At $52,000, the cost for this service is less than the total employment cost of a single employee.

STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: AUGUST 4, 2026

AGENDA ITEM NUMBER: WORK SESSION ITEM I.A.

SUBJECT
Budget Workshop for the FY 2026-2027 Budget

ORIGINATED BY
Jonathan Horton, Finance Director

SUMMARY
The following changes have been made to the draft presented to Council on July 27th:

- Cost of living adjustment was increased to 4% for all personnel
- Administration-General Fund
  - Removal of Administrative Assistant position
  - Addition of Assistant City Manager position to be hired in January 2027
  - Reduction of Building Maintenance to $30,000
- Mayor and Council-General Fund
  - Reduction of Building Maintenance to $32,000
  - Reduction of Training to $6,000
  - Reduction of Legal Expenses to $150,000
- Police-General Fund
  - Shift $12,500 of Building Maintenance to the Capital Bond Fund (13) using a portion of the remaining balance in the Public Safety Remodel budget.
  - Shift $5,500 of Software to the Municipal Court Building Security and Technology Fund (19)
- Fire-General Fund
  - Shift $24,000 of Other Equipment to the Capital Bond Fund (13) using a portion of the remaining balance in the Public Safety Remodel budget.
  - Reduction of Training to $24,000
  - Reduction of Public Safety Education to $7,500
- Public Works-General Fund
  - Reduction of Street Maintenance to $200,000.

RECOMMENDATION
No Action Required

ATTACHMENTS

1.	FY27 Budget Workbook - DRAFT FOR 8-4 - FY26 Estimates	FY27 Budget Workbook - DRAFT FOR 8-4 - FY26 Estimates.pdf
2.	Capital Forecast for Council Presentation	Capital Forecast for Council Presentation.pdf

STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: AUGUST 18, 2026

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

SUBJECT

Discuss and hold a Roll Call Vote to take action on an ordinance of the City of Kennedale, Texas, adopting the budget for the fiscal year beginning October 1, 2026, and ending September 30, 2027; 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
Jon Horton, CPA
Director of Finance

SUMMARY
This budget season started with a bond issuance workshop on June 15th. Following that meeting there were three budget workshops: June 24th, July 27th, and August 4th. During that time robust discussions took place between Council and staff regarding priorities, clarifications, and several adjustments. The budget presented today is the culmination of those sessions.

Numerical changes since our August 4th work session include:

- General Fund:
  - Updates to Medical, Dental, and Vision benefits discussed in our last meeting.
- General and Debt Service Funds:
  - Update to the total levy amount resulting in an adjusted certified tax roll that was released after the publishing deadline for our August 4th work session
  - Update to the levy distribution between the two funds
- Total Impact:
  - General Fund: The anticipated deficient is now $95,752 smaller.
  - Debt Service Fund: The anticipated growth in reserve is now $156,789 smaller.

This version is more robust with supporting data and narratives. Upon adoption, there will be an additional release including signed ordinances and additional supporting documentation within the appendix.

RECOMMENDATION
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, 2026 and ending September 30, 2027; 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

Object	Account Title	Budget Description
4001	Property Tax-Current Year	Property tax collections for the current fiscal year
4010	Water Service	Fees collected for water service
4011	Property Tax-Delinquent/Py	Property tax collections for past due/prior years
4020	Sewer Service	Fees collected for sewer service
4041	Property Tax-Penalty/Interest	Penalties and interest paid on past due property taxes collections
4061	Meter Purchase/Install	Fees collected for purchasing and installing a new water meter
4071	Franchise Fees-Telephone	Fees collected from companies with landline sales for use of right of way
4072	Franchise Fees-Garbage	Fees collected from Frontier Waste Services for use of right of way
4073	Franchise Fees-Gas	Fees collected from Atmos for use of right of way
4074	Franchise Fees-Electricity	Fees collected from energy providers for use of right of way
4075	Franchise Fees-Cable	Fees collected from cable television providers for use of right of way
4081	Sales Tax	Local 2% allocation of sales taxes collected
4082	Mixed Beverage Tax	Taxes collected on mixed beverages
4083	Sales Tax-Interlocal	Interlocal agreement with the City of Arlington related to sales taxes collected at 4800 US 287
4084	Occupancy Tax	Taxes collected in accordance with Texas Tax Code Chapter 351 and Kennedale Ordinance 666
4085	Cares Act Funding	Funds received due to the CARES Act of 2020
4086	Police Department Grants	Funds received from grants supporting the Police Department
4087	Auto Task Force Grant	Cost sharing with the City of Mansfield for the Auto Theft Task Force Grant
4090	Arlington Operator Cost	Operators costs from the City of Arlington
4094	LEOSE Police Training Grant	Received from State Law Enforcement Officer Standards and Education (LEOSE) and based on total number of eligible law enforcement positions
4104	Christmas Event Donations	Donations received for Hometown Christmas
4120	Contractor Licenses	Per fee schedule, fees collected for Contractor Licenses
4150	Certificate Of Occupancy	Per fee schedules, fees collected for Certificates of Occupancy
4155	Building Permits	Revenue collected for building permits
4160	Electrical Permits	Revenue collected for electrical permits
4165	Plumbing Permits	Revenue collected for plumbing permits
4175	Mechanical Permits	Revenue collected for mechanical permits
4183	Construction Inspection Fees	Fees collected for inspections
4190	Other Permits/Fees	Fees collected for permits not previously listed
4191	Plat Filing Fees	Fees collected for property plats
4192	Zone Change Fees	Fees collected for zoning changes
4193	Plan Review Fees	Fees collected for plan review
4199	Reinspection Fees	Fees collected for reinspections
4201	Impact Fees	Developer-paid fees based on fee studies conducted by Community Development
4205	Drainage Fees	Developer-paid fees based on fee studies conducted by Community Development
4248	Local Youth Diversion Fees	Court cost based on State fee schedule
4250	Truancy & Prevention-City	Court cost based on State fee schedule
4251	Child Safety Fine	Court cost based on State fee schedule
4252	Local Traffic Fine	Court cost based on State fee schedule
4253	Muni Court Jury Fund Fees	Court cost based on State fee schedule
4255	Warrant Fees	Court cost based on State fee schedule
4256	Arrest Fees	Court cost based on State fee schedule
4258	Time Pymt Fees-City Portion	Court cost based on State fee schedule
4259	Time Pymt Fees-Judicial Effcy	Court cost based on State fee schedule
4271	Admin Fees-Driver Safety	Court cost based on State fee schedule
4281	Fines/Forfeits-From 2006	Court cost based on State fee schedule
4282	Court Costs-City From 2006	Court cost based on State fee schedule
4380	Police Copy/Reports	Revenue collected for police reports
4381	Copies-Court	Revenue collected for copies in the Municipal Court
4390	Ambulance Fees	Fees collected by Emergicon for ambulance services
4391	Fire Department Fees	Fees collected by the Fire Department
4401	Investment Income	Income from the City's investment portfolio
4405	Library Cards	Fees for library cards
4406	Library Fines	Fines assessed by the Library
4409	Miscellaneous Income	Income that does not fit into an established category
4415	Insurance Reimbursements	Reimbursement from insurance providers for damage/repairs
4416	Restitution	Restitution payments made to the City
4417	Open Record Charges	Charges for requests made through the Public Information Act

Object	Account Title	Budget Description
4419	Workers Compensation	Reimbursements for salary paid while employees receive payments from workers compensation
4421	Landfill Revenue-Waste Connect	Landfill royalties
4505	County Contribution-Fire	Grant revenue from Tarrant County for Fire Department equipment and vehicles
4507	County Contribution-Ambulance	Grant revenue from Tarrant County for medical equipment and vehicles
4510	Admin Charge-Water/Sewer	Charges for services provided by General Fund resources
4512	Admin Charge-EDC	Charges for services provided by General Fund resources
4513	Contribution-KISD SRO	Kennedale ISD portion of School Resource Officer costs
4514	Admin Charge Storm Water	Charges for services provided by General Fund resources
4516	Intergov-Tarrant County	Incremental property tax from Tarrant County
4517	Intergov-Tarrant Hospital	Incremental property tax from the Tarrant Hospital District
4518	Intergov-Tarrant College	Incremental property tax from Tarrant County College
4519	Intergov-City Of Kennedale	Incremental property tax from the City Of Kennedale
4802	Park Pavilion Rental	Rental fees collected for use of a park pavilion
4805	Rental Fees-Shopping Ctr	Rental fees collected for property in TownCenter
4806	Sr. Citizen Bldg Rentals	Rental fees collected for use of the Senior Center
4808	Rental Fees - Land	Rental fees collected for use of City and/or EDCowned land
4885	Equipment Sale-Gain/Loss	Gain or loss on the sale of City owned equipment
4906	Transfer In-General Fund	Transfers from the General Fund
4906	2026 CO	Proceed from Series 2026 bonds
4915	Transfer In-EDC Fund	Transfers from the EDC Fund
4945	Transfer In-Roadway Impact	Transfers from the Roadway Impact Fund
4960	Transfer In-Projects Fund	Transfers from the Capital Projects Fund
4963	Transfer In-TIRZ Fund	Transfers from the TIRZ Fund
4964	Transfer In-Sewer Impact Fund	Transfers from the Sewer Impact Fund
4965	Transfer In-Roadway Impact Fun	Transfers from the Roadway Impact Fund
4999	Debt Proceeds	Proceeds from debt
5101	Salaries	Earnings paid for full-time and salaried work
5107	Overtime	Amount paid for overtime
5108	FLSA Overtime	Fire Department-Amount paid for hours worked over 106/pay period
5109	Temporary/Part-Time	Earnings paid for part-time work
5112	Assignment Pay	Assignment pay as provided by City policy
5113	Incentive Pay	Incentive pay in provided by City policy
5114	Longevity Pay	Paid annually on employees with 1+ years of service based on service time as of September 30.
5115	Retirement	Contributions paid by the City to TMRS on behalf of eligible employees
5116	Unemployment Insurance	Premiums paid on first $9,000 of earnings. Required by the Texas Workforce Commission
5117	FICA	Employer portions of Social Security and Medicare taxes
5118	Medical Insurance	Employer portion of medical insurance premiums for eligible employees
5119	Workers' Compensation	City cost of workers' compensation insurance
5120	Life Insurance	City cost of life insurance
5121	Dental Insurance	City cost of dental insurance
5122	Vision Insurance	City cost of vision insurance
5123	Health Admin Fees	Fees relating to the administration of City medical benefit programs
5125	Tuition Reimbursement	Reimbursement to City employees for approved educational programs
5126	Disability	City cost of disability insurance
5210	Chemical Supplies	Solvents & cleaners, annual parts cleaner maintenance, pesticides and other chemicals
5220	Uniforms	Clothing purchased for employees to wear at work
5225	Life Safety Equipment	Personal protective equipment
5230	Cleaning Supplies	Trash bags, mop heads, paper products, dish soap, laundry detergent, apparatus cleaning & polishing supplies, toilet paper, chemicals
5240	Printed Supplies	Custom printed items from an external vendor
5260	General Office Supplies	Common office supplies such as ink, toner, paper, pens, binders, etc.
5261	Postage	Stamps and postage for mailed or shipped items
5280	Minor Equip/Small Tools <$5K	Equipment and tools costing less than $5,000 that does not fit into another category
5285	Fuel	Gasoline or diesel purchased for use in City vehicles and/or equipment
5288	EMS Supplies	Emergency medical supplies for external use
5289	Medical Supply And Equipment	Medical supplies for internal use
5290	Expendable Supplies	Single-use supplies, snacks, beverages
5291	Grant Funded Expense	Expenditures directly related to a grant program
5292	Library Processing Supplies	Library inventory and replenishment supplies

Object	Account Title	Budget Description
5294	Library Book-City Fund	Library books, periodicals, and other media for external use
5303	Building Maintenance-2	Maintenance of City owned buildings including janitorial services
5403	Building Maintenance	Maintenance of City owned buildings including janitorial services
5404	Park Maintenance	Maintenance and repairs completed in City Parks
5405	Town Center Plaza	Maintenance and repairs completed in Town Center Plaza
5406	Sonora And Rodgers Farm Park	Maintenance and repairs completed in Sonora and Rodgers Farm Parks
5407	Street Maintenance	Street repair, maintenance, and related activities
5409	Irrigation Maintenance	Maintenance and repair of irrigation systems
5420	Machinery/Tool Maintenance	Maintenance and repair of machinery and tools
5430	Motor Vehicle Maintenance	Maintenance and repair of motor vehicles
5440	Office Equipment	Computers, scanners, printers, and other equipment used in general office work
5445	Software	Software licenses and SAAS expenditures
5446	Water/Sewer Projects	Water/Sewer projects funded through the CARES Act of 2020
5455	Software Maintenance	Software licenses and SAAS expenditures
5460	Radio Maintenance	Repair and maintenance of radio communication equipment
5480	Signs/Fence/Sidewalk Maint	Repair and maintenance of signs, fences, and sidewalks
5498	Incremental Property Tax	Per Ordinance 506, the incremental gain of property tax within the TIRZ
5501	Advertising	Items published in the newspaper, fliers, citizen mailers, notices, and related expenditures
5510	Assoc Dues/Publications	Membership dues, renewals, application fees, award fees, trade journals, etc.
5511	Volunteer Meetings	Expenditures for and related to volunteer meetings
5514	Training/Seminars-LEOSE	Training funded through LEOSE allocations
5517	Firearms Training	Training for the use of firearms
5520	Bark In The Park	Expenditures for the annual Bark in the Park event
5521	Public Safety Education	Expenditures for public safety education within the community
5522	Keep Kennedale Beautiful	Expenditures related to the Keep Kennedale Beautiful organization
5525	Training/Seminars	Training, seminars, conferences, etc.
5527	Bark In The Park	Expenditures for the annual Bark in the Park event
5530	Electric Services	Electricity
5535	Gas Services	Natural gas
5540	Insurance-Auto	Portion of our policy with TML that covers automobiles
5545	Insurance-Property	Portion of our policy with TML that covers property
5550	Insurance-General Liability	Portion of our policy with TML that covers general liability
5557	Intergov-City Of Mansfield	Dispatch, jail, and software charges per an interlocal agreement with the City of Mansfield
5560	Insurance-Law Enforcement	Portion of our policy with TML that covers law enforcement activity
5564	Community Relations	Items used to build relationships in the community
5565	Legal Services	Attorney fees and prosecutorial services
5567	Audit Services	Independent annual audit services for the City and EDC
5569	It Support	Information Technology services for the City
5570	Special Services	Contract services
5571	Special Events	City and EDC operated events
5572	Code Enforcement Services	External costs for code enforcement. May include mowing, demolition, etc.
5573	Election Services	Election expenses and ballot translation services
5574	Filing Fees	Fees paid by the City to file documents with another entity
5575	Equipment Rental	Rental of equipment used by the City
5576	Strategic Planning	External expenses for long-term strategic planning
5578	Travel	Transportation and lodging expenses incurred while conducting City business or training
5580	Engineering Services	External expenses for engineering services
5581	Judge and Prosec. Svcs	External expenses for the Municipal Court Judge
5583	Animal Control	Shelter charges, license tags, vet supplies, traps, contract labor, and other related expenses
5585	Telephone Services	Telephonic communication expenses including land lines, long distance, cellular, and fax services
5587	Appraisal District Services	Contract with the Tarrant Appraisal District for property appraisal services
5588	HR Related Tests	Employee tests to include drug screening, medical evaluations, physicals, etc.
5589	Janitorial Services	Charges for janitorial services
5590	Water/Sewer Services	Water usage
5591	Trash/Disposal/Dump Services	Trash service including regular service and community oriented clean-up events
5592	Intergov-Fort Worth Sewer	Charges for wastewater service provided by the City of Fort Worth
5594	Intergov-Arlington Sewer	Charges for wastewater service provided by the City of Arlington
5595	Admin Charge-General Fund	Charges for services provided by City departments. Reference "Common Cost Analysis"
5597	Intergov-Fort Worth Water	Charges for water service provided by the City of Fort Worth

Object	Account Title	Budget Description
5598	Admin Charge-Street Fund	Charges for services provided by City departments. Reference "Common Cost Analysis"
5599	Interlocal-City Of Arlington	Incremental property tax from the City Of Arlington
5606	2016 3.72M Refunding Principal	Principal payments made on Series 2016 refunding bonds
5607	2016 3.72M Refunding Interest	Interest payments made on Series 2016 refunding bonds
5615	Functional Grant	Payments authorized through City or EDC funded grant programs and 380 agreements
5620	2007 $2.9M Co-Principal	Principal payments on Series 2007 bonds
5621	Paying Agent Fees	Fees paid to agents for services related to debt issuance
5622	Arbitrage/Disclosures	Payments for debt disclosure and arbitrage services
5626	2007 $2.9M Co-Interest	Interest payments made on Series 2007 bonds
5627	Enterprise Lease Senior Center	Vehicle lease payments to Enterprise
5628	2023 $17.65 Utility Interest	Interest payments made on the utility portion of Series 2023 bonds
5629	2007 $1.2M Tax Bond-Principal	Principal payments made on Series 2007 bonds
5655	2020A $1.54M Go Rfnd Principal	Principal payments on Series 2020A bonds
5656	2020A $1.54M Go Rfnd Interest	Interest payments on Series 2020A bonds
5657	2021 $6.0M Co-Principal	Principal payments on Series 2021 bonds
5658	2021 $6.0M Co - Interest	Interest payments on Series 2021 bonds
5659	2020 1.26M Go Refunding-Int	Interest payments on Series 2020 refunding bonds
5660	2020 1.26M Go Refunding-Prin	Principal payments on Series 2020 refunding bonds
5661	2023 $17M Co - Interest	Interest payments on Series 2023 bonds
5662	2023 $17M Co - Principal	Principal payments on Series 2023 bonds
5669	2024 $3Mm Go - Interest	Interest payments on Series 2024 general obligation bonds
5670	2024 $3Mm Go - Principal	Principal payments on Series 2024 general obligation bonds
5671	2024 $11.0Mm C/O - Interest	Interest payments on Series 2024 bonds
5672	2024 $11.0Mm C/O - Principal	Principal payments on Series 2024 bonds
5673	2026 CO Interest	Interest payments for Series 2026 bonds
5673	2026 $1M Oakcrest Addition-Prin	Principal payments toward private debt used for land purchased in the Oak Crest neighborhood
5674	2026 CO Principal	Principal payments for Series 2026 bonds
5674	2026 $1M Oakcrest Addition-Interest	Interest payments toward private debt used for land purchase in the Oak Crest neighborhood
5701	Transfer Out - General Fund	Transfers to the General Fund
5702	Transfer Out-Debt Service Fund	Transfers to the Debt Service Fund
5710	Transfer Out W/S Fund	Transfers to the Water/Sewer Fund
5711	Transfer Out - Water/Sewer Fun	Transfers to the Water/Sewer Fund
5717	Transfer Out-Streets Fund	Transfers to the Street Maintenance Fund (defunct)
5798	Transfer Out-TIRZ#1 Fund	Transfers to the TIRZ Fund
5820	Building Improvements	Capital improvements to City or EDC owned facilities
5834	COA Water Connection	City of Arlington water connection costs
5835	Sewer Line Installation	Costs for installing sewer lines
5861	Motor Vehicles	Per Texas Transportation Code: a self-propelled vehicle
5870	Other Equipment	Capital equipment that does not fit into another category
5875	Construction	Construction costs that do not fit into another account
5884	Fines And Penalties	Fines and penalties levied against the City
5910	Motor Vehicles	Per Texas Transportation Code: a self-propelled vehicle
5915	Public Safety Remodel	Remodel costs for public safety facilities

S&P Global
Ratings

11511 Luna Road
Suite 500
Farmers Branch, TX 75234
tel (214) 871-1400
reference no.: 1925824

August 10, 2026

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

Re: ***US$5,000,000 City of Kennedale, Texas, (A political subdivision of the State of Texas located in Tarrant County, Texas), Combination Tax and Revenue Certificates of Obligation, Series 2026, dated: September 1, 2026, due: February 1, 2046***

Dear Jon Horton

Pursuant to your request for an S&P Global Ratings rating on the above-referenced obligations, S&P Global Ratings has assigned a rating of "AA". S&P Global Ratings views the outlook for this rating as stable. A copy of the rationale supporting the rating is enclosed.

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Please send hard copies to:
S&P Global Ratings
Public Finance Department
55 Water Street
New York, NY 10041-0003

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

rating is subject to the attached Terms and Conditions. The applicable Terms and Conditions are incorporated herein by reference.

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

Sincerely yours,

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

jm
enclosures

cc: ***Mark McLiney***
Orlando Juarez
Peggy Kilborn

S&P Global
Ratings

S&P Global Ratings
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Research Update:

Kennedale, TX Series 2026 Certificates Of Obligation Rated 'AA'; Outlook Stable

August 10, 2026

Overview

- S&P Global Ratings assigned its 'AA' long-term rating to the City of Kennedale, Texas' estimated $5 million series 2026 combination tax and revenue certificates of obligation (COs).
- At the same time, we affirmed our 'AA' long-term and underlying (SPUR) rating on the city's limited tax general obligation (GO) bonds and COs outstanding.
- The outlook is stable.

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Rationale

Security

Kennedale's GO bonds and COs are payable from the proceeds of a continuing, direct annual ad valorem tax, within the limits prescribed by law, on all taxable property within the city. The COs are additionally secured by surplus revenue of the waterworks and sewer system. Given the limitation of the surplus revenue pledges, the COs are rated based on the city's ad valorem tax pledge. Despite state statutory tax-rate limitations, we do not differentiate between the city's limited-tax debt and its general creditworthiness because the ad valorem tax is not derived from a measurably narrower tax base and there are no limitations on the fungibility of resources, which support our view of the city's ability and willingness to pay debt service. Kennedale will use proceeds from the series 2026 COs to fund various capital projects and pay the cost of issuance.

Credit highlights

The rating reflects Kennedale's strong economic growth and prudent financial management policies and practices, which have supported consistent fiscal stability in recent years and a healthy available reserve position relative to its budget. Tempering these credit strengths is its weaker nominal reserve position relative to that of similarly rated peers.

Kennedale is a suburb of Fort Worth and its location along a major highway has contributed to healthy population increases and strong tax base growth in recent years. Steady assessed valuation (AV) growth has contributed to the city's consistently positive general fund performance in recent years, supporting increases in property tax revenue, which represented around 52% of fiscal 2025 general fund revenue. Although the original fiscal 2026 budget

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projected a 4% deficit, strong year-to-date performance (as of July 2026) has resulted in a positive variance, and management now anticipates a year-end revenue surplus of approximately 5% due to conservative assumptions. The city's long-term general fund forecasts balanced operations in fiscal 2027, followed by consistent surpluses through fiscal 2031. Management projects sustained revenue growth and prudent budgetary assumptions will drive favorable budget-to-actual variances and growth in available reserves moving forward, which we believe is likely given its disciplined approach to long-term financial planning and conservative budgeting.

The rating also reflects our view of the following factors:

- Kennedale has a growing tax base within the broad and diverse Dallas-Fort Worth-Arlington metropolitan statistical area, which has experienced about 68% growth in AV over the past five years. AV growth has been spurred by the strong level of ongoing development in the area and the city's convenient location, driving favorable demographic trends. Although its local income metrics remain above county and national averages, the city's economic output and per capita personal income metrics lag national levels.
- Strong budgetary performance in recent years has supported the city's favorable reserve position, which continues to exceed its formal and informal policies. We expect the city will keep posting healthy year-end general fund results given its use of conservative budget assumptions.
- Budgeting practices include conservative assumptions with budget-to-actual performance reported monthly to its governing body. Kennedale maintains a six-year financial plan and a five-year capital plan, both updated annually, as well as a formal debt management policy and a minimum general fund balance policy that targets at least 18% of operating expenditures, although officials aim for 33%. However, the city lacks a formal debt management policy. Kennedale's cyber risk mitigation measures are consistent with our view of its credit fundamentals.
- The city has an increasing debt burden, with what view as elevated costs and net direct debt relative to its population compared with those of similarly rated peers. However, given the size of its tax base relative to debt outstanding and pension liabilities (4%), we view long-term liabilities as manageable. Officials plan to issue about $6 million in the next three years, which we have factored into our analysis. We do not consider its pension and other postemployment benefits liabilities as a medium-term source of budgetary pressure.
- Kennedale is exposed to drought. However, we view this risk as partially mitigated by the city's proactive risk management efforts. These include close partnerships with Tarrant County and neighboring municipalities, and regular updates to its hazard mitigation plan, which provides a comprehensive framework for identifying, assessing, and reducing risks.
- For more information on our institutional framework assessment for Texas municipalities, see "Institutional Framework Assessment: Texas Local Governments," Sept. 9, 2024.

Outlook

The stable outlook reflects our expectation that the city's use of conservative budgeting practices will support healthy operating performance and steady growth in available reserves.

Downside scenario

We could lower the rating if the city develops what we consider a structural imbalance, leading to significant draws on available reserves without a credible plan to replenish them.

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Upside scenario

All else being equal, we could raise the rating if the city's nominal available reserve balance strengthens to a level that is comparable with that of higher-rated peers.

Kennedale, Texas--credit summary

Institutional framework (IF)	1
Individual credit profile (ICP)	2.04
Economy	1.5
Financial performance	2
Reserves and liquidity	1
Management	1.95
Debt and liabilities	3.75

Kennedale, Texas--key credit metrics

	Most recent	2025	2024	2023
Economy				
Real GCP per capita % of U.S.	92	--	92	92
County PCPI % of U.S.	95	--	95	97
Market value ($000s)	1,277,773	1,200,148	1,160,439	966,394
Market value per capita ($)	136,748	128,440	127,004	108,694
Top 10 taxpayers % of taxable value	10.5	11.7	11.5	8.8
County unemployment rate (%)	3.8	3.9	4.0	3.7
Local median household EBI % of U.S.	132	132	124	123
Local per capita EBI % of U.S.	110	110	102	101
Local population	9,344	9,344	9,137	8,891
Financial performance				
Operating fund revenues ($000s)	--	12,349	11,407	10,748
Operating fund expenditures ($000s)	--	11,696	10,718	9,871
Net transfers and other adjustments ($000s)	--	44	150	114
Operating result ($000s)	--	697	839	991
Operating result % of revenues	--	5.6	7.4	9.2
Operating result three-year average %	--	7.4	4.6	2.2
Reserves and liquidity				
Available reserves % of operating revenues	--	38.9	36.4	31.0
Available reserves ($000s)	--	4,801	4,154	3,336
Debt and liabilities				
Debt service cost % of revenues	--	14.4	12.6	14.2
Net direct debt per capita ($)	4,589	4,101	4,427	3,231
Net direct debt ($000s)	42,880	38,316	40,447	28,726
Direct debt 10-year amortization (%)	48	51	33	--
Pension and OPEB cost % of revenues	--	5.0	5.0	5.0
NPLs per capita ($)	--	321	388	455
Combined NPLs ($000s)	--	3,001	3,546	4,049

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Kennedale, Texas--key credit metrics

	Most recent	2025	2024	2023

Financial data may reflect analytical adjustments and are sourced from issuer audit reports or other annual disclosures. Economic data is generally sourced from S&P Global Market Intelligence, the Bureau of Labor Statistics, Claritas, and issuer audits and other disclosures. Local population is sourced from Claritas. Claritas estimates are point in time and not meant to show year-over-year trends. GCP--Gross county product. PCPI--Per capita personal income. EBI--Effective buying income. OPEB--Other postemployment benefits. NPLs--Net pension liabilities.

Ratings List	
New Issue Ratings	
US$5.000 mil combination tax and rev certs of oblig ser 2026 dtd 9/1/2026 due 2/1/2046	
Long Term Rating	AA/Stable
Ratings Affirmed	
Local Government	
Kennedale, TX Limited Tax General Operating Pledge	AA/Stable
Kennedale, TX Limited Tax General Operating Pledge and Water and Sewer System Subordinate Lien	AA/Stable

The ratings appearing below the new issues represent an aggregation of debt issues (ASID) associated with related maturities. The maturities similarly reflect our opinion about the creditworthiness of the U.S. Public Finance obligor's legal pledge for payment of the financial obligation. Nevertheless, these maturities may have different credit ratings than the rating presented next to the ASID depending on whether or not additional legal pledge(s) support the specific maturity's payment obligation, such as credit enhancement, as a result of defeasance, or other factors.

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Kennedale, City of



Debt Model

Updated: September 15, 2026

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

Debt Model

City of Kennedale, Texas

Summary of Debt Outstanding

Updated: September 15, 2026

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		$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 Series 2024		$10,810,000 Comb Tax and Rev C/O Series 2024		$4,955,000 Comb Tax and Rev C/O Series 2026	
	Principal	Coupon	Principal	Coupon	Principal	Coupon	Principal	Coupon	Principal	Coupon	Principal	Coupon	Principal	Coupon	Principal	Coupon	Principal	Coupon	Principal	Coupon
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%	$ 100,000	6.000%
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%	100,000	6.000%
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%	165,000	6.000%
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%	175,000	6.000%
2031	-		-		-		-		165,000	1.22%	320,000	1.50%	790,000	5.000%	125,000	5.00%	450,000	5.000%	185,000	6.000%
2032	-		-		-		-		-		280,000	1.50%	830,000	5.000%	130,000	5.00%	470,000	5.000%	195,000	6.000%
2033	-		-		-		-		-		285,000	1.50%	875,000	5.000%	135,000	5.00%	495,000	5.000%	210,000	6.000%
2034	-		-		-		-		-		290,000	1.75%	915,000	5.000%	145,000	5.00%	520,000	4.000%	220,000	6.000%
2035	-		-		-		-		-		295,000	2.00%	965,000	5.000%	150,000	4.00%	540,000	4.000%	235,000	5.000%
2036	-		-		-		-		-		300,000	2.00%	1,015,000	5.000%	155,000	4.00%	560,000	4.000%	245,000	5.000%
2037	-		-		-		-		-		305,000	2.00%	1,060,000	4.000%	165,000	4.00%	585,000	4.000%	260,000	5.000%
2038	-		-		-		-		-		310,000	2.00%	1,105,000	4.000%	170,000	4.00%	605,000	4.000%	270,000	4.000%
2039	-		-		-		-		-		315,000	2.00%	1,145,000	4.000%	175,000	4.00%	630,000	4.000%	280,000	4.000%
2040	-		-		-		-		-		325,000	2.00%	1,200,000	4.125%	185,000	4.00%	660,000	4.000%	290,000	4.000%
2041	-		-		-		-		-		325,000	2.00%	1,245,000	4.000%	190,000	4.00%	685,000	4.000%	305,000	4.000%
2042	-		-		-		-		-		-		1,295,000	4.000%	200,000	4.125%	715,000	4.000%	315,000	4.000%
2043	-		-		-		-		-		-		1,355,000	4.125%	205,000	4.125%	740,000	4.000%	330,000	4.125%
2044	-		-		-		-		-		-		-		215,000	4.125%	770,000	4.125%	340,000	4.125%
2045	-		-		-		-		-		-		-		-		-		360,000	4.250%
2046	-		-		-		-		-		-		-		-		-		375,000	4.250%
Total	$ 210,000		$ 105,000		$ 640,000		$ 530,000		$ 795,000		$ 4,520,000		$ 16,385,000		$ 2,775,000		$ 10,005,000		$ 4,955,000	
Call Option	Any Date + Prepayment		Any Date + Prepayment		Not Callable		Not Callable		Callable Anytime		Callable 2/1/2030		Callable 2/1/2032		Callable 2/1/2033		Callable 2/1/2033		Callable 2/1/2035	
Dated Date	2/1/2007		5/1/2007		9/15/2016		2/1/2020		12/30/2020		9/15/2021		8/1/2023		8/1/2024		8/1/2024		9/1/2026	
Coupon Dates	2/15 and 8/15		5/1 and 11/1		2/15 and 8/15		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		2/1 and 8/1	
Maturity Dates	2/15		5/1		2/15		2/15		2/1		$44,958		$44,958		$45,323		2/1		2/1	
Insurer	None		None		None		None		None		None		None		AG Bond Insurance		AG Bond Insurance		None	
Paying Agent	Bank of America		Bank of America		First Ntnl Bank of Texas		JPMorgan Chase Bank		Alliance Bank		BOKF		BOKF		BOKF		BOKF		R. W. Baird & Co.	
Purpose	New Money		New Money		Refunding		Refunding		Refunding		Streets, Fire Truck and Ambulance		Streets and Utility System		Parks		Streets and Public Safety		Public Satety Vehicles, Utility System Improvements, Street Repair, Parks	
Source of Repayment	100% Utility Fund		100% Sales Tax		26.61% Dick Price & 73.39% 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		100% General Fund	

City of Kennedale, Texas

Debt Model

Updated: September 15, 2026

General Fund Supported Debt

Fiscal Year Ending 9/30	GO Refunding Series 2016	GO Refunding Series 2020A	CO's Series 2021	CO's Series 2023	GO's Series 2024	CO's Series 2024	CO's Series 2026	Total General Fund Debt
2027	$ 323,637	$ 163,754	$ 378,150	$ 181,000	$ 218,925	$ 786,988	$ 312,669	$ 2,365,122
2028	327,909	161,863	376,950	181,625	218,800	788,238	326,275	2,381,659
2029	-	159,972	380,250	182,475	218,425	788,488	383,325	2,112,934
2030	-	168,020	378,050	183,075	217,800	787,738	383,125	2,117,807
2031	-	166,007	379,450	182,950	221,800	790,863	382,325	2,123,394
2032	-	-	334,950	182,575	220,425	787,863	380,925	1,906,738
2033	-	-	335,713	181,950	218,800	788,738	383,775	1,908,975
2034	-	-	336,038	181,075	221,800	790,963	380,875	1,910,750
2035	-	-	335,550	184,825	220,175	789,763	383,400	1,913,713
2036	-	-	334,600	183,200	219,075	787,763	381,400	1,906,038
2037	-	-	333,550	182,025	222,675	789,863	383,775	1,911,888
2038	-	-	332,400	181,325	220,975	786,063	381,875	1,902,638
2039	-	-	331,150	180,425	219,075	786,363	380,875	1,897,888
2040	-	-	334,750	184,125	221,875	790,563	379,475	1,910,788
2041	-	-	328,250	182,525	219,375	788,663	382,575	1,901,388
2042	-	-	-	180,825	221,450	790,663	380,175	1,573,113
2043	-	-	-	183,713	218,097	786,563	382,069	1,570,441
2044	-	-	-	-	219,434	785,881	378,250	1,383,566
2045	-	-	-	-	-	-	383,588	383,588
2046	-	-	-	-	-	-	382,969	382,969
Totals	$ 651,546	$ 819,614	$ 5,229,800	$ 3,099,713	$ 3,958,981	$ 14,192,019	$ 7,513,719	$ 35,465,390

Utility Fund Supported Debt

Fiscal Year Ending 9/30	CO's Series 2007	CO's Series 2023	Total Utility System Debt
2027	$ 214,305	$ 974,319	$ 1,188,624
2028	-	1,195,694	1,195,694
2029	-	1,198,319	1,198,319
2030	-	1,194,569	1,194,569
2031	-	1,196,194	1,196,194
2032	-	1,196,069	1,196,069
2033	-	1,199,069	1,199,069
2034	-	1,195,194	1,195,194
2035	-	1,194,444	1,194,444
2036	-	1,196,569	1,196,569
2037	-	1,196,169	1,196,169
2038	-	1,198,569	1,198,569
2039	-	1,194,469	1,194,469
2040	-	1,198,119	1,198,119
2041	-	1,195,069	1,195,069
2042	-	1,195,969	1,195,969
2043	-	1,199,234	1,199,234
2044	-	-	-
2045	-	-	-
2046	-	-	-
Totals	$ 214,305	$ 20,118,035	$20,332,340

EDC Supported Debt

Fiscal Year Ending 9/30	S T Rev Bonds Series 2007	GO Refunding Series 2020	Total EDC Debt
2027	$ 112,298	$ 138,975	$ 251,272
2028	-	136,466	136,466
2029	-	138,908	138,908
2030	-	136,303	136,303
Totals	$ 112,298	$ 550,651	$ 662,949

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

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/15/2027	210,000	4.100%	4,305	214,305	
09/30/2027					214,305
	210,000		4,305	214,305	214,305

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

Period Ending	*Principal*	*Coupon*	*Interest*	*Debt Service*	*Annual Debt Service*
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
	105,000		7,297.50	112,297.50	112,297.50

BOND DEBT SERVICE

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

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
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
	640,000		11,545.50	651,545.50	651,545.50

BOND DEBT SERVICE

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

Period Ending	*Principal*	*Coupon*	*Interest*	*Debt Service*	*Annual Debt Service*
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
	530,000		20,651.00	550,651.00	550,651.00

BOND DEBT SERVICE

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

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
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
	795,000		24,613.50	819,613.50	819,613.50

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

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
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
	4,520,000		709,800.00	5,229,800.00	5,229,800.00

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

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
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
	16,385,000		6,832,747.04	23,217,747.04	23,217,747.04

DETAILED BOND DEBT SERVICE

City of Kennedale, Texas
$17,065,000 Combination Tax and Revenue Certificates of Obligation, Series 2023

General Fund

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
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
	2,195,000		904,712.50	3,099,712.50	3,099,712.50

DETAILED BOND DEBT SERVICE

City of Kennedale, Texas
$17,065,000 Combination Tax and Revenue Certificates of Obligation, Series 2023

Utility Fund

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
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
	14,190,000		5,928,034.54	20,118,034.54	20,118,034.54

BOND DEBT SERVICE

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

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
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
	2,775,000		1,183,981.26	3,958,981.26	3,958,981.26

BOND DEBT SERVICE

City of Kennedale, Texas
$4,955,000 Combination Tax and Revenue Certificates of Obligation, Series 2026
Callable 2/1/2035 at Par

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/01/2027	100,000	6.000%	98,031.25	198,031.25	
08/01/2027			114,637.50	114,637.50	
09/30/2027					312,668.75
02/01/2028	100,000	6.000%	114,637.50	214,637.50	
08/01/2028			111,637.50	111,637.50	
09/30/2028					326,275.00
02/01/2029	165,000	6.000%	111,637.50	276,637.50	
08/01/2029			106,687.50	106,687.50	
09/30/2029					383,325.00
02/01/2030	175,000	6.000%	106,687.50	281,687.50	
08/01/2030			101,437.50	101,437.50	
09/30/2030					383,125.00
02/01/2031	185,000	6.000%	101,437.50	286,437.50	
08/01/2031			95,887.50	95,887.50	
09/30/2031					382,325.00
02/01/2032	195,000	6.000%	95,887.50	290,887.50	
08/01/2032			90,037.50	90,037.50	
09/30/2032					380,925.00
02/01/2033	210,000	6.000%	90,037.50	300,037.50	
08/01/2033			83,737.50	83,737.50	
09/30/2033					383,775.00
02/01/2034	220,000	6.000%	83,737.50	303,737.50	
08/01/2034			77,137.50	77,137.50	
09/30/2034					380,875.00
02/01/2035	235,000	5.000%	77,137.50	312,137.50	
08/01/2035			71,262.50	71,262.50	
09/30/2035					383,400.00
02/01/2036	245,000	5.000%	71,262.50	316,262.50	
08/01/2036			65,137.50	65,137.50	
09/30/2036					381,400.00
02/01/2037	260,000	5.000%	65,137.50	325,137.50	
08/01/2037			58,637.50	58,637.50	
09/30/2037					383,775.00
02/01/2038	270,000	4.000%	58,637.50	328,637.50	
08/01/2038			53,237.50	53,237.50	
09/30/2038					381,875.00
02/01/2039	280,000	4.000%	53,237.50	333,237.50	
08/01/2039			47,637.50	47,637.50	
09/30/2039					380,875.00
02/01/2040	290,000	4.000%	47,637.50	337,637.50	
08/01/2040			41,837.50	41,837.50	
09/30/2040					379,475.00
02/01/2041	305,000	4.000%	41,837.50	346,837.50	
08/01/2041			35,737.50	35,737.50	
09/30/2041					382,575.00
02/01/2042	315,000	4.000%	35,737.50	350,737.50	
08/01/2042			29,437.50	29,437.50	
09/30/2042					380,175.00
02/01/2043	330,000	4.125%	29,437.50	359,437.50	
08/01/2043			22,631.25	22,631.25	
09/30/2043					382,068.75
02/01/2044	340,000	4.125%	22,631.25	362,631.25	
08/01/2044			15,618.75	15,618.75	
09/30/2044					378,250.00
02/01/2045	360,000	4.250%	15,618.75	375,618.75	
08/01/2045			7,968.75	7,968.75	
09/30/2045					383,587.50
02/01/2046	375,000	4.250%	7,968.75	382,968.75	
09/30/2046					382,968.75
	4,955,000		2,558,718.75	7,513,718.75	7,513,718.75

RESOLUTION NO. 628

A RESOLUTION ADOPTING AN AMENDED CITY OF KENNEDALE FINANCIAL MANAGEMENT POLICY

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

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

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

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

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

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

APPROVED:

Mayor Jan Joplin

ATTEST:

City Secretary Raeanne Byington

CITY OF KENNEDALE SEAL TARRANT COUNTY, TEXAS

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

KENNEDALE
Finance Department

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 RESPONSIBLITIES

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. ADMINSTRATION

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

RESOLUTION NO. 627

A RESOLUTION ADOPTING AN AMENDED CITY OF KENNEDALE FUND BALANCE POLICY

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

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

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

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

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

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

APPROVED:

Mayor Jan Joplin

ATTEST:

City Secretary Raeanne Byington

CITY OF KENNEDALE ★ TARRANT COUNTY, TEXAS ★

CITY OF KENNEDALE

KENNEDALE
Finance Department

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

KENNEDALE
Finance Department

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 stared 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

KENNEDALE
Finance Department

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

KENNEDALE
Finance Department

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 tils and/or cash boxes will count their money and store in a secure place (preferably a safe). Departments not utilizing tils 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 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
AUGUST 18, 2026

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 <u>not</u> 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

- BV Private Wealth LP
  Tyson Eubanks
  801 Cherry Street, Suite 2250
  Fort Worth, TX 76102

CITY OF KENNEDALE

KENNEDALE
Finance Department

PROCUREMENT CARD PROGRAM POLICY

ORIGINALLY ADOPTED BY CITY COUNCIL: JANUARY 24, 2003

PREFACE

The Procurement Card Program Policy aids in establishing a more efficient, cost-effective method of purchasing and paying for small dollar transactions, as well as high volume, repetitive purchases. The Procurement Card Program is as an alternative to the traditional purchasing process (departmental purchase orders) for supplies, materials and travel. Furthermore, the Procurement Card can be used with any supplier that accepts MasterCard as a form of payment.

If used to its potential, the Procurement Card Program will result in a significant reduction in the volume of purchase orders and related documentation, including invoices and checks. In addition, corresponding work processes associated with ordering and check writing will be eliminated.

SUBSEQUENT REVIEW & ADOPTION

JUNE 10, 2010
NOVEMBER 17, 2011
OCTOBER 3, 2012
OCTOBER 1, 2013
OCTOBER 13, 2014
OCTOBER 19, 2015
OCTOBER 17, 2016
JUNE 18, 2018

I. PURPOSE

The Procurement Card Program (herein referred to as the "Program") is intended to streamline and simplify the Purchasing and Accounts Payable functions by eliminating waste and low value activities. The Procurement Card (herein referred to as the "Card") is a tool that reduces transaction costs, facilitates timely acquisition of materials and supplies, automates data flow for accounting purposes and offers flexible controls to help ensure proper usage.

The Program is designed as an alternative to a variety of processes including petty cash, check requests and low dollar purchase orders. It is not intended to avoid or bypass appropriate procurement of payment procedures. Rather, the Program complements the existing processes available. The Card is a MasterCard credit card that is issued by JP Morgan Chase. The City may switch vendor's at any point if it is beneficial to the City. Some minimal record keeping is essential to ensure the successful use of the Card. This is not an extraordinary requirement; standard payment policies require retention of receipts, etc.

This Procurement Card Program Policy provides information about the process, the types of purchases that can and cannot be made, records that must be maintained and reconciled for each cycle, and a variety of other program information.

Every time the Card is utilized, city funds are committed. Therefore, this is a responsibility that should not be taken lightly. **Each cardholder is responsible for all charges made to his/her specific card, and any intentional misuse or fraudulent abuse may result in disciplinary action, up to and including dismissal**.

The Card has no impact on personal credit. Although the Card lists an individual's name, the card is actually issued to the City of Kennedale.

II. DEFINITIONS

For the purpose of this policy the following definitions apply:

A. Program Administrator – Individual who has a direct relationship with the Bank and is the City's point of control for the Program, monitors all usage of the card, and is the point of contact for any cardholder questions or problems. All procurement card requests, issues and cancellations must go through the Program Administrator. The Program Administrator and his/her designated assistant are knowledgeable on all the procedures in the Procurement Card Program Policy and are responsible for ensuring all cardholders are properly trained in the use of the Card before it is issued. The Program Administrator will also report to the City Manager any Cardholder infractions or potential infractions. **For the purposes of this program, the Director of Finance will serve as the Program Administrator, with the Accounting Technician acting as the designated backup until such time that the City Manager chooses to designate differently.** The Director of Finance is responsible for developing written guidelines on accounting, cash handling, and other financial matters in relation to the Program.

B. Approver – The Department Head or his/her designee is responsible for designating cardholders and approvers. The Department Head shall designate which employees will be issued a card, and with the guidance of the Finance Department, determine what transaction and merchant limits shall apply to the Card's use. The Department Head ensures that purchases are authorized and within City policies. Departments may implement more stringent internal authorization procedures that its cardholders must follow in order to make purchases with the Card. In addition, activity reports are available for additional review by the Department Head if so requested.

C. Cardholder - Individual who has been issued the Card and who is authorized to make purchases in accordance with these procedures.

D. Single Purchase/Transaction Limit - A dollar limitation of purchasing authority delegated to a Cardholder, which represents the maximum amount that can be charged to the Card for a single purchase or transaction. This dollar limit may vary from Cardholder to Cardholder.

E. Cycle/Monthly Limit - A dollar amount limitation of purchasing authority delegated to a Cardholder, which represents the maximum amount that can be charged to the Card during a period of one calendar month. This dollar limit may vary from Cardholder to Cardholder.

F. Vendor - A company from which a Cardholder is purchasing materials and/or equipment or services under the provisions of this procedure. Also referred to as supplier, merchant, etc.

III. PROCEDURES

A. Obtaining The Card - Only full/part-time employees of the City of Kennedale are eligible to receive the Card. Contractors or temporary employees are **not** eligible, unless authorized by the City Manager.

1) Department Head must request the Card via the *Procurement Card Enrollment Form (Appendix A).*

2) If needed, the Department Head may consult with the Program Administrator to determine appropriate transaction limits.

3) The Program Administrator will request the issue of the Card from JPMorgan Chase or applicable vendor.

4) Upon receipt of the Card, the Program Administrator will conduct Cardholder training, and upon completion, the Cardholder will sign the *Procurement Cardholder Acknowledgement Form (Appendix B)*.

5) The new cardholder will also be instructed as to where he/she can find the Procurement Card Program Policy and Purchasing Policy for reference purposes.

B. Activating The Card - The Cardholder must call (800) 316-6056 or applicable phone number to activate the Card before using it.

C. Authorized Use Of The Card - The Cardholder is responsible for the security of their Card, and the transactions made against it. When a Cardholder receives his/her Card, only that Cardholder is authorized to use that card. The Cardholder may make transactions on behalf of others in their Department. However, the Cardholder is responsible for all use of his/her Card. **At no time should the Cardholder loan or let other individuals utilize his/her card**.

1) The Card is to be used in the conduct of the City's business only. The use of the Card to acquire or purchase goods and services for other than official use of the City is fraudulent use and may subject the employee to disciplinary action, up to and including dismissal as specified in the City's Personnel Policy and/or criminal prosecution.

2) The total value of a transaction shall not exceed a Cardholder's single purchase limit.

3) The Cardholder will retain vendor's receipts and/or records of telephone, Internet, and/or mail orders and file for future reconciliation of the Card statement.

D. Unauthorized Use Of The Card - The credit card shall **not** be utilized for any of the following:

1) Personal identification or purchases, to include the payment of spouse/family expenses incurred while traveling. Only City business expenses are allowable, and the Cardholder should pay personal expenses separately.

2) A purchase that exceeds the Cardholder's single and/or monthly purchase limits;

3) Cash refunds and advances;

a. When an item is returned, the vendor shall issue the Cardholder a credit, which should appear on a subsequent statement. **Under no circumstances should the Cardholder accept cash in lieu of a credit to the credit card account. However, should cash be received, a Cardholder must return it to**

the City. Otherwise, the City is authorized to deduct any applicable charges from the payroll of the employee if not otherwise reimbursed.

4) Any purchase of goods/services or at a merchant type not considered prudent or of good judgment;

5) Fuel and/or maintenance purchases on any **personal** vehicles whether for city purpose or not (city owned vehicles are authorized);

6) Alcohol or liquor of any kind;

7) Separate, sequential, and component purchases or any transaction made with the intent to circumvent the City's Purchasing Policy or state law;

8) Any other purchase specifically excluded in the City's Purchasing Policy.

E. Cardholder Revocation - The Card is subject to revocation at any time at the discretion of the Department Head. The Program Administrator, if not the Director of Finance, may also recommend to the Director of Finance and Department Head that the Card be revoked upon indication of any violation of the Procurement Card Program Policy. When a Card is revoked, changes are made on-line and take effect immediately. The Program Administrator is further authorized to temporarily suspend use of the Card via electronic methods if unauthorized use is discovered and such use poses a threat to internal financial controls.

F. Cardholder Separation – Prior to separation from the City of Kennedale, the Cardholder shall surrender the Card and all current credit card receipts and documentation to his/her Approver. Upon receipt, the Approver will follow the steps outlined under Section VI: Cardholder Statement Review & Payment Submission, and then forward the Card to the Program Administrator to be destroyed.

IV. CARDHOLDER LIMITS

As part of a Cardholder's application, the Department Head will identify which levels of transaction and cycle spending limits best accommodates the department and City's business requirements. **Suggested levels** for limits are outlined below; however, selection may vary based on particular need or function.

Position	Single Transaction Limit	Monthly Cycle Limit
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 reconcilement, 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.

Position	Single Transaction Limit	Monthly Cycle Limit
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 LOST/STOLEN/FRAUD NOTIFICATION FORM

(Appendix C)

Cardholder's Name: _____

Card Number: _____

Card Was (Please Check One):

_____ Lost
_____ Stolen
_____ Other (Describe): _____

Describe How Card Was Lost/Stolen: _____

_____

_____

_____

Was Police Report Filed (Circle): Yes or No

If Yes: Department: _____

Report Number: _____

Credit Card Company Notified: Date: _____

Time: _____

Cardholder's Signature: _____ Date: _____

Finance Director's 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

KENNEDALE
Finance Department

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
DECEMBER 16, 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.

F. When federal funds are involved, all procurement of goods and services will comply with federal procurement and contract requirements outlined in 2 CFR 200.318 – 200.327. These procurement requirements must and will be followed for reimbursement from grant allocations originating from the federal government.

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	▪ Department Director	▪ Department Director ▪ City Manager	▪ City Manager ▪ City Council
PURCHASE ORDER	▪ Not Required ▪ Only If Vendor Needs	▪ Not Required ▪ Only If Vendor Needs	▪ Not Required ▪ Only If Vendor Needs
LEGAL REQUIREMENT	▪ N/A	▪ Three (3) Quotes ▪ Two (2) Of Three (3) Quotes Must Be HUB Vendors In Tarrant County ▪ If HUB(s) not listed, City Is Exempt	▪ Competitive Bid (if over $100,000) Or ▪ Competitive Proposal (if over $100,000)
EXEMPT FROM LEGAL REQUIREMENT	▪ N/A	▪ Cooperative Programs Purchases ▪ Sole Source Purchases ▪ Emergency Purchases ▪ Professional Service Purchase	▪ 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)	▪ Pay Request ▪ Invoice (Not Quote) ▪ Applicable Receipts ▪ Backup Documents	▪ Pay Request ▪ Invoice (Not Quote) ▪ Applicable Receipts ▪ Backup Documents	▪ Pay Request ▪ Invoice (Not Quote) ▪ Applicable Receipts ▪ Backup Documents
PAYMENT TERMS	▪ TX Prompt Payment Act (No Later 30 Days)	▪ TX Prompt Payment Act (No Later 30 Days)	▪ 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/tpasscmblsearch/tpasscmblsearch.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

RESOLUTION NO. 626

A RESOLUTION ADOPTING AN AMENDED CITY OF KENNEDALE UNCLAIMED PROPERTY POLICY

WHEREAS, on November 17, 2011, City Council adopted the document entitled, "Unclaimed Property Policy," a framework to guide the City of Kennedale in the required annual review of its records and reporting of all tangible and intangible property presumed abandoned that is held or is owed in the ordinary course of Kennedale's business and remained unclaimed by the owner for more than a specified period of time after it became payable or distributable; and

WHEREAS, the City of Kennedale recognizes its responsibility to make a good faith effort to determine the whereabouts of the owner of property, and also recognizes that there are limits to what can be done to locate the rightful owner of property; and

WHEREAS, the City Council has reviewed the City's Unclaimed Property Policy.

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

The City Council of the City of Kennedale, Texas hereby approves the amended Unclaimed Property Policy dated December 19, 2023 attached hereto as "Exhibit A."

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

APPROVED:

Jan Joplin

Mayor Jan Joplin

ATTEST:

Raeanne Byington

City Secretary Raeanne Byington

CITY OF KENNEDALE

KENNEDALE
Finance Department

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 Equivalents (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.