



TOWN OF TROPHY CLUB

TOWN COUNCIL MEETING

1 Trophy Wood Drive
Trophy Club, Texas 76262
*This agenda was amended to include
language regarding video conferencing in
accordance with Section 551.127 of the
Texas Government Code.*

AGENDA

AMENDED

July 14, 2025

7:00 PM

Council Chambers

CALL TO ORDER AND ANNOUNCE A QUORUM

INVOCATION led by Pastor Barry Clingan, The Church at Trophy Lakes

PLEDGES led by Council Member

Pledge of Allegiance to the American Flag

Pledge of Allegiance to the Texas Flag

PUBLIC COMMENT(S)

This is an opportunity for citizens to address the Council on any matter pursuant to Texas Government Code 551.007. The Council is not permitted to discuss or take action on any presentations made concerning matters that are not listed on the agenda. Presentations are limited to matters over which the Council has authority. Speakers have up to three (3) minutes or the time limit determined by the Presiding Officer. Each speaker is requested to complete the Speaker's Form prior to speaking or may email mayorandcouncil@trophyclub.org

COMMUNITY SPOTLIGHT

1. Working for You... Trophy Club
 - a) Update from Town Council Members
 - b) Update from Town Manager (Brandon Wright, Town Manager)
 - c) Quick Civic Tip (Dean Roggia, Town Attorney)

CONSENT AGENDA

This part of the agenda consists of non-controversial, or "housekeeping" items required by law. Items may be removed from Consent by any council member by making such request prior to a motion and vote.

2. Consider approval of the June 18, 2025, Town Council/TC MUD#1 Joint Work Session meeting minutes. (Tammy Dixon, Town Secretary)
3. Consider approval of the June 23, 2025, Town Council regular meeting minutes. (Tammy Dixon, Town Secretary)
4. Consider authorizing the Town Manager to negotiate and execute an amendment to the Interlocal Cooperation Agreement for Administration of Fire Protection Services with the Trophy Club Municipal Utility District No. 1 (District). (Brandon Wright, Town Manager)

INDIVIDUAL ITEMS

5. Consider a resolution casting the Town of Trophy Club's vote appointing a candidate to the Denco Area 9-1-1 District Board of Managers. (Tammy Dixon, Town Secretary)
6. Consider an ordinance amending Chapter 1, Article 1.05 Code of Ethics and Conduct of the Town's Code of Ordinances as recommended by the Ethics Review Commission. (Brandon Wright, Town Manager)

EXECUTIVE SESSION

Pursuant to the following designated sections of the Texas Government Code, Annotated, Chapter 551 (Texas Open Meetings Act), the Town Council will recess into executive session to discuss the following:

7. Section 551.074 Personnel Matters to deliberate the employment, evaluation, and/or duties of a public officer or employee:
 - a) Town Manager
 - b) Town Attorney
 - c) Town Secretary

RECONVENE INTO REGULAR SESSION

ADJOURN

The Town Council may convene into executive session to discuss posted items as allowed by Texas Government Code Sections 551.071 through 551.076 and Section 551.087.

I do hereby certify that the Notice of Meeting was posted on the bulletin board at the Town Hall for the Town of Trophy Club, Texas, in a place convenient and readily accessible to the general public at all times on the following date and time: July 8, 2025, at 2:15 p.m., and said Notice of Meeting was also posted concurrently on the Town's website in accordance with Texas Government Code Ch. 551 at least 72 hours prior to the scheduled time of said meeting.

Tammy Dixon, Town Secretary

In accordance with section 551.127 of the Texas Government Code (Open Meeting Act) this meeting will be an in-person meeting with either a member of Town Council, staff, or consultant, participating by video conference. The public meeting location will be Trophy Club Town Hall, 1 Trophy Wood Drive, Texas. The Mayor, as presiding officer of Town Council, and a quorum of the Town Council will be physically present at this location. The location where the Mayor is physically present shall be open to the public during the open portions of the meeting.

If you plan to attend this public meeting and have a disability that requires special needs, please contact the Town Secretary's Office at 6822372900, 48 hours in advance, and reasonable accommodations will be made to assist you.



TOWN COUNCIL COMMUNICATION

MEETING DATE: July 14, 2025

FROM: Tammy Dixon, Town Secretary

AGENDA ITEM: Consider approval of the June 18, 2025, Town Council/TC MUD#1 Joint Work Session meeting minutes. (Tammy Dixon, Town Secretary)

BACKGROUND/SUMMARY: A joint meeting between the Town Council and the Trophy Club Municipal Utility District #1 was held on June 18, 2025.

BOARD REVIEW/CITIZEN FEEDBACK: N/A

FISCAL IMPACT: N/A

LEGAL REVIEW: N/A

ATTACHMENTS:

1. 06.18.2025 Joint TC TCMUD#1 meeting minutes

ACTIONS/OPTIONS:

Move to approve of the June 18, 2025, Town Council/TC MUD#1 Joint Work Session meeting minutes.

Town of Trophy Club
Town Council
Joint Special Meeting with Trophy Club Municipal Utility District #1 Board
Meeting Minutes – June 18, 2025, 4:00 p.m.
EOC Room, 1 Trophy Wood Drive, Trophy Club, Texas 76262

CALL TO ORDER

Mayor Tiffany called the special meeting to order at 4:00 p.m.

COUNCIL MEMBERS PRESENT

Jeannette Tiffany, Mayor
Rhylan Rowe, Mayor Pro Tem
Jeff Beach, Council Member Place 2
Garry Ash, Council Member Place 5
Steve Flynn, Council Member Place 6

COUNCIL MEMBERS ABSENT

Stacey Bauer, Council Member Place 1
Dennis Sheridan, Council Member Place 3

TROPHY CLUB STAFF MEMBERS PRESENT

Brandon Wright, Town Manager
Tammy Dixon, Town Secretary
Dean Roggia, Town Attorney
Jason Wise, Fire Chief
April Duvall, Director of Finance
Denise Deprato, Director of Human Resources
Matt Cox, Director of Community Development
Ken Rawlinson, Deputy Fire Chief/Fire Marshal

TROPHY CLUB MUNICIPAL WATER DISTRICT #1 BOARD MEMBERS PRESENT

Kevin Carr, President
Bill Rose, Vice President
Doug Harper, Secretary/Treasurer
Neil Twomey

TROPHY CLUB MUNICIPAL WATER DISTRICT #1 STAFF MEMBERS PRESENT

Alan Fourmentin, General Manager
Laurie Slaght, District Secretary
Regina Van Dyke, Finance Manager
Pam Liston, General Legal Counsel

PUBLIC COMMENTS

There were none.

ITEMS

1. Discussion and take possible action regarding the Fire Protection Services Fiscal Year 2026 Budget.

April Duvall, Director of Finance, presented a detailed breakdown of the proposed FY 2025-2026 Fire Department Budget. Personnel costs were projected at \$1,635,967, reflecting a 2.04% increase. Services and supplies were budgeted at \$337,747. The total proposed budget was \$2,191,714, an overall increase of 12.7% primarily due to \$218,000 in capital expenditures.

Jason Wise, Fire Chief, provided an operational overview focusing on overtime trends and the part-time firefighter program. He explained historical overtime figures, noted ongoing staffing challenges, and emphasized the cost-effectiveness and benefits of part-time personnel. The Department expanded the part-time roster from 8–10 to 16 firefighters, resulting in improved coverage and reduction of mandatory overtime. Chief Wise also discussed strategies for reducing overtime, including policy changes, employee recognition, training enhancements, and maintenance efficiencies.

Capital requests included:

- Mobile radios (\$39,000)
- Thermal imagers (\$12,000)
- Mattresses (\$7,500)
- Multi-gas detector (\$6,000)
- Dumpster enclosure (\$45,000)
- Station lighting upgrades (\$27,000)
- Interior painting (\$35,000)
- Carpet replacement (\$20,000)
- Plumbing repair (\$9,500)
- HVAC replacement (\$26,700)

Additional discussion included maintenance practices, equipment lifecycle, budget monitoring, and gear replacement planning. During the presentation, District Board members posed several questions - some of which were addressed during the meeting - while others will be followed up on by Chief Wise.

No formal action was taken.

2. Discussion and take possible action regarding the Interlocal Cooperation Agreement for Administration of Fire Protection Services.

Town Manager Brandon Wright provided background and an overview of the existing Interlocal Agreement (ILA) between the Town and the District.

Mr. Wright outlined several concerns with the current agreement that included the absence of dedicated funding for fire equipment replacement, a lack of adherence to a

formal capital improvement plan, and uncertainty about how services would be funded once existing fire reserves are depleted.

To address these concerns, Mr. Wright proposed a two-phased approach. In the short term, move forward with the amended ILA to remove outdated references to the Public Improvement District (PID) and update language to reflect the District's new boundaries. This amended version has already been approved by the District and will be presented to the Town Council for consideration.

For the long term, Mr. Wright recommended a more comprehensive revision of the ILA to be implemented in FY 2027 which would mirror the existing agreement for water services, in which the District levies its maximum tax rate and transfers funds annually to the Town. Under this structure, the Town would assume full responsibility for all fire operations, equipment, and capital expenditures. This would eliminate the need for dual approvals of budgets or equipment purchases and provide clearer lines of responsibility.

Alternative options discussed included transferring all fire and EMS services to the District, or maintaining the current structure with added provisions for capital replacement planning and clearer financial obligations.

The Council and Board members discussed the structural options, financial considerations, and the importance of cooperative planning. It was agreed that long-term amendments would be developed through a collaborative process beginning in fall 2025. Staff will initiate review and drafting of proposed changes, which will then be discussed by subcommittees from both the District and the Town Council. Final recommendations will be presented to each governing body, with the goal of finalizing decisions by May–June 2026 for implementation in the FY 2027 budget cycle.

ADJOURNMENT

Mayor Tiffany adjourned the special meeting at 5:45 p.m.

Jeannette Tiffany, Mayor

Attest:

Tammy Dixon, Town Secretary



TOWN COUNCIL COMMUNICATION

MEETING DATE: July 14, 2025

FROM: Tammy Dixon, Town Secretary

AGENDA ITEM: Consider approval of the June 23, 2025, Town Council regular meeting minutes. (Tammy Dixon, Town Secretary)

BACKGROUND/SUMMARY: The Town Council held a regular meeting on June 23, 2025.

BOARD REVIEW/CITIZEN FEEDBACK: N/A

FISCAL IMPACT: N/A

LEGAL REVIEW: N/A

ATTACHMENTS:

1. 06.23.2025 TC meeting minutes

ACTIONS/OPTIONS:

Move to approve the June 23, 2025, Town Council regular meeting minutes.

Town of Trophy Club Town Council
Meeting Minutes – June 23, 2025, 7:00 p.m.
1 Trophy Wood Drive, Trophy Club, Texas 76262

CALL TO ORDER

Mayor Tiffany, assisted by Mayor of the Day Olive Rocha-Tran, called the regular meeting to order at 7:00 p.m.

COUNCIL MEMBERS PRESENT

Jeannette Tiffany, Mayor
Rhylan Rowe, Mayor Pro Tem
Jeff Beach, Council Member Place 2
Dennis Sheridan, Council Member Place 3
Garry Ash, Council Member Place 5
Steve Flynn, Council Member Place 6

COUNCIL MEMBERS ABSENT

Stacey Bauer, Council Member Place 1

STAFF MEMBERS PRESENT

Brandon Wright, Town Manager
Tammy Dixon, Town Secretary
Dean Roggia, Town Attorney
Jason Wise, Fire Chief
Matt Cox, Director of Community Development
Maidson Seil, Recreation Superintendent
Jill Lind, Director of Communications and Marketing
April Duvall, Director of Finance
Tamara Smith, Assistant to the Town Manager

PLEDGES

Council Member Ash led the Pledge of Allegiance to the American and Texas Flags.

PROCLAMATION – MAYOR FOR THE DAY

Mayor Tiffany presented Olive Rocha-Tran with a Proclamation proclaiming June 23, 2025, Olive Rocha-Tran Mayor of the Day.

PUBLIC COMMENTS

Danny Mayer, 2201 Prestwick Ave, spoke regarding concerns about Council Member Stacy Bauer's recent indictment and her continued service on the Council.

Jared King, 106 Panorama Court spoke in support of comments made by Danny Mayer regarding Council Member Stacy Bauer.

COMMUNITY SPOTLIGHT

1. Proclamation – Parks and Recreation Month

Madison Seil, Recreation Superintendent, provided an overview of July as Parks and Recreation Month, highlighting planned community events and the national theme, “Build Together, Play Together.”

Mayor Pro Tem Rowe read aloud the Proclamation.

2. Working for You... Trophy Club

a) Update from Town Council Members

Council Member Sheridan provided an update on his participation in the U.S. Highway 377 Texas Corridor Study, noting no significant impact anticipated for Trophy Club.

Mayor Tiffany shared a message from Tiffany Nimphius, Chair of the Trophy Club Stars and Stripes program, noting that flag inventory is sufficient for 2025, with donations needed in 2026. Flag pickup is scheduled for July 1, and volunteer opportunities remain available. Mayor Tiffany encouraged continued community participation in maintaining this patriotic tradition.

Council Members shared supportive remarks about the Stars and Stripes flag program, highlighting their own participation, community involvement, and volunteer efforts across neighborhoods.

b) Update from Town Manager (Brandon Wright, Town Manager)

Town Manager Wright announced the Annual Fourth of July Celebration will begin with the Patriot 5K & Fun Run at 7:00 a.m. at Beck Elementary, followed by the Parade of Patriots at 10:00 a.m. from Medlin Middle School. The day will end with a Fireworks Celebration at 6:00 p.m. at Independence Park.

He invited residents to join the upcoming Family Day Out event at Harmony Park on Friday, July 12, from 10:00 a.m. to 1:00 p.m. The event will feature games, activities, and snow cones for the whole family to enjoy.

He announced upcoming board and commission meetings and encouraged residents to attend and participate in community discussions. The meetings include:

- June 26: Trophy Club Council for Arts and Culture at 6:00 p.m.
- June 26: Economic Development Corporation (EDC) at 7:00 p.m.

- July 9: Crime Control and Prevention District (CCPD) at 6:00 p.m.
- July 10: Economic Development Corporation (EDC) at 6:00 p.m.
- July 10: Planning and Zoning Commission (P&Z) at 7:00 p.m.

c) Quick Civic Tip (Dean Roggia, Town Attorney)

Dean Roggia, spoke in reference to the authority of Town Council to establish and appoint members to boards, commissions, and corporations as outlined in the Town Charter, state law, and the Town's ordinances.

CONSENT AGENDA

4. Consider approval of the May 27, 2025 Town Council work session and regular meeting minutes. (Tammy Dixon, Town Secretary)
5. Consider accepting the First Quarter Investment Report for Fiscal Year 2025. (April Duvall, Director of Finance)
6. Consider accepting the Second Quarter Investment Report for Fiscal Year 2025. (April Duvall, Director of Finance)
7. Consider authorizing the Town Manager to negotiate and execute a 39-month contract with Nextiva for phone services at Town facilities, for an annual amount not to exceed \$25,000. (April Duvall, Director of Finance)

Council Member Sheridan moved to approve Consent Items 4-7. Council Member Beach seconded the motion.

VOTE ON MOTION

AYES: Beach, Rowe Tiffany, Sheridan, Ash, Flynn

NAYES: None

ABSENT: Bauer

VOTE: 6/0/1

INDIVIDUAL ITEMS

8. Consider a resolution authorizing the notice of intent to issue Combination Tax and Revenue Certificates of Obligation, Series 2025 and authorizing SAMCO, Bond Counsel and Town officials to proceed with the issuance process for the Certificates. (April Duvall, Director of Finance)

April Duvall, Director of Finance, provided an overview of the proposed issuance of Certificates of Obligation (Series 2025) to fund capital improvement projects and presented the Notice of Intent to issue debt, which begins the required public notice process without authorizing issuance at this time.

Jack McLiney, with SAMOC Capitol, presented an overview of the projected tax impact of the proposed debt issuance, confirming the structure remains within the Town's I&S tax rate goal and reiterating that no debt is being assumed at this stage.

The Council discussed the proposed debt issuance, expressing support for the strategic, phased approach to capital financing and appreciation for the staff's efforts in limiting scope and structuring debt responsibly. The Council also acknowledged current and upcoming infrastructure projects and addressed potential impacts of future legislative changes on bond capabilities.

Council Member Beach moved to approve Resolution No. 2025-09 authorizing the notice of intent to issue Combination Tax and Revenue Certificates of Obligation, Series 2025 and authorizing SAMCO, Bond Counsel and Town officials to proceed with the issuance process for the Certificates. Mayor Pro Tem Rowe seconded the motion. The caption of the resolution reads as follows:

RESOLUTION 2025-09

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF TROPHY CLUB, TEXAS, AUTHORIZING PUBLICATION OF NOTICE OF INTENTION TO ISSUE CERTIFICATES OF OBLIGATION; APPROVING THE PREPARATION OF A PRELIMINARY OFFICIAL STATEMENT AND A NOTICE OF SALE; AND PROVIDING FOR THE EFFECTIVE DATE THEREOF.

VOTE ON MOTION

AYES: Beach, Rowe Tiffany, Sheridan, Ash, Flynn
NAYES: None
ABSENT: Bauer
VOTE: 6/0/1

9. Discuss and consider directing staff regarding the membership of the Tax Increment Reinvestment Zone (TIRZ) Board. (Brandon Wright, Town Manager)

Town Manager Wright provided an overview of the TIRZ (Tax Increment Reinvestment Zone) Board structure and potential alignment with either Town Council or the Economic Development Corporation (EDC). The Council discussed options and expressed general support for transitioning the TIRZ Board to be composed of the Economic Development Corporation Members, noting efficiency and alignment with ongoing economic development efforts.

Council Member Beach moved to direct staff to prepare a proposal for restructuring the TIRZ Board membership to consist of the same members as the Economic Development Corporation (EDC). Council Member Flynn seconded the motion.

VOTE ON MOTION

AYES: Beach, Rowe Tiffany, Ash, Flynn
NAYES: Sheridan
ABSENT: Bauer
VOTE: 5/1/1

10. Discuss and consider directing staff to initiate a text amendment to Zoning Ordinance Section 14.02.405(j) Waiting Period. (Brandon Wright, Town Manager)

Town Manager Wright introduced the item requested by Council Member Sheridan, with support from Council Member Flynn, regarding the one-year waiting period following a denial by the Zoning Board of Adjustment (ZBA).

Council Member Sheridan explained his concern that the current timeline may be burdensome for residents unfamiliar with zoning procedures and proposed shortening the waiting period to allow for quicker reapplication.

Council discussed the matter and expressed general support for reviewing the policy. Staff advised that any changes would be routed through the Planning & Zoning Commission for recommendation, including public hearings.

Council Member Sheridan moved to direct staff to initiate a text amendment to Zoning Ordinance Section 14.02.405(j) Waiting Period. Mayor Pro Tem Rowe seconded the motion.

VOTE ON MOTION

AYES: Beach, Rowe Tiffany, Sheridan, Ash, Flynn
NAYES: None
ABSENT: Bauer
VOTE: 6/0/1

11. Consider designating three council members to serve on the Appointments Committee. (Brandon Wright, Town Manager)

Mayor Tiffany moved to appoint Council Members Beach and Ash, along with herself, to serve on the Appointments Committee. Council Member Flynn seconded the motion.

VOTE ON MOTION

AYES: Beach, Rowe Tiffany, Sheridan, Ash, Flynn
NAYES: None
ABSENT: Bauer
VOTE: 6/0/1

12. Consider designating three council members to serve on the Budget Oversight Committee. (Brandon Wright, Town Manager)

Mayor Tiffany moved to appoint Mayor Pro Tem Rowe and Council Members Sheridan and Flynn to serve on the Appointments Committee. Council Member Beach seconded the motion.

VOTE ON MOTION

AYES: Beach, Rowe Tiffany, Sheridan, Ash, Flynn

NAYES: None

ABSENT: Bauer

VOTE: 6/0/1

13. Consider designating two council members to serve on the Municipal Utility District No. 1 Coordination Committee. (Brandon Wright, Town Manager)

Mayor Tiffany moved to appoint Mayor Pro Tem Rowe and Council Members Beach and Ash to serve on the Municipal Utility District No. 1 Coordination Committee. Council Member Flynn seconded the motion.

VOTE ON MOTION

AYES: Beach, Rowe Tiffany, Sheridan, Ash, Flynn

NAYES: None

ABSENT: Bauer

VOTE: 6/0/1

ADJOURNMENT

Mayor Tiffany adjourned the regular meeting at 7:52 p.m.

Jeannette Tiffany, Mayor

Attest:

Tammy Dixon, Town Secretary



TOWN COUNCIL COMMUNICATION

MEETING DATE: July 14, 2025

FROM: Brandon Wright, Town Manager

AGENDA ITEM: Consider authorizing the Town Manager to negotiate and execute an amendment to the Interlocal Cooperation Agreement for Administration of Fire Protection Services with the Trophy Club Municipal Utility District No. 1 (District). (Brandon Wright, Town Manager)

BACKGROUND/SUMMARY: The Town and District have collaborated for several years on fire and emergency medical services (EMS) through an interlocal agreement. In April 2024, a joint ad hoc group met to discuss the potential for expanding the District's boundaries to include all of Trophy Club to more efficiently and effectively deliver services to residents. In October 2024, the Town and District approved resolutions supporting the boundary expansion, which were officially filed in December 2024. The expansion of District boundaries simplifies the collection of fire taxes from Trophy Club residents by giving the District taxing authority for all Trophy Club residents. Previous to the boundary expansion, Trophy Club residents who lived outside District boundaries were charged a public improvement district (PID) assessment for fire services instead of the fire tax.

With the new District fire taxing authority in place, the interlocal agreement between the Town and District can be amended to remove references to the collection of a PID assessment. The updated interlocal agreement removes references to the PID assessment and incorporates changes to Section C Payment to match an amendment that was previously approved in 2024.

BOARD REVIEW/CITIZEN FEEDBACK: N/A

FISCAL IMPACT: There is no financial impact associated with this agenda item.

LEGAL REVIEW: Town Attorney, Dean Roggia, has reviewed the interlocal agreement as to form and legality.

ATTACHMENTS:

1. Redlined ILA
2. Clean Version ILA

ACTIONS/OPTIONS:

Staff recommends that the Town Council move to authorize the Town Manager to negotiate and execute an amendment to the Interlocal Cooperation Agreement for Administration of Fire Protection Services with the Trophy Club Municipal Utility District No. 1.

INTERLOCAL COOPERATION AGREEMENT
FOR ADMINISTRATION OF FIRE PROTECTION SERVICES (20252023)

THIS AGREEMENT is made and entered into as of the Effective Date, by and between **Trophy Club Municipal Utility District No. 1**, a district created pursuant to Section 59, Article XVI, Texas Constitution and the Texas Water Code, Chapter 54, hereinafter referred to as “**District**”, and the **Town of Trophy Club**, a home rule municipal corporation, hereinafter referred to as “**Town**”.

W I T N E S S E T H:

WHEREAS, District is a duly organized political subdivision of the State of Texas engaged in the administration of fire protection and related services for the benefit of those persons residing, traveling within, or being physically located within the boundaries of District, which boundaries include, without limitation, portions of the incorporated and unincorporated limits of the Town of Trophy Club, Texas; and

WHEREAS, District and Town are parties ~~to the that entered into an Interlocal Cooperation Agreement for Administration of Fire Protection Services on October 1st, 2023 existing Interlocal Cooperation Agreement for Administration of Fire Protection Services that expires on September 30th, 2023 (the “Prior ILA”),~~ which was amended by the parties on October 1st, 2024 (collectively the “Prior ILA”) and which set forth certain terms and conditions of the parties relating to Fire Protection Services (as hereinafter defined) to residents of District and Town, including to residents of the Trophy Club Public Improvement District No. 1 (hereinafter also referred to as the “**PID**”); and

WHEREAS, the PID has been ~~consolidated~~incorporated into the boundaries of the District; and

~~**WHEREAS**, the PID is not located within the boundaries of the District and is not a party to this Agreement; and~~

~~**WHEREAS**, Town, whose council also serves as the board of directors for the PID, anticipates receiving payment, if any, from the PID to pay part of the Fire Protection Services through the collection of special assessments levied under Texas Local Gov’t Code Ch. 372 (the “PID Act”); and~~

WHEREAS, the provision of Fire Protection Services is a governmental function that serves and benefits the public health, safety, and welfare of Town, District, and the general public, promotes efficiency and effectiveness of local governments, and is of mutual concern to the contracting parties; and

WHEREAS, District is individually authorized to perform Fire Protection Services pursuant to Section 49.351 of the Texas Water Code, and Town is individually authorized to perform Fire Protection Services pursuant to its police powers and the parties desire

to enter into this Agreement regarding the performance of Fire Protection Services; and

WHEREAS, the Interlocal Cooperation Act, Texas Government Code, Chapter 791, et seq., as amended (the “**Act**”) provides authority for governmental entities of the State of Texas to enter into interlocal agreements with each other regarding governmental functions and services as set forth in the Act; and

WHEREAS, Town and District have determined it necessary and appropriate to enter into this Agreement for the administration of Fire Protection Services, which supersedes the Prior ILA for Fire Protection Services.

NOW, THEREFORE, District and Town, for and in consideration of the recitals set forth above and terms and conditions below, agree as follows:

I.

Incorporation and Term

1.1 Incorporation of Recitals: The foregoing recitals are agreed upon and incorporated herein as a part of this Agreement.

1.2 Term: This Agreement shall remain in full force and effect for a period of one (1) year from the Effective Date, and shall automatically renew each year thereafter for four (4) additional one (1) year renewal periods, unless written notice of nonrenewal is given no later than ninety (90) days prior to the expiration of the applicable one (1) year renewal period, or unless terminated in accordance with **Section X**.

II.

Definitions

2.1 As used herein, the words and phrases hereinafter set forth shall have the meanings as follows:

- A. “Effective Date”** shall mean October 1, ~~2025~~2023.
- B. “Eligible Persons”** shall mean those persons residing, traveling within, or being physically located within the corporate boundaries of the Town of Trophy Club, Texas and/or District, including without limitation both incorporated and unincorporated areas, and shall also include those persons residing, traveling within, or being physically located within the corporate boundaries of another political subdivision of the State of Texas with whom Town and/or District have an automatic or mutual aid agreement to provide fire protection services and those persons located within the fire district as designated by Denton County or Tarrant County and accepted by Town and/or District.
- C. “Emergency Medical Services”** shall mean any and all of the customary and usual activities of trained paramedics providing emergency health care services.

- D. **“Fire Protection Services”** shall mean any and all of the customary and usual activities of a fire department, including fire suppression, fire prevention, training, safety education, maintenance, communications, photography, administration, fire-fighting activities, “fire-fighting services” as defined in Texas Water Code Ch. 49, and all other related fire functions.
- E. **“Maximum Annual Payment Amount”** means the maximum total payment that may be made by District to Town each year to pay District’s proportionate share of funding for the cost of Fire Protection Services in accordance with this Agreement and the Act. The Maximum Annual Payment Amount shall be the amount of revenues available to District from the levy of a fire tax without triggering the Voter Approval Tax Rate. District shall not be contractually obligated to levy, or collect, a tax to pay the Maximum Annual Payment Amount to Town in any fiscal year beyond the then current fiscal year; however, District shall be contractually obligated to fund its proportionate share of the cost of Fire Protection Services in accordance with this Agreement and the Act, and in all cases, the maximum annual payment obligation of District to Town under this Agreement shall be limited to the final Approved Budget by the Board of Directors of District and the Town Council of Town, or any amendment to the Approved Budget by the Board of Directors of District and the Town Council of Town.
- F. **“Voter Approval Tax Rate”** shall have the meaning set forth in Section 49.23602(a)(4) of the Texas Water Code.

III.

Budget and Funding

3.1 Budget and Funding Matters:

- A. **Budget Preparation:** The parties agree to the following schedule of events for purposes of preparation of an annual budget for funding Fire Protection Services:
- i. Town shall prepare a preliminary draft budget for Fire Protection Services and furnish that draft budget to District on or before June 1st of each year. The preliminary draft budget shall specify all projected revenues and expenses relating to Fire Protection Services for the next fiscal year and shall separately identify the expenses for which District is responsible for payment in accordance with the funding provisions of this Agreement.
 - ii. District shall provide initial comments and requested modifications to the preliminary draft budget to Town on or before June 30th of each year.
 - iii. After receipt of preliminary appraised value information from Denton and Tarrant Counties, but no later than June 30th of each year, District will provide to Town a preliminary estimate of the Maximum Annual Payment Amount.

iv. Within seven (7) days after receipt of certified appraised value information from Denton and Tarrant Counties, District will provide to Town the Maximum Annual Payment Amount. To the extent District is aware of any obligations or circumstances that would prevent District from funding the Maximum Annual Payment Amount, District shall furnish such information and the best estimate of available funding to be incorporated into the preliminary draft budget for Fire Protection Services.

v. Representatives of Town and District shall cooperate in good faith to revise and finalize a preliminary draft budget for Fire Protection Services for subsequent consideration by the governing bodies of Town and District to adopt the final approved budget for Fire Protection Services (the "Approved Budget").

vi. The governing bodies of Town and District may, but shall not be obligated to, meet before August 1st of each year (or such other date approved by the parties) to discuss the preliminary draft budget.

vii. Each party shall adopt a fiscal year budget in accordance with their respective statutory obligations. Notwithstanding Sections 3.1.B.ii. and 3.1.B.iv., the Approved Budget may not allocate to District an annual payment obligation that exceeds the Maximum Annual Payment Amount as furnished by District to Town based on final certified appraised values in District, or that includes any costs for which Town is responsible for payment under this Agreement.

~~In order to facilitate the emergency services assessment for the PID pursuant to the annual Service and Assessment Plan ("SAP"), District shall provide information to Town concerning outstanding District debt, lease, and reserves related to Fire Protection Services as reasonably requested by Town.~~

viii. The Parties agree that any amendments to the Approved Budget must be made using the same process described herein, and no amendment to the Approved Budget may be made unless each party's respective governing bodies agree and approve such amendment.

B. Funding Obligations: District and Town shall share the funding of costs associated with Fire Protection Services provided to Eligible Persons as defined herein, pursuant to the Approved Budget and in accordance with the terms of this Agreement; and, under no circumstance shall District's share of funding costs during any fiscal year exceed the Maximum Annual Payment Amount or the budgeted expenses approved by District, unless approved in writing by District. Such funding shall be accomplished in accordance with the following terms and conditions:

i. District shall continue to pay all debt service for debt previously incurred by District for Fire Protection Services for as long as the debt remains outstanding.

ii. District shall **fund 50% of all budgeted and amended budgeted costs of personnel** providing Fire Protection Services to Eligible Persons.

iii. Town shall **fund the remaining 50% of all budgeted and amended budgeted costs of personnel** providing Fire Protection Services to Eligible Persons. During the term of this Agreement, Town will not increase the number of current personnel providing Fire Protection Services to Eligible Persons, unless otherwise required by law, and District shall not be responsible for Town's increase, if any, in the number of current personnel providing Fire Protection Services to Eligible Persons.

iv. District shall fund **100% of budgeted and amended budgeted costs of services and supplies** associated with Fire Protection Services.

~~In recognition that Fire Protection Services shall be provided to persons and properties located within Town and the PID, but not within District, the Town, acting through the PID, may levy and collect an annual assessment on and collect from the owners of real property and taxable improvements thereon located within the PID, but not within District, in accordance with the PID Act, as amended. Such assessment may be considered for adoption by Town Council, after recommendation by the PID, through the approval of the **SAP** for the PID. If the PID fails to levy an annual assessment, or fails to levy an annual assessment that would produce revenues equal to the revenues that would be generated based on the fire tax rate of District, the Parties agree that District is not obligated to provide Fire Protection Services within the PID and the Parties shall prepare a new annual budget for funding of Fire Protection Services in accordance with the provisions in Section 3.1.A. If the annual assessment collected by the PID is less than amount included in the Approved Budget, Town agrees to work in good faith with the PID to collect unpaid annual assessments.~~

v. Town shall pay for all Town imposed expenditures associated with Fire Protection Services that are not part of the Approved Budget, unless District pre-approves the expenditure in writing. By way of example, if Town approves salary increases or purchases equipment for Fire Protection Services (without District approval) outside of the Approved Budget, Town shall be solely responsible for funding such costs.

vi. District agrees in good faith to communicate to Town the intent to use District's operating reserve funds not part of the Approved Budget that would reduce the District's operating reserve fund balance below twenty-five percent (25%).

vii. District agrees to communicate the intent to create new debt related to Fire Protection Services allowing Town the option to fund the expenditure prior to the debt being issued.

viii. By the 10th of each month the Town shall provide to District a report on the Approved Budget that compares budgeted costs to actual costs and explains the reasons for any differences between budgeted and actual costs.

- C. **Payment:** Payments from District for the purpose of Fire Protection Services shall be paid to the Town on a ~~bi-annual~~monthly basis by the end of February and September. The ~~bi-annual~~monthly payments shall constitute the entirety of the Approved Budget for District's payment ~~to be paid divided by twelve (12) months, minus total PID assessments actually collected~~ for Fire Protection Services, beginning on October 1st and concluding on September 30th of each fiscal year of the term of this Agreement. Payments will become past due fifteen (15) business days after the invoice is received by the District.

It is the intent of District that the sole source of revenues for payment of District's funding obligations under this Agreement be District's fire tax; however, in the event the fire tax received by District is insufficient to pay District's funding obligations under this Agreement, District may use other available funding sources. Under no circumstances shall District be obligated to pay an amount to Town during a fiscal year that exceeds the Maximum Annual Payment Amount or the amount of the Approved Budget for Fire Protection Services approved by Board of Directors of District, except as otherwise provided in this Agreement.

3.2 Audit, Revenues and Expenses:

- A. **Annual Audit and Revenues:** Town shall conduct an annual audit at its sole cost by an independent auditor that identifies the actual fiscal year expenses and revenues for Fire Protection Services. The annual audit shall be furnished to District on or prior to May 1st of the subsequent year. By May 1st of each year, Town shall also identify and furnish to District a listing of all revenues, if any, related to Fire Protection Services (whether or not budgeted) for the prior year.
- B. **Expense Detail:** Town shall furnish to District evidence of all expenses and costs relating to Fire Protection Services funded by District (in whole or in part) within fifteen (15) days after receipt of a request from District.
- C. **Reconciliation Payment:** Overpayment. Any overpayment by District for a fiscal year period as informed by the annual audit conducted pursuant to Section 3.2 (A) and other documentation shall be reimbursed by Town within thirty (30) days after receipt of a written invoice for payment from District.

Underpayment. Any underpayment by District for a fiscal year period as informed by the annual audit conducted pursuant to Section 3.2 (A) and other documentation shall be paid to Town within thirty (30) days after receipt of a written invoice for payment from Town.

IV.

Operational Obligations and Rights of the Parties

- 4.1 **District and Town Obligations and Rights:** District and Town shall perform all of their respective duties and obligations as herein stated and shall devote sufficient time

and attention to the execution of such duties in full compliance with the terms and conditions of this Agreement.

4.2 Town Obligations and Rights:

- A.** Upon the Effective Date of this Agreement, Town shall be responsible for providing Fire Protection Services to Eligible Persons, including but not limited to assuming full responsibility for the operational control and management of Fire Protection Services. Town's responsibilities hereunder shall include, without limitation, the control, and management of all personnel as more specifically set forth in **Section VI** and all policy and personnel matters related to and arising out of providing Fire Protection Services and the obligations specifically assumed hereunder.
- B.** Town, acting through its Town Manager or designees, shall oversee the daily operations of Fire Protection Services.
- C.** The officers and employees of Town shall perform all duties and responsibilities necessary to render Fire Protection Services to all Eligible Persons.
- D.** It shall be the responsibility and duty of Town, its officers and employees, within the sole discretion of such officers and employees, to determine priorities in the dispatching and use of such equipment and personnel to perform Fire Protection Services under this Agreement.
- E.** Town shall have the authority to enter into automatic and mutual aid agreements on behalf of District and Town to provide Fire Protection Services as deemed appropriate by Town.
- F.** Town shall perform all of its duties and obligations as herein stated and shall devote sufficient time and attention to the execution of such duties provided on behalf of District in full compliance with the terms and conditions of this Agreement and shall provide immediate and direct supervision of employees, agents, contractors, sub-contractors and/or laborers, if any, in the furtherance of the purposes, terms and conditions of this Agreement for the mutual benefit of Town and District.
- G.** District may hire Fire Auditors of their choice to review physical Fire Department assets and operator practices on an annual basis for benefit of District and Town. All auditors' fees for such audits (excluding fiscal year financing audits) will be paid by the District.
- H.** The Town shall provide the District timely notice of any accident, damage, dangerous or defective condition relating to District assets under this Agreement.

V. Assets

5.1 Ownership: Prior to the commencement of this Agreement, all assets owned or directly purchased by District utilized for Fire Protection Services shall remain the property of District. This Agreement does not affect right, title, or interest to such property. All assets owned or directly purchased by Town utilized for Fire Protection Services shall remain the property of Town. This Agreement does not affect right, title, or interest to such property.

5.2 Ownership Upon Termination: Upon termination of this Agreement, each party shall retain ownership of assets purchased with its respective funds unless both Town and District elect to negotiate terms to transfer ownership to the other party.

VI. Employee Supervision and Organization

6.1 Control and Oversight: Town shall have control and oversight over Fire Protection Services and control and oversight over Emergency Medical Services. Town shall have exclusive authority to establish Standard Operating Procedures for Fire Protection Services and Emergency Medical Services (hereinafter collectively referred to as “SOPs”).

6.2 Benefits and Human Resources Services: In accordance with Town personnel policies, Town shall provide benefits and human resources services to all eligible employees providing Fire Protection Services. District shall provide funding as set forth in this Agreement. The parties understand and agree that on and after the Effective Date of this Agreement, all employees providing Fire Protection Services shall be Town employees and shall be solely subject to Town personnel policies and SOPs.

VII. Consideration

The parties agree that sufficient consideration for this Agreement exists and is found in the payments made pursuant to **Section III** of this Agreement and in the cross promises set forth above and other good and valuable consideration. District’s agreement to fund Fire Protection Services as provided in **Section III** above in exchange for Town’s agreement to oversee and manage Fire Protection Services for Eligible Persons as provided in **Section IV** above, shall serve as sufficient consideration under this Agreement. In accordance with the Act, each party hereto paying for the performance of governmental functions or services shall make such payments from current revenues legally available to the paying party. Each party further agrees that it is fairly compensated for the services or functions performed under the terms of this Agreement.

VIII. Negligence of Parties/Insurance

8.1 Town Negligence/Insurance: Without waiving any governmental immunity of Town, Town shall be responsible for its sole negligence and Town agrees to and accepts

full responsibility for the acts, negligence, and/or omissions of all Town's officers, employees, and agents acting under its direction. Town shall provide liability insurance to cover the acts and omissions of Town, its officers, employees, and agents performing obligations under this Agreement, including but not limited to all personnel providing Fire Protection Services. Town shall maintain general liability insurance to cover Town owned or leased assets.

8.2 District Negligence/Insurance: Without waiving any governmental immunity of District, District shall be responsible for its sole negligence and District agrees to and accepts full responsibility for the acts, negligence, and/or omissions of all District's officers, employees, and agents acting under its direction. District shall maintain general liability insurance to cover District owned or leased assets. District shall provide liability insurance to cover the acts and omissions of District, its officers, employees, and agents performing obligations under this Agreement.

8.3 Texas Government Code Section 791.006: The assignment of liability under this Agreement is made pursuant to Section 791.006 of the Texas Government Code, as amended, and the assignment of liability under this Agreement is intended to be different than liability otherwise assigned under Section 791.006(a) of the Texas Government Code.

IX. Immunity

The fact that Town and District accept certain responsibilities relating to the rendering of Fire Protection Services under this Agreement as part of their responsibility for providing protection for the public health makes it imperative that the performance of these vital services be recognized as a governmental function and that the doctrine of governmental immunity shall be, and it is hereby, invoked to the extent possible under the law. Neither Town nor District waives any immunity or defense that would otherwise be available to it against claims arising from the exercise of governmental powers and functions.

X. Default and Termination

In the event that either party hereto breaches any term or condition of this Agreement, this Agreement may be terminated by the aggrieved party if such default is not cured within a period of one hundred eighty (180) days after receipt of written notice of default by the party allegedly in breach of its obligations hereunder. At the option of the aggrieved party, if such default is not cured within the one hundred eighty (180) day period, this Agreement shall immediately terminate without further notice, unless an extension is mutually agreed and approved by both Town and District.

XI. Entire Agreement

This Agreement represents the entire and integrated agreement between Town and District and supersedes all prior negotiations, representations, and/or agreements, either written or oral, including the Prior ILA. This Agreement may be amended only by written instrument signed by both parties.

XII. Venue

The laws of the State of Texas shall govern this Agreement and each of its terms and provisions, including but not limited to the rights and duties of the parties hereto, without regard for conflict of laws principles, and exclusive venue shall be in state district court in Denton County, Texas.

XIII. Severability

In the event that any portion of this Agreement shall be found to be contrary to law, it is the intent of the parties hereto that the remaining portions shall remain valid and in full force and effect to the extent possible.

XIV. Non-Waiver

All rights, remedies, and privileges permitted or available to either party under this Agreement or at law or equity shall be cumulative and not alternative, and election of any such right, remedy, or privilege shall not constitute a waiver or exclusive election of rights, remedies or privileges with respect to any other permitted or available right, remedy or privilege. Additionally, one instance of forbearance by either party in the enforcement of any such right, remedy or privilege against the other party, shall not constitute a waiver of such right, remedy or privilege by the forbearing party. A default by either party under this Agreement shall not result in a forfeiture of any rights, remedies, or privileges under this Agreement by such defaulting party.

XV. Annual District Financial Audit

Town shall provide any documents requested by auditors of District no later than November 30th of each year.

XVI. Annual Appropriations

Under no circumstances shall the obligations of the parties hereunder be deemed or construed to create any debt within the meaning of any constitutional or statutory provision, or to unlawfully approve the expenditure of funding beyond the applicable fiscal

year; provided, however, without abrogating any police or legislative powers of the respective parties, the parties agree during the term of this Agreement to make a good faith effort to appropriate funds necessary to pay for governmental functions and services under this Agreement as authorized by Texas law.

[The remainder of this page intentionally left blank.]

Signature Authority

The undersigned officer and/or agents of the parties hereto are the properly authorized officials and have the necessary authority to execute this Agreement on behalf of the parties hereto and each party hereby certifies to the other that any necessary resolutions extending such authority have been duly passed and are now in full force and effect.

EXECUTED in duplicate originals. The effective date of this Agreement shall be

_____, 2025~~2023~~.

TOWN OF TROPHY CLUB, TEXAS

By:

~~Jeannette Tiffany~~Brandon Wright

Title: ~~Mayor~~Town Manager

Date: _____

ATTEST:

By:

Name: Tammy Dixon

Title: Town Secretary ~~/RMO~~

TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1

By:

Name: Kevin R. Carr

Title: President

Date: _____

ATTEST:

By:

Name: Doug J Harper

Title: Secretary/Treasurer

ACKNOWLEDGEMENTS

STATE OF TEXAS §
 §
COUNTY OF DENTON §
COUNTY OF TARRANT §

This instrument was acknowledged before me on the _____ day of _____, ~~2025~~2023 by ~~Jeannette Tiffany~~Brandon Wright, ~~Mayer Town~~Manager of the **TOWN OF TROPHY CLUB, TEXAS**, a home rule municipal corporation, on behalf of such corporation

Notary Public in and for the State of
Texas

STATE OF TEXAS §
 §
COUNTY OF DENTON §
COUNTY OF TARRANT §

This instrument was acknowledged before me on the _____ day of _____, ~~2025~~2023 by Kevin R. Carr, **President** of the **TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1**, a conservation and reclamation district of the State of Texas, on behalf of said district.

Notary Public in and for the State of
Texas

INTERLOCAL COOPERATION AGREEMENT
FOR ADMINISTRATION OF FIRE PROTECTION SERVICES (2025)

THIS AGREEMENT is made and entered into as of the Effective Date, by and between **Trophy Club Municipal Utility District No. 1**, a district created pursuant to Section 59, Article XVI, Texas Constitution and the Texas Water Code, Chapter 54, hereinafter referred to as “**District**”, and the **Town of Trophy Club**, a home rule municipal corporation, hereinafter referred to as “**Town**”.

W I T N E S S E T H:

WHEREAS, District is a duly organized political subdivision of the State of Texas engaged in the administration of fire protection and related services for the benefit of those persons residing, traveling within, or being physically located within the boundaries of District, which boundaries include, without limitation, portions of the incorporated and unincorporated limits of the Town of Trophy Club, Texas; and

WHEREAS, District and Town are parties that entered into an Interlocal Cooperation Agreement for Administration of Fire Protection Services on October 1st, 2023, which was amended by the parties on October 1st, 2024 (collectively the “Prior ILA”) and which set forth certain terms and conditions of the parties relating to Fire Protection Services (as hereinafter defined) to residents of District and Town, including to residents of the Trophy Club Public Improvement District No. 1 (hereinafter also referred to as the “PID”); and

WHEREAS, the PID has been consolidated into the boundaries of the District: and

WHEREAS, the provision of Fire Protection Services is a governmental function that serves and benefits the public health, safety, and welfare of Town, District, and the general public, promotes efficiency and effectiveness of local governments, and is of mutual concern to the contracting parties; and

WHEREAS, District is individually authorized to perform Fire Protection Services pursuant to Section 49.351 of the Texas Water Code, and Town is individually authorized to perform Fire Protection Services pursuant to its police powers and the parties desire to enter into this Agreement regarding the performance of Fire Protection Services; and

WHEREAS, the Interlocal Cooperation Act, Texas Government Code, Chapter 791, et seq., as amended (the “**Act**”) provides authority for governmental entities of the State of Texas to enter into interlocal agreements with each other regarding governmental functions and services as set forth in the Act; and

WHEREAS, Town and District have determined it necessary and appropriate to

enter into this Agreement for the administration of Fire Protection Services, which supersedes the Prior ILA for Fire Protection Services.

NOW, THEREFORE, District and Town, for and in consideration of the recitals set forth above and terms and conditions below, agree as follows:

I. Incorporation and Term

1.1 Incorporation of Recitals: The foregoing recitals are agreed upon and incorporated herein as a part of this Agreement.

1.2 Term: This Agreement shall remain in full force and effect for a period of one (1) year from the Effective Date, and shall automatically renew each year thereafter for four (4) additional one (1) year renewal periods, unless written notice of nonrenewal is given no later than ninety (90) days prior to the expiration of the applicable one (1) year renewal period, or unless terminated in accordance with **Section X**.

II. Definitions

2.1 As used herein, the words and phrases hereinafter set forth shall have the meanings as follows:

- A. “Effective Date”** shall mean October 1, 2025.
- B. “Eligible Persons”** shall mean those persons residing, traveling within, or being physically located within the corporate boundaries of the Town of Trophy Club, Texas and/or District, including without limitation both incorporated and unincorporated areas, and shall also include those persons residing, traveling within, or being physically located within the corporate boundaries of another political subdivision of the State of Texas with whom Town and/or District have an automatic or mutual aid agreement to provide fire protection services and those persons located within the fire district as designated by Denton County or Tarrant County and accepted by Town and/or District.
- C. “Emergency Medical Services”** shall mean any and all of the customary and usual activities of trained paramedics providing emergency health care services.
- D. “Fire Protection Services”** shall mean any and all of the customary and usual activities of a fire department, including fire suppression, fire prevention, training, safety education, maintenance, communications, photography, administration, fire-fighting activities, “fire-fighting services” as defined in Texas Water Code Ch. 49, and all other related fire functions.
- E. “Maximum Annual Payment Amount”** means the maximum total payment that

may be made by District to Town each year to pay District's proportionate share of funding for the cost of Fire Protection Services in accordance with this Agreement and the Act. The Maximum Annual Payment Amount shall be the amount of revenues available to District from the levy of a fire tax without triggering the Voter Approval Tax Rate. District shall not be contractually obligated to levy, or collect, a tax to pay the Maximum Annual Payment Amount to Town in any fiscal year beyond the then current fiscal year; however, District shall be contractually obligated to fund its proportionate share of the cost of Fire Protection Services in accordance with this Agreement and the Act, and in all cases, the maximum annual payment obligation of District to Town under this Agreement shall be limited to the final Approved Budget by the Board of Directors of District and the Town Council of Town, or any amendment to the Approved Budget by the Board of Directors of District and the Town Council of Town.

- F. **"Voter Approval Tax Rate"** shall have the meaning set forth in Section 49.23602(a)(4) of the Texas Water Code.

III. Budget and Funding

3.1 Budget and Funding Matters:

- A. **Budget Preparation:** The parties agree to the following schedule of events for purposes of preparation of an annual budget for funding Fire Protection Services:
- i. Town shall prepare a preliminary draft budget for Fire Protection Services and furnish that draft budget to District on or before June 1st of each year. The preliminary draft budget shall specify all projected revenues and expenses relating to Fire Protection Services for the next fiscal year and shall separately identify the expenses for which District is responsible for payment in accordance with the funding provisions of this Agreement.
 - ii. District shall provide initial comments and requested modifications to the preliminary draft budget to Town on or before June 30th of each year.
 - iii. After receipt of preliminary appraised value information from Denton and Tarrant Counties, but no later than June 30th of each year, District will provide to Town a preliminary estimate of the Maximum Annual Payment Amount.
 - iv. Within seven (7) days after receipt of certified appraised value information from Denton and Tarrant Counties, District will provide to Town the Maximum Annual Payment Amount. To the extent District is aware of any obligations or circumstances that would prevent District from funding the Maximum Annual Payment Amount, District shall furnish such information and the best estimate of available funding to be incorporated into the preliminary draft budget for Fire Protection Services.

v. Representatives of Town and District shall cooperate in good faith to revise and finalize a preliminary draft budget for Fire Protection Services for subsequent consideration by the governing bodies of Town and District to adopt the final approved budget for Fire Protection Services (the "Approved Budget").

vi. The governing bodies of Town and District may, but shall not be obligated to, meet before August 1st of each year (or such other date approved by the parties) to discuss the preliminary draft budget.

vii. Each party shall adopt a fiscal year budget in accordance with their respective statutory obligations. Notwithstanding Sections 3.1.B.ii. and 3.1.B.iv., the Approved Budget may not allocate to District an annual payment obligation that exceeds the Maximum Annual Payment Amount as furnished by District to Town based on final certified appraised values in District, or that includes any costs for which Town is responsible for payment under this Agreement.

viii. The Parties agree that any amendments to the Approved Budget must be made using the same process described herein, and no amendment to the Approved Budget may be made unless each party's respective governing bodies agree and approve such amendment.

B. Funding Obligations: District and Town shall share the funding of costs associated with Fire Protection Services provided to Eligible Persons as defined herein, pursuant to the Approved Budget and in accordance with the terms of this Agreement; and, under no circumstance shall District's share of funding costs during any fiscal year exceed the Maximum Annual Payment Amount or the budgeted expenses approved by District, unless approved in writing by District. Such funding shall be accomplished in accordance with the following terms and conditions:

i. District shall continue to pay all debt service for debt previously incurred by District for Fire Protection Services for as long as the debt remains outstanding.

ii. District shall **fund 50% of all budgeted and amended budgeted costs of personnel** providing Fire Protection Services to Eligible Persons.

iii. Town shall **fund the remaining 50% of all budgeted and amended budgeted costs of personnel** providing Fire Protection Services to Eligible Persons. During the term of this Agreement, Town will not increase the number of current personnel providing Fire Protection Services to Eligible Persons, unless otherwise required by law, and District shall not be responsible for Town's increase, if any, in the number of current personnel providing Fire Protection Services to Eligible Persons.

iv. District shall fund **100% of budgeted and amended budgeted costs of services and supplies** associated with Fire Protection Services.

v. Town shall pay for all Town imposed expenditures associated with Fire Protection Services that are not part of the Approved Budget, unless District pre-approves the expenditure in writing. By way of example, if Town approves salary increases or purchases equipment for Fire Protection Services (without District approval) outside of the Approved Budget, Town shall be solely responsible for funding such costs.

vi. District agrees in good faith to communicate to Town the intent to use District's operating reserve funds not part of the Approved Budget that would reduce the District's operating reserve fund balance below twenty-five percent (25%).

vii. District agrees to communicate the intent to create new debt related to Fire Protection Services allowing Town the option to fund the expenditure prior to the debt being issued.

viii. By the 10th of each month the Town shall provide to District a report on the Approved Budget that compares budgeted costs to actual costs and explains the reasons for any differences between budgeted and actual costs.

- C. Payment:** Payments from District for the purpose of Fire Protection Services shall be paid to the Town on a bi-annual basis by the end of February and September. The bi-annual payments shall constitute the entirety of the Approved Budget for District's payment to be paid for Fire Protection Services, beginning on October 1st and concluding on September 30th of each fiscal year of the term of this Agreement. Payments will become past due fifteen (15) business days after the invoice is received by the District.

It is the intent of District that the sole source of revenues for payment of District's funding obligations under this Agreement be District's fire tax.; however, in the event the fire tax received by District is insufficient to pay District's funding obligations under this Agreement, District may use other available funding sources. Under no circumstances shall District be obligated to pay an amount to Town during a fiscal year that exceeds the Maximum Annual Payment Amount or the amount of the Approved Budget for Fire Protection Services approved by Board of Directors of District, except as otherwise provided in this Agreement.

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- A. Annual Audit and Revenues:** Town shall conduct an annual audit at its sole cost by an independent auditor that identifies the actual fiscal year expenses and revenues for Fire Protection Services. The annual audit shall be furnished to District on or prior to May 1st of the subsequent year. By May 1st of each year, Town shall also identify and furnish to District a listing of all revenues, if any, related

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on behalf of District and Town to provide Fire Protection Services as deemed appropriate by Town.

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rendering of Fire Protection Services under this Agreement as part of their responsibility for providing protection for the public health makes it imperative that the performance of these vital services be recognized as a governmental function and that the doctrine of governmental immunity shall be, and it is hereby, invoked to the extent possible under the law. Neither Town nor District waives any immunity or defense that would otherwise be available to it against claims arising from the exercise of governmental powers and functions.

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All rights, remedies, and privileges permitted or available to either party under this

Agreement or at law or equity shall be cumulative and not alternative, and election of any such right, remedy, or privilege shall not constitute a waiver or exclusive election of rights, remedies or privileges with respect to any other permitted or available right, remedy or privilege. Additionally, one instance of forbearance by either party in the enforcement of any such right, remedy or privilege against the other party, shall not constitute a waiver of such right, remedy or privilege by the forbearing party. A default by either party under this Agreement shall not result in a forfeiture of any rights, remedies, or privileges under this Agreement by such defaulting party.

**XV.
Annual District Financial Audit**

Town shall provide any documents requested by auditors of District no later than November 30th of each year.

**XVI.
Annual Appropriations**

Under no circumstances shall the obligations of the parties hereunder be deemed or construed to create any debt within the meaning of any constitutional or statutory provision, or to unlawfully approve the expenditure of funding beyond the applicable fiscal year; provided, however, without abrogating any police or legislative powers of the respective parties, the parties agree during the term of this Agreement to make a good faith effort to appropriate funds necessary to pay for governmental functions and services under this Agreement as authorized by Texas law.

[The remainder of this page intentionally left blank.]

Signature Authority

The undersigned officer and/or agents of the parties hereto are the properly authorized officials and have the necessary authority to execute this Agreement on behalf of the parties hereto and each party hereby certifies to the other that any necessary resolutions extending such authority have been duly passed and are now in full force and effect.

EXECUTED in duplicate originals. The effective date of this Agreement shall be _____, 2025.

TOWN OF TROPHY CLUB, TEXAS

By:

Title: Brandon Wright
Town Manager
Date: _____

ATTEST:

By: _____
Name: Tammy Dixon
Title: Town Secretary

TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1

By:

Name: Kevin R. Carr
Title: President
Date: _____

ATTEST:

By: _____
Name: Doug J Harper
Title: Secretary/Treasurer

ACKNOWLEDGEMENTS

STATE OF TEXAS §
 §
COUNTY OF DENTON §
COUNTY OF TARRANT §

This instrument was acknowledged before me on the _____ day of _____, 2025 by Brandon Wright, **Town Manager** of the **TOWN OF TROPHY CLUB, TEXAS**, a home rule municipal corporation, on behalf of such corporation

Notary Public in and for the State of
Texas

STATE OF TEXAS §
 §
COUNTY OF DENTON §
COUNTY OF TARRANT §

This instrument was acknowledged before me on the _____ day of _____, 2025 by Kevin R. Carr, **President** of the **TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1**, a conservation and reclamation district of the State of Texas, on behalf of said district.

Notary Public in and for the State of
Texas



TOWN COUNCIL COMMUNICATION

MEETING DATE: July 14, 2025

FROM: Tammy Dixon, Town Secretary

AGENDA ITEM: Consider a resolution casting the Town of Trophy Club's vote appointing a candidate to the Denco Area 9-1-1 District Board of Managers. (Tammy Dixon, Town Secretary)

BACKGROUND/SUMMARY: Chapter 772, Texas Health and Safety Code, provides for the Denco Area 9-1-1 District Board of Managers to have “two members appointed jointly by all the participating municipalities located in whole or part of the district”. Each year, the term of one of the two members appointed by participating municipalities expires.

Denco Area 9-1-1 District is requesting each participating municipality vote for one of the nominees, with a deadline of July 31, 2025. John Smith, Jr. and Steve Southwell are the nominees. Sue Tejml has withdrawn from consideration due to mobility challenges and requests that her name be removed from the ballot.

BOARD REVIEW/CITIZEN FEEDBACK: N/A

FISCAL IMPACT: There is no financial impact associated with this agenda item.

LEGAL REVIEW: Town Attorney, Dean Roggia, has reviewed the draft resolution as to form and legality. The resolution will be finalized pending the Town Council's selection of one of the nominees.

ATTACHMENTS:

1. Resolution
2. Denco Area 9-1-1 District Board of Managers Voting Packet
3. Email John Smith

ACTIONS/OPTIONS:

Staff recommends that the Town Council move to approve the resolution casting the Town of Trophy Club's vote appointing either John Smith, Jr. or Steve Southwell to the Denco Area 9-1-1 District Board of Managers.

**TOWN OF TROPHY CLUB
RESOLUTION NO. 2025-XX**

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF TROPHY CLUB, TEXAS, CASTING THE TOWN OF TROPHY CLUB'S VOTE TO APPOINT A CANDIDATE AS A MEMBER OF THE BOARD OF MANAGERS OF THE Denco AREA 9-1-1 DISTRICT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Section 772, Health and Safety Code, provides that two voting members of the Board of Managers of an Emergency Communications District shall be appointed jointly by all cities and towns lying wholly or partly within the District; and

WHEREAS, the Denco Area 9-1-1 District requests that each municipality vote for one of the candidates and advise the district of its selection; and

WHEREAS, the Town Council finds that the passage of this resolution is in the best interest of the citizens of Trophy Club.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF TROPHY CLUB, TEXAS, THAT:

SECTION 1. The facts and recitals set forth in the preamble of this Resolution are hereby found to be true and correct and are incorporated into this resolution as if fully set forth herein.

SECTION 2. The Town of Trophy Club hereby VOTES TO APPOINT _____ as a member of the Board of Managers of the Denco Area 9-1-1 District for the two-year term beginning October 1, 2025.

SECTION 3. This Resolution shall take effect immediately upon its passage and approval.

PASSED and APPROVED by the Town Council of the Town of Trophy Club, Texas on this the 14th day of July 2025.

Jeannette Tiffany, Mayor

ATTEST:

Tammy Dixon, Town Secretary

APPROVED TO AS FORM:

Dean Roggia, Town Attorney



Denco Area 9-1-1 District

1075 Princeton Street ▪ Lewisville, TX 75067

Phone: 972-221-0911 ▪ Fax: 972-420-0709 ▪ Denco.ORG

TO: Denco Area 9-1-1 District Participating Municipal Jurisdictions
FROM: Greg Ballentine, Executive Director
DATE: June 2, 2025
RE: Appointment to the Denco Area 9-1-1 District Board of Managers

On April 1, 2025, the Denco Area 9-1-1 District requested municipalities to nominate a representative to the district board of managers for the two-year term beginning October 1, 2025. Denco received the following nominations by the May 30, 2025 deadline:

<u>Nominee</u>	<u>City/Town Making Nomination</u>
John Smith, Jr.	City of The Colony Town of Hickory Creek Town of Shady Shores
Steve Southwell	City of Lewisville
Sue Tejml	City of Oak Point Town of Copper Canyon

Sue Tejml has withdrawn from consideration due to mobility challenges and requests that her name be removed from the ballot.

The Denco Area 9-1-1 District requests that each municipality vote for either John Smith or Steve Southwell and advise the district of its selection by **5 p.m. on July 31, 2025**. No votes will be accepted after that time. If a nominating municipality does not formally vote, it's nomination will automatically count as a vote for its nominee. Please send a copy of the resolution recording council action. We have provided candidate resumes and a list of current Denco board members.

Please send a copy of your council's official action to the Denco Area 9-1-1 District, 1075 Princeton Street, Lewisville, TX 75067 or to Melinda Camp at melinda.camp@denco.org. We will acknowledge receipt of all votes.

Thank you for your assistance in this matter.

Contact

john.smith@hickorycreek-tx.gov

www.linkedin.com/in/jmsmithjr
(LinkedIn)

Top Skills

Strategic Planning

Proven Leadership

Community Partnership
Development

John M. Smith Jr

Town Manager | Executive Director of Economic Development Corporation
Hickory Creek, TX

Public Service Experience

Town of Hickory Creek

- Town Manager May 2015 - Present
- Executive Director of Economic Development Corporation May 2015 – Present
- Mayor 2006-2015
- Councilmember 2002-2006

Professional Experience

- Peterbilt Motors
- Home Interior and Gifts
- United Parcel Service

Certifications

- Certified Public Manager
- Code Enforcement Officer
- Stormwater Inspector

Community Involvement

- Lake Dallas Independent School District Educational Improvement Committee.
- North Central Texas Economic Development District Board.
- Boy Scouts of America – Eagle Scout

Education

Dallas Baptist University, Bachelor of Science

Steve Southwell

Principal Consultant | Civic Leader | U.S. Marine Corps Veteran

Contact: steve@lewisvilleparkalliance.org 214-280-6439 -

995 Downey Dr., Lewisville TX 75067

Stephen "Steve" Southwell is a Principal Consultant with Progress Software Corporation, where he brings over 25 years of experience specializing in secure, transactional online database systems. His career has focused on designing and maintaining systems that are highly reliable, scalable, and resilient — with particular emphasis on performance, maintainability, and, above all, security. He has supported critical IT infrastructure for clients across sectors such as telecommunications, healthcare, insurance, manufacturing, and financial services.



Steve began his career in 1996 as a software developer working with the Progress (now OpenEdge) platform and has grown into a trusted technical advisor, contributing to open-source projects and leading modernization initiatives. With more than two decades of continuous service through the evolution of firms like Turnaround Computing, BravePoint, and Thomson Reuters, Steve's expertise lies in building systems that organizations depend on when precision and uptime are non-negotiable.

A Lewisville resident since 1999, Steve has a long record of local public service. He has been appointed to numerous city boards, including the Arts Advisory Board, Oil and Gas Advisory Board (Chairman), Vision 2025 Committee, and three terms on the Charter Review Commission. He served on the Blue Ribbon Bond Committee, which received the 2024 Spirit of Lewisville Award for its work on major city investment initiatives.

His civic engagement also includes education and neighborhood advocacy. Steve served on several Lewisville ISD committees, including the Strategic Design Committee, and was a board member of the Central Park Area Neighbors Association, helping negotiate mineral rights for hundreds of households. From 2015 to 2018, he published the *Lewisville Texan Journal*, an award-winning newspaper focused on civic transparency and local accountability.

Steve holds a Bachelor of Business Administration from the University of North Texas and served in the U.S. Marine Corps Reserve from 1989 to 1995, attaining the rank of Sergeant as a tank mechanic. He is a graduate of the Lewisville Citizen Police and Citizen Fire Academies and currently serves as treasurer on the board of Lewisville Park Alliance, a nonprofit that supports the city's park system and provides educational and recreational access to local youth. He also volunteers with Keep Lewisville Beautiful, where his wife Jennifer is a board member.

A firm believer in servant leadership, Steve values transparent, accountable, and fiscally responsible government. He promotes a nonpartisan, cooperative approach to civic leadership, where differing viewpoints are welcomed and unified under shared goals.

Steve and his wife of 30 years, Jennifer, raised their two sons in Lewisville. In his free time, he enjoys amateur radio, motorcycles, and walking the city's trail system. He plays cornet in the Old Town Brass community band.

Denco Area 9-1-1 District Board of Managers FY2025

Bill Lawrence, Chairman

- Appointed by Denton County Commissioners Court
- Member since October 2006
- Term expires September 2025
- Former Mayor of Highland Village
- Businessman, Highland Village

Sue Tejml, Vice Chair

- Appointed by member cities in Denton County
- Member since 2013
- Term expires September 2025
- Former Mayor of Copper Canyon
- Attorney at Law, Copper Canyon

Jim Carter, Secretary

- Appointed by member cities in Denton County
- Member since October 2014
- Term expires September 2026
- Former President of Emergency Services District #1
- Former Mayor of Trophy Club and Denton County Commissioner

Jason Cole

- Appointed by Denton County Commissioners Court
- Member since October 2020
- Term expires September 2026
- Businessman, Denton

Chief Eric Schlotter

- Appointed by the Denton County Fire Chiefs Association
- Member since October 2024
- Term expires September 2025
- Fire Chief, City of Aubrey

All voting members serve two-year terms and are eligible for re-appointment.

From: [Jeannette Tiffany](#)
To: [Tammy Dixon](#)
Subject: Fw: Denco Area 9-1-1 District Board Seat
Date: Friday, June 27, 2025 5:38:11 AM
Attachments: [John M. Smith Profile.docx](#)

FYI

Get [Outlook for iOS](#)

From: John Smith <John.Smith@hickorycreek-tx.gov>
Sent: Thursday, June 26, 2025 3:23:04 PM
To: Jeannette Tiffany <jtiffany@trophyclub.org>
Subject: FW: Denco Area 9-1-1 District Board Seat

Caution: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe. When in doubt, contact netGenius.

Good afternoon, Mayor Tiffany,

First, I want to thank you for your dedicated service to the Town of Trophy Club. Volunteering in public service can often be both challenging and rewarding, and it's clear that cities, towns, and boards rely on leaders like you to provide direction, management, and guidance as our communities grow and thrive.

After careful consideration, I have decided to seek an appointment to the Denco Area 9-1-1 District Board. The mission of Denco 9-1-1 is "to provide an efficient, effective, and enhanced 9-1-1 emergency telecommunications system that assists its member jurisdictions in responding to police, fire, and medical emergency calls." I believe my background and commitment to service will enable me to contribute meaningfully to this mission.

I am requesting your support, as well as a nomination from the Town of Trophy Club Council, for this appointment. For your reference, I've attached a profile detailing my two-decade-long career in volunteerism.

Please feel free to reach out if there is any additional information you need or if there is anything I can do to further assist the Town of Trophy Club, should you and your council choose to support my appointment.

Thank you for your time and consideration.

John M. Smith
Town Manager
1075 Ronald Reagan Avenue
Hickory Creek, Texas 75065
940-279-7061

-- Attention: Please note any correspondence, such as e-mail or letters, sent to Town staff or officials may become a public record and made available for public/media review.



TOWN COUNCIL COMMUNICATION

MEETING DATE: July 14, 2025

FROM: Brandon Wright, Town Manager

AGENDA ITEM: Consider an ordinance amending Chapter 1, Article 1.05 Code of Ethics and Conduct of the Town's Code of Ordinances as recommended by the Ethics Review Commission. (Brandon Wright, Town Manager)

BACKGROUND/SUMMARY: Article 1.05.006(g) of the Troph Club Code of Ordinances states that the Ethics Review Commission shall meet at least once a year to review Article 1.05 Code of Ethics and Conduct and may make recommendations to the Town Council for amendments thereto. The Ethics Review Commission met on October 29, 2024; April 1, 2025; May 13, 2025; and June 17, 2025 to discuss potential recommended changes to Article 1.05. At the June 17, 2025 meeting of the Ethics Review Commission, they voted to recommend amendments to the Town Code of Ordinances Article 1.05 Code of Ethics and Conduct. The subject areas recommended for change include filing false complaints, the complaint process and transparency, timelines and deadlines, financial conflicts of interest, intentional violations and accountability, and a new pathway for complaints filed against Town employees.

Below is a summary of amendments recommended by the Ethics Review Commission:

1. Article 1.05.004(1)

- a. Defined "insignificant in value" gifts as less than \$50 in value.
- b. Added an exception for awards, grants, scholarships, or similar gifts related to training, licensing, or education from nonprofit organizations, limited to Town employees (excluding the Town Manager) and their families. This exception requires approval by the Town Manager as well as public disclosure at a Town Council Meeting. A Town employee recipient or family member is limited to one award during a four-year period.

2. Article 1.05.006

- a. Removed the Ethics Review Commission's jurisdiction regarding complaints filed against employees. The Town Manager is recommended to have sole jurisdiction over employee-related complaints, separating this responsibility from the Commission. Several sections of Article 1.05 are modified to align with this change.

3. Article 1.05.007

- a. Strengthened the complaint screening process by requiring that a complainant must have "Personal Knowledge" of the complaint.
- b. Authorized the Town Secretary to share all submitted complaints with the person complained against.

- c. Expanded the definition of a complaint being timely filed. A complaint would be timely filed if it were filed within one year of the court filing of a criminal or civil charge with a three-year maximum from the date of the alleged violation.
- 4. Article 1.05.009
 - a. Removed references to a person having to "knowingly" or "intentionally" act to violate the Ethics Ordinance. It would no longer be a defense available to the alleged violator to state that they did not knowingly or intentionally violate the Ethics Ordinance.
- 5. Article 1.05.010
 - a. Introduced provisions to identify and ban vexatious complainants. Vexatious complainants would be those who have filed three or more frivolous complaints in seven years or filed a repetitive, groundless complaint against the same individual within three years.
- 6. Articles 1.05.010 & Section 1.05.011
 - a. Removed the Ethics Review Commission's involvement in making a determination or recommendation regarding the filing of a false complaint.
 - b. Removed misdemeanor penalties associated with filing false complaints or any other violation of the Ethics Ordinance.
- 7. Various Articles
 - a. Changed the number of days throughout the ordinance for required actions to be completed. Standardized the counting of days as business days and added days where the Ethics Review Commission felt it was appropriate.

Based on feedback from the Ethics Review Commission, staff prepared changes to Article 1.05 Code of Ethics and Conduct.

BOARD REVIEW/CITIZEN FEEDBACK: At their June 17, 2025 meeting, the Ethics Review Commission voted unanimously to recommend the presented amendments to the Town Code of Ordinances Article 1.05 Code of Ethics and Conduct.

FISCAL IMPACT: There is no financial impact associated with this agenda item.

LEGAL REVIEW: Town Attorney, Dean Roggia, has reviewed the ordinance as to form and legality.

ATTACHMENTS:

- 1. Ordinance
- 2. Redlined Ordinance
- 3. Presentation

ACTIONS/OPTIONS:

Staff recommends that the Town Council move to approve the ordinance amending Chapter 1,

Article 1.05 Code of Ethics and Conduct of the Town's Code of Ordinances as recommended by the Ethics Review Commission.

ORDINANCE NO. _____

AN ORDINANCE OF THE TOWN OF TROPHY CLUB, TEXAS, AMENDING CHAPTER 1 “GENERAL PROVISIONS,” ARTICLE 1.05 “CODE OF ETHICS AND CONDUCT,” OF THE CODE OF ORDINANCES, TOWN OF TROPHY CLUB, TEXAS, IN ITS ENTIRETY; PROVIDING THIS ORDINANCE IS CUMULATIVE OF ALL ORDINANCES; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town of Trophy Club, Texas (the “Town”) is a home rule municipality empowered to do all acts and make all regulations which may be necessary or expedient for the promotion of the public health, safety, and general welfare; and

WHEREAS, Section 11.14 of the Town Charter requires the Town Council to adopt a Code of Ethics and Conduct and establishes the Ethics Commission; and

WHEREAS, the Town Council previously adopted a Code of Ethics and Conduct, and the Ethics Commission reviewed the Code of Ethics and Conduct in one or more meetings, which were open to the general public as required by the Texas Open Meetings Act, and the Ethics Commission has recommended certain revisions to the Code of Ethics and Conduct; and

WHEREAS, the Town Council has considered the recommendations of the Ethics Commission and now desires to amend the Code of Ethics and Conduct, as provided herein, in exercise of its legislative authority and governmental functions, and in the best interest of the public health, safety, and general welfare.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF TROPHY CLUB, TEXAS, THAT:

SECTION 1.
INCORPORATION OF PREMISES

All of the premises and recitals above are true and correct and are hereby incorporated in the body of this Ordinance as if fully set forth herein.

SECTION 2.
AMENDMENT

Chapter 1 “General Provisions,” Article 1.05 “Code of Ethics and Conduct” of the Code of Ordinances, Town of Trophy Club, Texas (the “Code”) is hereby amended and replaced in its entirety to read as follows:

“ARTICLE 1.05 CODE OF ETHICS AND CONDUCT

§ 1.05.001 Policy; applicability.

- (a) Policy. It is hereby declared to be the policy of the town that the proper operation of democratic government requires that town officials, candidates, appointees, and employees be independent, impartial and responsible to the people of the town; that governmental decisions and policy be made in the proper channels of the governmental structure; that no town official, candidate, appointee, or employee have any interest, financial or otherwise, direct or indirect, or engage in any business, transaction or professional activity or incur any obligation of any nature which is in conflict with the proper discharge of his duties in the public interest; that public office and public employment are positions of public trust imposing the duty of a fiduciary upon all employees and officeholders, who are not to use their public position for personal gain; and that the public should have confidence in the integrity of its government.
- (b) Applicability. To implement this policy, the town council enacts this code of ethics and conduct for all town officials, candidates, appointees and employees, whether elected or appointed, paid or unpaid, to serve not only as a guide for official conduct of the town's public servants, but also as a basis for discipline for those who refuse to abide by its terms. The provisions of this article shall not apply to political contributions, loans, expenditures, reports or regulation of political campaigns, or the conduct of candidates in such campaigns, except as expressly provided herein.

§ 1.05.002 **Principles of conduct.**

- (a) Values. The town council further believes that town officials, candidates, appointees and employees require a public trust and should recognize the importance of high ethical standards within the organization they lead or support. Essential values and ethical behaviors that town officials, candidates, appointees and employees should exemplify include the following:
 - (1) Commitment beyond self.
 - (2) Obedience and commitment beyond the law.
 - (3) Commitment to the public good.
 - (4) Respect for the value and dignity of all individuals.
 - (5) Accountability to the public.
 - (6) Truthfulness.
 - (7) Fairness.
 - (8) Responsible application of resources.
- (b) Conduct. In keeping with the values set forth in subsection (a) of this section and to assist in the fulfillment of responsibilities to the individuals and communities served, each town official, candidate, appointee and employee should:

- (1) Conduct himself and operate with integrity and in a manner that merits the trust and support of the public.
 - (2) Uphold all applicable laws and regulations, going beyond the letter of the law to protect and/or enhance the town's ability to accomplish its mission.
 - (3) Treat others with respect, doing for and to others what the town official, candidate, appointee or employee would have done for and to himself in similar circumstances.
 - (4) Be a responsible steward of the taxpayer resources.
 - (5) Take no actions that could benefit the town official, candidate, appointee or employee personally at the unwarranted expense of the town, avoiding even the appearance of a conflict of interest, and exercise prudence and good judgment at all times.
 - (6) Carefully consider the public perception of personal and professional actions and the effect such actions could have, positively or negatively, on the town's reputation both in the community and elsewhere.
 - (7) Strive for personal and professional growth to improve effectiveness as an elected or appointed town official, candidate, appointee or employee.
- (c) Interpretation. This section is a statement of principles only. Nothing in this section may be used to create a cause of action against an elected or appointed town official, candidate, appointee or employee under this article.

§ 1.05.003 **Definitions.**

Appointee. A person appointed or confirmed by the mayor or town council; provided, however, for the purposes of this definition, the term "appointee" does not include municipal judges.

Business entity. A corporation, partnership, sole proprietorship, firm, enterprise, franchise, association, organization, self-employed individual, holding company, joint stock company, receivership, trust, or any other entity recognized by law.

Candidate. A person who declares for or files for any office of the town to be filled by election.

Clear and convincing evidence. Evidence that is legally and factually sufficient such that a fact-finder could reasonably form a firm belief or conviction that the allegation is true.

Compensation. Any economic benefit received in return for labor, services, property, or investment.

Economic benefit. Any money, real or personal property, purchase, sale, lease, contract, option, credit, loan, discount, service, or other tangible or intangible thing of value, whether similar or dissimilar to those enumerated.

Employee. A person employed by the town, including those individuals on a part-time basis, excluding independent contractors.

Family member. A person related to a town official, candidate, appointee, or employee in the first degree by consanguinity (blood) or affinity (marriage) as determined under the Texas Government Code.

Gift. A favor, hospitality, or economic benefit other than compensation but which does not include campaign contributions reported as required by state law, gifts received from a relative if given on account of kinship, or any value received by will, intestate succession, or as a distribution from an inter vivos or testamentary trust established by a spouse or ancestor.

Income. Economic benefit received.

Intentionally. A person acts intentionally, or with intent, with respect to the nature of his conduct or to a result of his conduct when it is his conscious objective or desire to engage in the conduct or cause the result.

Knowingly. A person acts knowingly, or with knowledge, with respect to the nature of his conduct or to circumstances surrounding his conduct when he is aware of the nature of his conduct or that the circumstances exist. A person acts knowingly, or with knowledge, with respect to a result of his conduct when he is aware that his conduct is reasonably certain to cause the result.

Personal Knowledge. Personal knowledge is knowledge gained by the complainant only through direct firsthand observation or the complainant's own direct sensory experience, and does not include a belief based on what someone else, other than the person who is the subject of the complaint, has said or done.

Substantial interest.

- (1) A person has a substantial interest in a business entity if:
 - (A) The interest is ownership of ten percent or more of the voting stock or shares of the business entity or ownership of either ten percent or more or \$5,000.00 or more of the fair market value of the business entity;
 - (B) Funds received by the person from the business entity exceed ten percent of the person's gross income for the previous year;
 - (C) The person holds a position of member of the board of directors or other governing board of the business entity;
 - (D) The person serves as an elected officer of the business entity;
 - (E) The person is an employee of the business entity;
 - (F) The person is a creditor, debtor or guarantor of the business entity in the

amount of \$5,000.00 or more; or

- (G) Property of the person has been pledged to the business entity or is subject to a lien in favor of the business entity in the amount of \$5,000.00 or more.

(2) A person does not have a substantial interest in a business entity if:

- (A) The person holds a position as a member of the board of directors or other governing board of a business entity or governmental body;
- (B) The person has been designated by the town council to serve on such board;
- (C) The person receives no remuneration, either directly or indirectly, for his or her service on such board; and
- (D) The primary nature of the business entity is either charitable, nonprofit or governmental.

(3) A person has a substantial interest in real property if the interest is an equitable or legal ownership interest with a fair market value of \$2,500.00 or more.

(4) A person has a substantial interest under this article if the person's family member has a substantial interest under this article.

Town official. The mayor, members of the town council, the town manager, the town attorney, the town secretary, judges of the municipal court, and individuals acting in the capacity of the aforementioned persons.

§ 1.05.004 **Standards of conduct; prohibited acts.**

No town official, candidate, appointee or employee, or their family member shall:

- (1) Accept or solicit any gift, favor, service or thing of value from any person, group or business entity, including a promise of future employment, that might reasonably tend to influence him in the discharge of his official duties or that the town official, candidate, appointee or employee knows or should know is being offered with the intent to influence the official conduct of the town official, candidate, appointee or employee. This prohibition shall not apply to:
 - (A) An occasional non-pecuniary gift, insignificant in value that is less than fifty dollars (\$50.00);
 - (B) An award publicly presented in recognition of public service;
 - (C) Any gift which would have been offered or given to the town official, candidate, appointee or employee or a family member if he were not a town official, candidate, appointee, employee, or family member; or

- (D) Any travel and related expenses to attend ceremonial functions, provided that such acceptance and attendance have been approved by the town council prior to the occurrence of the ceremonial function.
 - (E) Awards, grants, scholarships, or similar gifts related to training, licensing, or education offered by non-profit organizations that is restricted to a group of town employees, excluding the Town Manager, and including employees' family members where all members of the employee group have equal opportunity to apply or be nominated for and receive the award, grant, scholarship, or similar gift. Awards, grants, scholarships, or similar gifts offered under this exception must be approved by the town manager prior to receipt by the employee or employee's family member. Any such award, grant, scholarship, or similar gift shall be shared publicly with the Town Council during a Town Council Meeting. A limit of one (1) award, grant, scholarship, or similar gift related to training, licensing, or education every four (4) years shall be offered to any individual employee including that employee's family members. For example, a scholarship offered and accepted by an employee's child shall prohibit that child as well as the employee and employee's family members from receiving another award, grant, scholarship, or similar gift from that same non-profit organization for a period of four (4) years. The town manager has the authority to reject any award, grant, scholarship, or similar gift given by a non-profit organization to a town employee or employee's family member.
- (2) Grant in the discharge of his official duties any improper favor, service or thing of value to any person, group or business entity.
 - (3) Disclose any confidential information gained by reason of the position of the town official, candidate, appointee or employee concerning property, operations, policies or affairs of the town, or use such confidential information to advance any personal interest, financial or otherwise, of such town official, candidate, appointee or employee, family members or third parties. This subsection shall not preclude disclosure of such confidential information in connection with any investigation or proceeding regarding whether there has been a violation of the standards of conduct set forth in this article.
 - (4) Use one's position or office of employment or town facilities, personnel, equipment or supplies to secure special privileges or exemptions for himself, family members or third parties or for the private gain of the town official, candidate, appointee, employee, or his family members or third parties.
 - (5) Engage in any exchange, purchase or sale of property, goods or services with the town, except:
 - (A) Rendering services to the town as a town official, candidate, appointee or

employee;

- (B) Paying taxes, fines, or utility service or filing fees;
 - (C) Executing and performing any developer's agreement or plat in compliance with laws and regulations applicable to any person; provided, however, that if any town ordinance, rule or regulation allows any discretion by the appropriate town official, appointee or employee in the interpretation or enforcement of such ordinance, rule or regulation, any such discretion shall be exercised in favor of the town in connection with any such developer's agreement or plat;
 - (D) Appointees who are not also town officials or employees of the town may engage in any exchange, purchase or sale of property, goods or services with the town, or enter into a contract with the town, provided that the board on which they are a member has no advisory function, involvement, or decision-making authority, either direct or indirect, present or prospective, with respect to the transaction in which such appointee engages or proposes to engage.
- (6) Hold himself out as representing the town in any capacity other than that for which he was appointed, elected or hired.
 - (7) Engage in or accept private employment or render a service when such employment or service is incompatible with the proper discharge of his official duties or would tend to impair his independent judgment in the performance of official duties.
 - (8) Make or permit the unauthorized use of town-owned vehicles, equipment, materials or property.
 - (9) Grant any special consideration, treatment or advantage to any citizen beyond that which is available to every other citizen.
 - (10) After termination of service or employment with the town, appear before any board or commission of the town in relation to any case, proceeding or application in which he personally participated or which was under his active consideration during the period of his service or employment.
 - (11) Transact any business in his official capacity with the town with a business entity in which he has a substantial interest.
 - (12) Perform or refuse to perform any act in order to deliberately thwart the execution of town ordinances, rules or regulations or the achievement of official town programs.

§ 1.05.005 **Disclosure of interest; abstention from voting.**

- (a) Vote not allowed. Except as expressly provided in subsection (b) of this section, if a town official, candidate, appointee or employee has a substantial interest in a business entity or real property involved in a matter pending before such town official, candidate, appointee or employee, or the body of which he is a member, such town official, candidate, appointee or employee shall disclose such interest as provided in subsection (c) of this section and shall not vote or discuss the substance of the matter at any time with any other member of the board of which he is a member or any other body which will vote on or otherwise participate in the consideration of the matter.
- (b) Vote allowed. If any of the following interests are involved in any matter pending before any town official, candidate, appointee or employee, or the body of which he is a member, such town official, candidate, appointee or employee shall disclose such interest as provided in subsection (c) of this section, but he shall be permitted to vote on and participate in the consideration of such matter:
- (1) A matter concerning a bank or other financial institution from which the town official, candidate, appointee or employee has a home mortgage, automobile loan, or other installment loan, if the loan is not currently in default, was originally for a term of more than two (2) years and cannot be accelerated except for failure to make payments according to the terms thereof;
 - (2) A matter concerning a bank or other financial institution in which the town official, candidate, appointee or employee holds a savings account, checking account or certificate of deposit and which is fully insured by the U.S. government or an agency thereof;
 - (3) A matter concerning a business entity with which the town official, candidate, appointee or employee has a retail or credit card account;
 - (4) A matter concerning the approval of substitution of collateral by a town depository bank;
 - (5) A matter concerning real property or a business entity in which the town official, candidate, appointee or employee has a substantial interest if the action on the matter would not have a special economic effect on the value of the property or business entity, distinguishable from the effect on the public.
- (c) Affidavit and reporting requirement. A town official, appointee or employee shall disclose the existence of a substantial interest in a business entity or real property involved in any matter pending before such town official, appointee or employee, or the body of which he is a member or serves as the staff liaison. To comply with subsection (a) of this section, a town official, appointee or employee shall, prior to any discussion or determination of the matter, file an affidavit of disclosure as required by section 171.004 of the Texas Local Government Code, as amended, with the town secretary. To comply with subsection (b) of this section, a town official, employee or appointee shall publicly disclose in the official minutes of the body the nature of his interest. To comply with subsection (b) of this section, an employee shall notify the

town manager or his designee in writing of the nature of any substantial interest that he or a family member has in a business entity or real property which would be affected by an exercise of discretionary authority by the employee and such matter shall be regulated in accordance with town policies and procedures.

§ 1.05.006 **Ethics review commission.**

- (a) Established. An ethics review commission (commission) is hereby established to be composed of five (5) members and two (2) alternate members, all of whom shall reside in the town and shall be appointed by majority vote of the town council.
- (b) Appointment to positions. Each commission member shall occupy a position on the commission, such positions being numbered 1 through 5.
- (c) Term of office. The commission members shall be appointed to two (2) year staggered terms. Position 1 shall serve an implementation term that shall expire on September 30th of 2016 and shall expire thereafter in even-numbered years. The term for position 2 shall also expire in even-numbered years. The term for each alternate member and position 3 shall expire in odd-numbered years. No member shall serve for more than two (2) consecutive full terms. Implementation terms shall not be counted as full terms.
- (d) Vacancies. All vacancies shall be filled for the unexpired term. A member shall hold office until his successor has been appointed by the town council and shall continue to hold office after his successor has been appointed by the town council for the limited purpose of the disposition of all complaints filed during that member's term. No new member may participate in a decision regarding a complaint filed prior to the expiration of the previous member's term, but new members shall accomplish the duties of office with respect to all complaints filed after the previous member's term.
- (e) Chairman and vice-chairman. The commission shall elect a chairman and a vice-chairman to serve one (1) year terms. The vice-chairman shall act as chairman in the absence of the chairman.
- (f) Quorum. Four (4) members of the commission shall constitute a quorum, and no action of the commission shall be of any force or effect unless it is adopted by the favorable vote of three (3) or more members.
- (g) Meetings. The commission shall meet at least once a year to review this article and may make recommendations to the town council for amendments hereto.
- (h) Issuance of advisory opinions. The commission shall render advisory opinions on potential conflicts of interest or violation of this article at the request of a town official, candidate or appointee subject to the terms of this article. Such advisory opinion shall be rendered within a reasonable time, but in no event later than thirty (30) business days after a request is received by the commission. A copy of advisory opinions issued shall be forwarded to the town council.

- (i) Advisory opinion as defense. It shall be a defense to an alleged violation of this article that the person accused previously requested an advisory opinion of the commission and acted on such opinion in good faith, unless material facts were omitted or misstated by the person requesting the opinion. Such advisory opinion shall also be binding on the commission in any subsequent charges concerning the person requesting the opinion.
- (j) Legal counsel. The town attorney or independent legal counsel shall be utilized to advise the commission and participate in hearings. The town council may designate and retain independent counsel, who shall be a duly licensed attorney in the state.
- (k) Authority. The commission shall have authority to review and make findings concerning alleged violations of this article by town officials, candidates, and appointees, if a written complaint meeting the requirements set forth herein is timely filed in accordance with section 1.05.007(c) of this article. The town manager shall have authority to review and make findings concerning alleged violations of this article by employees.

§ 1.05.007 **Disposition of alleged violations.**

- (a) Form and contents of complaint. In order to file a complaint under this article, a complainant shall submit a written sworn complaint to the town secretary, which shall be notarized and shall be in the form specified below. A sworn complaint shall be based upon personal knowledge, shall allege a violation of this article, shall specify the provision(s) of this article alleged to have been violated, and shall name the town official, candidate, appointee, or employee being charged. If a filed complaint fails to meet these standards, the town secretary shall return the complaint to the complainant and a copy of the complaint to the person complained against. The town secretary shall outline which provision(s) of this article have not been satisfied to accept a valid complaint.

THE STATE OF TEXAS:

COUNTY OF DENTON:

TO: THE ETHICS REVIEW COMMISSION (OR THE TOWN MANAGER IF A COMPLAINT AGAINST AN EMPLOYEE) OF THE TOWN OF TROPHY CLUB, TEXAS:

COMES NOW (complainant), and makes this complaint, UPON HIS/HER PERSONAL KNOWLEDGE AND UNDER OATH against (name of person complained against), and would show the Commission that: On or about the _____ day of _____, _____, (insert date of the action, or omission, complained of) _____, (name of person complained against) a/an (insert appropriate designation; Town Official, Candidate, Appointee, or Employee) of the Town of Trophy Club, Texas, violated the following provision(s) of Code of Ethics and Conduct Ordinance, Town of Trophy Club, Texas, to wit: (specify by section, subsection and paragraph number the provision(s) alleged violated) by committing the following act, or omission, to wit:

By the making and filing of this affidavit, I certify under oath that the statements contained herein are true and correct.

(Original signature and executed notary block must be included.)

- (b) Consideration of complaints. Upon the timely filing of a written sworn complaint meeting all requirements of this section, the commission shall consider possible violations of this article by town officials, candidates, and appointees. The town manager shall consider possible violations of this article by town employees and former town employees.
- (c) Timely filing required. As a condition precedent to commission consideration of a complaint, such complaint shall be timely filed. A complaint alleging a violation of this article shall be filed with the town secretary within one (1) year after the date of the alleged violation in order to be considered timely. If a complaint is based on information obtained through either a civil proceeding or criminal charge, the timely filing deadline shall be extended to within one (1) year after the date that the civil proceeding or criminal charge has been filed in court. It shall be the responsibility of the complainant to furnish evidence of such civil proceeding or criminal complaint at the time of filing a complaint under this article. However, in no case shall a complaint alleging a violation of this article be considered timely filed if it is filed more than three (3) years after the date the alleged violation was committed. Each of the following complaints shall be deemed untimely filed and shall be returned to the complainant:
 - (1) A complaint alleging a violation that occurred before the effective date of this article;
 - (2) A complaint alleging a violation that occurred more than one (1) year before the date that the complaint is filed;
 - (3) A complaint based on information obtained through either a civil proceeding or criminal charge that is filed more than one (1) year after the date that the civil proceeding or criminal charge was filed in court;
 - (4) A complaint filed more than three (3) years after the date the alleged violation was committed, if the complaint is based on information obtained through either a civil proceeding or criminal charge; and
 - (5) A complaint filed within the period beginning on the 60th day prior to the first date of early voting for a town election and ending on the later of the regular election date or runoff election date for such election.
- (d) False statements notification. If a complaint is timely filed and satisfies the requirements of section 1.05.007(a), the town secretary shall, in writing, advise the person filing a complaint that falsely accusing someone of a violation of this article may result in criminal prosecution, under penalty of perjury, of anyone who knowingly makes a false accusation. The town secretary shall also, in writing, send a

copy of the written complaint to the person charged in the complaint, and advise the person charged in the complaint that falsely responding to a complaint may result in criminal prosecution, under penalty of perjury, of anyone who knowingly makes a false response.

(e) Processing of complaint. Complaints shall be processed as follows:

- (1) Acknowledgement of receipt; distribution of copies. Not later than three (3) business days after the town secretary receives a sworn complaint, the town secretary shall acknowledge the receipt of the complaint to the complainant, and, if the complaint is timely filed and satisfies the requirements of section 1.05.007(a), the town secretary shall provide a copy of the complaint to the town attorney or independent counsel and the person complained against. If a complaint is not timely filed, it shall be returned to the complainant, and a copy of the complaint shall be sent to the person complained against.
- (2) Attorney preliminary review. Within ten (10) business days of receipt by the town attorney or independent counsel of a complaint determined by the town secretary to satisfy the requirements of section 1.05.007(a) and to have been timely filed, the town attorney or independent counsel shall review the complaint to determine whether the complaint is sufficient as to form, including, but not limited to, determining whether the complainant has Personal Knowledge, and whether the complaint alleges sufficient facts which if accepted as true would constitute a prima facie violation of this article. Further, the complaint shall be reviewed for compliance with subsections (a) through (c) of this section.
 - (A) Sufficient complaint. If the town attorney or independent counsel finds that the complaint is both sufficient as to form, that the complainant has Personal Knowledge, and accepting the facts alleged as true for the limited purpose of a threshold review, finds that the allegations would constitute a prima facie violation of this article, the complaint shall be forwarded to the commission and the person complained against if the complaint is against a town official, candidate, or appointee. The complaint shall be forwarded to the town manager if the complaint is against a town employee or former town employee. The town manager shall adhere to the town's administrative procedures and policies for reviewing complaints against town employees or former employees and any resulting disciplinary or criminal actions.
 - (B) Insufficient or ineligible complaint. If the town attorney or independent counsel finds that the complaint is insufficient as to form, or the complainant lacks Personal Knowledge, or, accepting the facts alleged as true for the limited purpose of a threshold review, finds that the allegations would not constitute a prima facie violation of this article, the town attorney or independent counsel shall notify the town council, the commission, the town manager, the

complainant, and the person complained against of this determination, and shall return the complaint to the complainant. Further, if the town attorney or independent counsel determines that the commission is prohibited from entertaining a complaint under the conditions set forth in subsection (l) of this section, the town attorney or independent counsel shall notify the town council, the commission, the town manager, the complainant and the person complained against of this determination, and shall immediately return the complaint to the complainant.

- (3) Notification of hearing date. Not later than fifteen (15) business days after the commission receives a complaint forwarded by the town attorney or independent counsel, the commission shall notify in writing both the person who made the complaint and the person complained against of a date for a preliminary hearing. If the commission does not hold a preliminary hearing within thirty (30) business days of its receipt of the complaint, it shall notify the person who made the complaint and the person complained against of the reasons for the delay and shall subsequently give the appropriate notifications to all parties.
- (f) Complaint filed by commissioner. A complaint filed by an individual member of the commission shall be deemed to have been filed in the commission member's capacity as a private citizen and, in such event, the member of the commission filing the complaint shall not thereafter participate in any commission meeting at which such complaint is considered except as the complainant.
- (g) Communications of commission members. After a complaint has been filed and during the pendency of a complaint before the commission, a member of the commission may not communicate directly or indirectly with any party or person about any issue of fact or law regarding the complaint, except at a meeting of the commission; provided that a member may consult with the attorney or the town manager or his designee for the commission as to process, procedure and legal issues. Ex parte communications by or to members of the commission are prohibited.
- (h) Disclosure of information prohibited. No town official, candidate, appointee, or employee shall reveal information relating to the filing or processing of a complaint, except as required for the performance of official duties or as required by law. All papers and communications relating to a complaint shall be treated as confidential unless required to be made public under the Public Information Act, court order, or other applicable law.
- (i) Preliminary hearing. A preliminary hearing shall be conducted in accordance with the following:
 - (1) As soon as reasonably possible, but in no event more than sixty (60) business days after receiving a complaint, the commission shall conduct a preliminary hearing. The issue at a preliminary hearing shall be the existence of reasonable

grounds to believe that a violation of this article has occurred. The person filing a complaint shall state the alleged violation and shall describe in narrative form the testimony and other evidence which would be presented to prove the alleged violation as stated in the written complaint. Statements at a preliminary hearing shall be under oath, but there shall be no cross-examination or requests for persons or evidence issued for the hearing. Members of the commission may question the complainant, the independent counsel for the commission, or the town official, candidate, or appointee named in the complaint. The town official, candidate or appointee named in the complaint may not be compelled to give evidence or testimony that violates his right against self-incrimination under the United States or the state constitution.

- (2) The town official, candidate or appointee named in the complaint shall have the opportunity to respond, but is not required to attend or make any statement. The town official, candidate or appointee may describe in narrative form the testimony and other evidence which would be presented to disprove the alleged violation.
 - (3) The complainant and the town official, candidate or appointee named in the complaint shall have the right of representation by counsel paid for at his own expense.
 - (4) At the conclusion of the preliminary hearing, the commission shall decide whether a final hearing should be held. If the commission determines that there are reasonable grounds to believe that a violation of this article has occurred, it shall schedule a final hearing. If the commission does not determine that there are reasonable grounds to believe that a violation of this article has occurred, the complaint shall be automatically dismissed. A decision to conduct a final hearing is not a finding that a violation has occurred. Notwithstanding the foregoing, the commission may proceed to determine the appropriate sanction if the charged town official, candidate or appointee does not object and admits the charged violation, and the commission determines that there are no fact issues to be resolved.
 - (5) At the preliminary hearing or at least fifteen (15) business days prior to the final hearing, the complainant, the town official, candidate or appointee named in the complaint may request that the commission summon certain persons and evidence for a final hearing, if one is scheduled.
- (j) Final hearing. A final hearing shall be conducted in accordance with the following:
- (1) The final hearing shall be held as expeditiously as possible following the preliminary hearing at which a determination was made by the commission that there are reasonable grounds to believe that a violation of this article occurred, but in no event shall it be scheduled more than thirty (30) business days after such determination. The commission may grant two (2) postponements of the final hearing, not to exceed fifteen (15) business days each, upon the request of

the town official, candidate or appointee named in the complaint.

- (2) The issue at a final hearing shall be whether a violation of this article has occurred. The commission shall make its determination based on a clear and convincing evidence standard of proof. Parties to the proceeding may present testimony and evidence at the final hearing. All witnesses shall make their statements under oath. If the commission determines that a violation has occurred, it shall state its findings in writing, shall identify the particular provision(s) of this article which have been violated, and within five (5) business days shall deliver a copy of its findings to the complainant, if any, the person named in the complaint and the town secretary.
- (3) If a complaint proceeds to a final hearing, the commission shall request in writing witnesses for which it has received a written request from the complainant or from the town official, candidate or appointee named in the complaint, provided that the requesting party shows good cause for the request and the request is timely submitted in accordance with subsection (i)(5) of this section. The request shall be made by certified mail, with return receipt requested, at least ten (10) business days before the date of the final hearing. Additionally, the commission may administer oaths and affirmations and receive testimony and evidence presented at the final hearing. It shall be a violation of this article for a person to fail or refuse to appear and testify before the commission in response to a written request served ten (10) business days or more prior to the scheduled time and date of final hearing. Notwithstanding the foregoing, no town official, candidate or appointee named in a complaint or witness may be compelled to give evidence or testimony that violates his/her right against self-incrimination under the United States or the state constitution.

(k) Sanctions. The following sanctions are available:

- (1) If the commission determines that a violation of this article has occurred, it shall proceed directly to determination of the appropriate sanction(s). A violation of this article shall not be subject to criminal penalties under the town Code of Ordinances, except for those instances specifically provided for in section 1.05.011 of this article. The commission may receive additional testimony or statements before determining sanctions, but is not required to do so. If the town official, candidate or appointee named in the complaint acted in reliance upon a written opinion of the town attorney, the commission shall consider that fact.
- (2) If the commission determines that a violation of this article has occurred, it shall take the following actions:
 - (A) If the person who committed the violation is the town manager, town attorney, town secretary, or a judge of the municipal court, the matter will be referred to the town council.
 - (B) If the person who committed the violation is a town council member, a

candidate, an appointee or a former town official the matter will be referred to the town council.

- (3) When referring a matter under subsection (k)(2) of this section, the commission may impose or recommend the following sanctions:
- (A) Letter of notification. A letter of notification may be recommended when the commission finds that a violation of this article was clearly unintentional or when the action or conduct found to have been a violation of this article was performed by the town official, candidate or appointee in reliance on a public written opinion of the town attorney. A letter of notification must advise the town official, candidate or appointee to whom the letter is directed of any steps to be taken to avoid future violations.
 - (B) Letter of admonition. A letter of admonition may be recommended when the commission finds that the violation of this article was minor and/or may have been unintentional, but where the circumstances call for a more substantial response than a letter of notification.
 - (C) Reprimand. A reprimand may be recommended when the commission finds that a violation of this article was committed intentionally or through disregard of this article. A letter of reprimand directed to an elected town official shall also be transmitted to the town secretary and published in the official newspaper of the town.
 - (D) Censure, recall or removal from office or appointment. A letter of censure, a recommendation of recall, or a recommendation to institute proceedings for removal from office or appointment shall be the appropriate sanction when the commission finds that a serious or repeated violation(s) of this article has been committed intentionally or through culpable disregard of this article by an elected town official or appointed member. A letter of censure, a recommendation of recall, or a recommendation to institute proceedings for removal from office directed to an elected town official or appointed member shall also be transmitted to the town secretary and published in the official newspaper of the town. The town council and citizens of the town may take actions in accordance with the town charter. Any proceedings for removal from office shall be in compliance with provisions of the town charter and state law.
- (I) Dismissal of complaint. If the complaint is dismissed because the evidence failed to establish a violation of this article, the commission shall issue a letter of dismissal or finding, and shall not entertain any other similar complaint based on substantially the same evidence. A complaint shall also be dismissed if it was filed by a person determined to be a vexatious complainant as outlined in Section 1.05.010.

§ 1.05.008 **Request for review of allegations.**

Any town official, candidate or appointee against whom public allegations of ethics violations have been made in the media or elsewhere has the right to file a sworn statement with the town secretary affirming their innocence, and to request the commission to review the allegations and make known its findings.

§ 1.05.009 **Reserved.**

§ 1.05.010 **Vexatious Complainants.**

- (a) The commission may find that a complainant is vexatious if the commission finds there is no reasonable probability that the complaint has merit against the town official, candidate, or appointee and that:
 - (1) The complainant, in the seven-year period immediately preceding the date of filing a complaint with the commission, has filed at least three (3) complaints resulting in no violations being found by the commission and found to be frivolous or groundless under the conditions of this article; or
 - (2) Damage a person's reputation.
- (b) The commission may take action to determine a person who has filed a complaint as outlined herein is a vexatious complainant. A person who has been determined by the commission to be a vexatious complainant shall be prohibited from submitting a complaint under this article for a period of three (3) years as of the date of the commission's decision. Any pending complaint(s) filed by the vexatious complainant as of the date of the commission's decision shall be automatically dismissed by the commission.

§ 1.05.011 **Reserved.”**

SECTION 3.
CUMULATIVE

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

SECTION 4.
SEVERABILITY

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

SECTION 5.
EFFECTIVE DATE

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

PASSED AND APPROVED by the Town of Trophy Club, Texas, this the 14th day of July, 2025.

Jeannette Tiffany, Mayor

ATTEST:

Tammy Dixon, Town Secretary

APPROVED AS TO FORM:

Dean Roggia, Town Attorney

ORDINANCE NO. _____

AN ORDINANCE OF THE TOWN OF TROPHY CLUB, TEXAS, AMENDING CHAPTER 1 “GENERAL PROVISIONS,” ARTICLE 1.05 “CODE OF ETHICS AND CONDUCT,” OF THE CODE OF ORDINANCES, TOWN OF TROPHY CLUB, TEXAS, IN ITS ENTIRETY; PROVIDING THIS ORDINANCE IS CUMULATIVE OF ALL ORDINANCES; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town of Trophy Club, Texas (the “Town”) is a home rule municipality empowered to do all acts and make all regulations which may be necessary or expedient for the promotion of the public health, safety, and general welfare; and

WHEREAS, Section 11.14 of the Town Charter requires the Town Council to adopt a Code of Ethics and Conduct and establishes the Ethics Commission; and

WHEREAS, the Town Council previously adopted a Code of Ethics and Conduct, and the Ethics Commission reviewed the Code of Ethics and Conduct in one or more meetings, which were open to the general public as required by the Texas Open Meetings Act, and the Ethics Commission has recommended certain revisions to the Code of Ethics and Conduct; and

WHEREAS, the Town Council has considered the recommendations of the Ethics Commission and now desires to amend the Code of Ethics and Conduct, as provided herein, in exercise of its legislative authority and governmental functions, and in the best interest of the public health, safety, and general welfare.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF TROPHY CLUB, TEXAS, THAT:

SECTION 1.
INCORPORATION OF PREMISES

All of the premises and recitals above are true and correct and are hereby incorporated in the body of this Ordinance as if fully set forth herein.

SECTION 2.
AMENDMENT

Chapter 1 “General Provisions,” Article 1.05 “Code of Ethics and Conduct” of the Code of Ordinances, Town of Trophy Club, Texas (the “Code”) is hereby amended and replaced in its entirety to read as follows:

“ARTICLE 1.05 CODE OF ETHICS AND CONDUCT

§ 1.05.001 Policy; applicability.

- (a) Policy. It is hereby declared to be the policy of the town that the proper operation of democratic government requires that town officials, candidates, appointees, and employees be independent, impartial and responsible to the people of the town; that governmental decisions and policy be made in the proper channels of the governmental structure; that no town official, candidate, appointee, or employee have any interest, financial or otherwise, direct or indirect, or engage in any business, transaction or professional activity or incur any obligation of any nature which is in conflict with the proper discharge of his duties in the public interest; that public office and public employment are positions of public trust imposing the duty of a fiduciary upon all employees and officeholders, who are not to use their public position for personal gain; and that the public should have confidence in the integrity of its government.
- (b) Applicability. To implement this policy, the town council enacts this code of ethics and conduct for all town officials, candidates, appointees and employees, whether elected or appointed, paid or unpaid, to serve not only as a guide for official conduct of the town's public servants, but also as a basis for discipline for those who refuse to abide by its terms. The provisions of this article shall not apply to political contributions, loans, expenditures, reports or regulation of political campaigns, or the conduct of candidates in such campaigns, except as expressly provided herein.

§ 1.05.002 **Principles of conduct.**

- (a) Values. The town council further believes that town officials, candidates, appointees and employees require a public trust and should recognize the importance of high ethical standards within the organization they lead or support. Essential values and ethical behaviors that town officials, candidates, appointees and employees should exemplify include the following:
 - (1) Commitment beyond self.
 - (2) Obedience and commitment beyond the law.
 - (3) Commitment to the public good.
 - (4) Respect for the value and dignity of all individuals.
 - (5) Accountability to the public.
 - (6) Truthfulness.
 - (7) Fairness.
 - (8) Responsible application of resources.
- (b) Conduct. In keeping with the values set forth in subsection (a) of this section and to assist in the fulfillment of responsibilities to the individuals and communities served, each town official, candidate, appointee and employee should:

- (1) Conduct himself and operate with integrity and in a manner that merits the trust and support of the public.
 - (2) Uphold all applicable laws and regulations, going beyond the letter of the law to protect and/or enhance the town's ability to accomplish its mission.
 - (3) Treat others with respect, doing for and to others what the town official, candidate, appointee or employee would have done for and to himself in similar circumstances.
 - (4) Be a responsible steward of the taxpayer resources.
 - (5) Take no actions that could benefit the town official, candidate, appointee or employee personally at the unwarranted expense of the town, avoiding even the appearance of a conflict of interest, and exercise prudence and good judgment at all times.
 - (6) Carefully consider the public perception of personal and professional actions and the effect such actions could have, positively or negatively, on the town's reputation both in the community and elsewhere.
 - (7) Strive for personal and professional growth to improve effectiveness as an elected or appointed town official, candidate, appointee or employee.
- (c) Interpretation. This section is a statement of principles only. Nothing in this section may be used to create a cause of action against an elected or appointed town official, candidate, appointee or employee under this article.

§ 1.05.003 **Definitions.**

Appointee. A person appointed or confirmed by the mayor or town council; provided, however, for the purposes of this definition, the term "appointee" does not include municipal judges.

Business entity. A corporation, partnership, sole proprietorship, firm, enterprise, franchise, association, organization, self-employed individual, holding company, joint stock company, receivership, trust, or any other entity recognized by law.

Candidate. A person who declares for or files for any office of the town to be filled by election.

Clear and convincing evidence. Evidence that is legally and factually sufficient such that a fact-finder could reasonably form a firm belief or conviction that the allegation is true.

Compensation. Any economic benefit received in return for labor, services, property, or investment.

Economic benefit. Any money, real or personal property, purchase, sale, lease, contract, option, credit, loan, discount, service, or other tangible or intangible thing of value, whether similar or dissimilar to those enumerated.

Employee. A person employed by the town, including those individuals on a part-time basis, excluding independent contractors.

Family member. A person related to a town official, candidate, appointee, or employee in the first degree by consanguinity (blood) or affinity (marriage) as determined under the Texas Government Code.

Gift. A favor, hospitality, or economic benefit other than compensation but which does not include campaign contributions reported as required by state law, gifts received from a relative if given on account of kinship, or any value received by will, intestate succession, or as a distribution from an inter vivos or testamentary trust established by a spouse or ancestor.

Income. Economic benefit received.

Intentionally. A person acts intentionally, or with intent, with respect to the nature of his conduct or to a result of his conduct when it is his conscious objective or desire to engage in the conduct or cause the result.

Knowingly. A person acts knowingly, or with knowledge, with respect to the nature of his conduct or to circumstances surrounding his conduct when he is aware of the nature of his conduct or that the circumstances exist. A person acts knowingly, or with knowledge, with respect to a result of his conduct when he is aware that his conduct is reasonably certain to cause the result.

Personal Knowledge. Personal knowledge is knowledge gained by the complainant only through direct firsthand observation or the complainant's own direct sensory experience, and does not include a belief based on what someone else, other than the person who is the subject of the complaint, has said or done.

Substantial interest.

- (1) A person has a substantial interest in a business entity if:
 - (A) The interest is ownership of ten percent or more of the voting stock or shares of the business entity or ownership of either ten percent or more or \$5,000.00 or more of the fair market value of the business entity;
 - (B) Funds received by the person from the business entity exceed ten percent of the person's gross income for the previous year;
 - (C) The person holds a position of member of the board of directors or other governing board of the business entity;
 - (D) The person serves as an elected officer of the business entity;
 - (E) The person is an employee of the business entity;
 - (F) The person is a creditor, debtor or guarantor of the business entity in the

amount of \$5,000.00 or more; or

- (G) Property of the person has been pledged to the business entity or is subject to a lien in favor of the business entity in the amount of \$5,000.00 or more.

(2) A person does not have a substantial interest in a business entity if:

- (A) The person holds a position as a member of the board of directors or other governing board of a business entity or governmental body;
- (B) The person has been designated by the town council to serve on such board;
- (C) The person receives no remuneration, either directly or indirectly, for his or her service on such board; and
- (D) The primary nature of the business entity is either charitable, nonprofit or governmental.

(3) A person has a substantial interest in real property if the interest is an equitable or legal ownership interest with a fair market value of \$2,500.00 or more.

(4) A person has a substantial interest under this article if the person's family member has a substantial interest under this article.

Town official. The mayor, members of the town council, the town manager, the town attorney, the town secretary, judges of the municipal court, and individuals acting in the capacity of the aforementioned persons.

§ 1.05.004 **Standards of conduct; prohibited acts.**

No town official, candidate, appointee or employee, or their family member shall ~~knowingly or intentionally~~:

- (1) Accept or solicit any gift, favor, service or thing of value from any person, group or business entity, including a promise of future employment, that might reasonably tend to influence him in the discharge of his official duties or that the town official, candidate, appointee or employee knows or should know is being offered with the intent to influence the official conduct of the town official, candidate, appointee or employee. This prohibition shall not apply to:
 - (A) An occasional non-pecuniary gift, insignificant in value that is less than fifty dollars (\$50.00);
 - (B) An award publicly presented in recognition of public service;
 - (C) Any gift which would have been offered or given to the town official, candidate, appointee or employee or a family member if he were not a

town official, candidate, appointee, employee, or family member; or

(D) Any travel and related expenses to attend ceremonial functions, provided that such acceptance and attendance have been approved by the town council prior to the occurrence of the ceremonial function.

(E) Awards, grants, scholarships, or similar gifts related to training, licensing, or education offered by non-profit organizations that is restricted to a group of town employees, excluding the Town Manager, and including employees' family members where all members of the employee group have equal opportunity to apply or be nominated for and receive the award, grant, scholarship, or similar gift. Awards, grants, scholarships, or similar gifts offered under this exception must be approved by the town manager prior to receipt by the employee or employee's family member. Any such award, grant, scholarship, or similar gift shall be shared publicly with the Town Council during a Town Council Meeting. A limit of one (1) award, grant, scholarship, or similar gift related to training, licensing, or education every four (4) years shall be offered to any individual employee including that employee's family members. For example, a scholarship offered and accepted by an employee's child shall prohibit that child as well as the employee and employee's family members from receiving another award, grant, scholarship, or similar gift from that same non-profit organization for a period of four (4) years. The town manager has the authority to reject any award, grant, scholarship, or similar gift given by a non-profit organization to a town employee or employee's family member.

- (2) Grant in the discharge of his official duties any improper favor, service or thing of value to any person, group or business entity.
- (3) Disclose any confidential information gained by reason of the position of the town official, candidate, appointee or employee concerning property, operations, policies or affairs of the town, or use such confidential information to advance any personal interest, financial or otherwise, of such town official, candidate, appointee or employee, family members or third parties. This subsection shall not preclude disclosure of such confidential information in connection with any investigation or proceeding regarding whether there has been a violation of the standards of conduct set forth in this article.
- (4) Use one's position or office of employment or town facilities, personnel, equipment or supplies to secure special privileges or exemptions for himself, family members or third parties or for the private gain of the town official, candidate, appointee, employee, or his family members or third parties.
- (5) Engage in any exchange, purchase or sale of property, goods or services with the town, except:

- (A) Rendering services to the town as a town official, candidate, appointee or employee;
 - (B) Paying taxes, fines, or utility service or filing fees;
 - (C) Executing and performing any developer's agreement or plat in compliance with laws and regulations applicable to any person; provided, however, that if any town ordinance, rule or regulation allows any discretion by the appropriate town official, appointee or employee in the interpretation or enforcement of such ordinance, rule or regulation, any such discretion shall be exercised in favor of the town in connection with any such developer's agreement or plat;
 - (D) Appointees who are not also town officials or employees of the town may engage in any exchange, purchase or sale of property, goods or services with the town, or enter into a contract with the town, provided that the board on which they are a member has no advisory function, involvement, or decision-making authority, either direct or indirect, present or prospective, with respect to the transaction in which such appointee engages or proposes to engage.
- (6) Hold himself out as representing the town in any capacity other than that for which he was appointed, elected or hired.
 - (7) Engage in or accept private employment or render a service when such employment or service is incompatible with the proper discharge of his official duties or would tend to impair his independent judgment in the performance of official duties.
 - (8) Make or permit the unauthorized use of town-owned vehicles, equipment, materials or property.
 - (9) Grant any special consideration, treatment or advantage to any citizen beyond that which is available to every other citizen.
 - (10) After termination of service or employment with the town, appear before any board or commission of the town in relation to any case, proceeding or application in which he personally participated or which was under his active consideration during the period of his service or employment.
 - (11) Transact any business in his official capacity with the town with a business entity in which he has a substantial interest.
 - (12) Perform or refuse to perform any act in order to deliberately thwart the execution of town ordinances, rules or regulations or the achievement of official town programs.

§ 1.05.005 **Disclosure of interest; abstention from voting.**

- (a) Vote not allowed. Except as expressly provided in subsection (b) of this section, if a town official, candidate, appointee or employee has a substantial interest in a business entity or real property involved in a matter pending before such town official, candidate, appointee or employee, or the body of which he is a member, such town official, candidate, appointee or employee shall disclose such interest as provided in subsection (c) of this section and shall not vote or discuss the substance of the matter at any time with any other member of the board of which he is a member or any other body which will vote on or otherwise participate in the consideration of the matter.
- (b) Vote allowed. If any of the following interests are involved in any matter pending before any town official, candidate, appointee or employee, or the body of which he is a member, such town official, candidate, appointee or employee shall disclose such interest as provided in subsection (c) of this section, but he shall be permitted to vote on and participate in the consideration of such matter:
- (1) A matter concerning a bank or other financial institution from which the town official, candidate, appointee or employee has a home mortgage, automobile loan, or other installment loan, if the loan is not currently in default, was originally for a term of more than two (2) years and cannot be accelerated except for failure to make payments according to the terms thereof;
 - (2) A matter concerning a bank or other financial institution in which the town official, candidate, appointee or employee holds a savings account, checking account or certificate of deposit and which is fully insured by the U.S. government or an agency thereof;
 - (3) A matter concerning a business entity with which the town official, candidate, appointee or employee has a retail or credit card account;
 - (4) A matter concerning the approval of substitution of collateral by a town depository bank;
 - (5) A matter concerning real property or a business entity in which the town official, candidate, appointee or employee has a substantial interest if the action on the matter would not have a special economic effect on the value of the property or business entity, distinguishable from the effect on the public.
- (c) Affidavit and reporting requirement. A town official, appointee or employee shall disclose the existence of a substantial interest in a business entity or real property involved in any matter pending before such town official, appointee or employee, or the body of which he is a member or serves as the staff liaison. To comply with subsection (a) of this section, a town official, appointee or employee shall, prior to any discussion or determination of the matter, file an affidavit of disclosure as required by section 171.004 of the Texas Local Government Code, as amended, with the town secretary. To comply with subsection (b) of this section, a town official, employee or appointee shall publicly disclose in the official minutes of the body the nature of his interest. To comply with subsection (b) of this section, an employee shall notify the

town manager or his designee in writing of the nature of any substantial interest that he or a family member has in a business entity or real property which would be affected by an exercise of discretionary authority by the employee and such matter shall be regulated in accordance with town policies and procedures.

§ 1.05.006 **Ethics review commission.**

- (a) Established. An ethics review commission (commission) is hereby established to be composed of five (5) members and two (2) alternate members, all of whom shall reside in the town and shall be appointed by majority vote of the town council.
- (b) Appointment to positions. Each commission member shall occupy a position on the commission, such positions being numbered 1 through 5.
- (c) Term of office. The commission members shall be appointed to two (2) year staggered terms. Position 1 shall serve an implementation term that shall expire on September 30th of 2016 and shall expire thereafter in even-numbered years. The term for position 2 shall also expire in even-numbered years. The term for each alternate member and position 3 shall expire in odd-numbered years. No member shall serve for more than two (2) consecutive full terms. Implementation terms shall not be counted as full terms.
- (d) Vacancies. All vacancies shall be filled for the unexpired term. A member shall hold office until his successor has been appointed by the town council and shall continue to hold office after his successor has been appointed by the town council for the limited purpose of the disposition of all complaints filed during that member's term. No new member may participate in a decision regarding a complaint filed prior to the expiration of the previous member's term, but new members shall accomplish the duties of office with respect to all complaints filed after the previous member's term.
- (e) Chairman and vice-chairman. The commission shall elect a chairman and a vice-chairman to serve one (1) year terms. The vice-chairman shall act as chairman in the absence of the chairman.
- (f) Quorum. Four (4) members of the commission shall constitute a quorum, and no action of the commission shall be of any force or effect unless it is adopted by the favorable vote of three (3) or more members.
- (g) Meetings. The commission shall meet at least once a year to review this article and may make recommendations to the town council for amendments hereto.
- (h) Issuance of advisory opinions. The commission shall render advisory opinions on potential conflicts of interest or violation of this article at the request of a town official, candidate or, appointee ~~or employee~~ subject to the terms of this article. Such advisory opinion shall be rendered within a reasonable time, but in no event later than thirty (30) business days after a request is received by the commission. A copy of ~~an advisory opinion issued to an employee shall be forwarded to the town manager. A copy of an~~ advisory opinions issued ~~to an appointee~~ shall be forwarded to the town

council.

- (i) Advisory opinion as defense. It shall be a defense to an alleged violation of this article that the person accused previously requested an advisory opinion of the commission and acted on such opinion in good faith, unless material facts were omitted or misstated by the person requesting the opinion. Such advisory opinion shall also be binding on the commission in any subsequent charges concerning the person requesting the opinion.
- (j) Legal counsel. The town attorney or independent legal counsel shall be utilized to advise the commission and participate in hearings. The town council ~~may~~shall annually designate and retain independent counsel, who shall be a duly licensed attorney in the state.
- (k) AuthorityJurisdiction. The commission shall have ~~jurisdiction~~authority to review and make findings concerning ~~an~~alleged violations of this article ~~by a person subject to its provisions~~by town officials, candidates, and appointees, if a written complaint meeting the requirements set forth herein is timely filed in accordance with section 1.05.007(c) of this article. The town manager shall have ~~jurisdiction~~authority to review and make findings concerning alleged violations of this article by employees.

§ 1.05.007 **Disposition of alleged violations.**

- (a) Form and contents of complaint. In order to file a complaint under this article, a complainant shall submit a written sworn complaint to the town secretary, which shall be notarized and shall be in the form specified below. A sworn complaint shall be based upon personal knowledge, shall allege a violation of this article, shall specify the provision(s) of this article alleged to have been violated, and shall name the town official, candidate, appointee, or employee being charged. If a filed complaint fails to meet these standards, the town secretary shall return the complaint to the complainant and a copy of the complaint to the person complained against. The town secretary shall outline which provision(s) of this article have not been satisfied to accept a valid complaint.

THE STATE OF TEXAS:

COUNTY OF DENTON:

TO: THE ETHICS REVIEW COMMISSION (OR THE TOWN MANAGER IF A COMPLAINT AGAINST AN EMPLOYEE) OF THE TOWN OF TROPHY CLUB, TEXAS:

COMES NOW (complainant), and makes this complaint, UPON HIS/HER PERSONAL KNOWLEDGE AND UNDER OATH against (name of person complained against), and would show the Commission that: On or about the _____ day of _____, _____, (insert date of the action, or omission, complained of) _____, (name of person complained against) a/an (insert appropriate designation; Town Official, Candidate, Appointee, or Employee) of the Town of Trophy Club, Texas, violated the following provision(s) of Code of Ethics and Conduct Ordinance, Town of Trophy Club, Texas, to wit: (specify by section, subsection and paragraph number the provision(s) alleged violated) by committing the following act, or omission, to wit:

By the making and filing of this affidavit, I certify under oath that the statements contained herein are true and correct.

(Original signature and executed notary block must be included.)

- (b) Consideration of complaints. Upon the timely filing of a written sworn complaint meeting all requirements of this section, the commission shall consider possible violations of this article by town officials, candidates, and appointees ~~and employees~~. The town manager shall consider possible violations of this article by town employees and former town employees.
- (c) Timely filing required. As a condition precedent to commission consideration of a complaint, such complaint shall be timely filed. A complaint alleging a violation of this article shall be filed with the town secretary within one (1) year after the date of the alleged violation in order to be considered timely. If a complaint is based on information obtained through either a civil proceeding or criminal charge, the timely filing deadline shall be extended to within one (1) year after the date that thea civil proceeding or criminal complaintcharge has been filed in court. It shall be the responsibility of the complainant to furnish evidence of such civil proceeding or criminal complaint at the time of filing a complaint under this article. However, in no case shall a complaint be timely filed if the complaint alleging a violation of this article be considered timely filed if it is filed more than three (3) years after the date of the alleged violation was committed. Each of the following complaints shall be deemed untimely filed and shall be returned to the complainant:
 - (1) A complaint alleging a violation that occurred before the effective date of this article;
 - (2) A complaint alleging a violation that occurred more than one (1) year before the date that the complaint is filed;
 - (3) Aor complaint based on information obtained through either a civil proceeding or criminal charge that is filed more than one (1) year afterbefore the date that thea civil proceeding or criminal charge complaint has beenwas filed in court but in no case more than three (3) years before the alleged violation; and
 - ~~(2)~~(4) A complaint filed more than three (3) years after the date the alleged violation was committed, if the complaint is based on information obtained through either

a civil proceeding or criminal charge; and

~~(3)~~(5) A complaint filed within the period beginning on the 60th day prior to the first date of early voting for a town election and ending on the later of the regular election date or runoff election date for such election.

- (d) False statements notification. If a complaint is timely filed and satisfies the requirements of section 1.05.007(a), the town secretary shall, in writing, advise the person filing a complaint that falsely accusing someone of a violation of this article may result in criminal prosecution, under penalty of perjury, of anyone who knowingly makes a false accusation. The town secretary shall also, in writing, send a copy of the written complaint to the person charged in the complaint, and advise the person charged in the complaint that falsely responding to a complaint may result in criminal prosecution, under penalty of perjury, of anyone who knowingly makes a false response.
- (e) Processing of complaint. Complaints shall be processed as follows:
- (1) Acknowledgement of receipt; distribution of copies. Not later than three (3) business days after the town secretary receives a sworn complaint, the town secretary shall acknowledge the receipt of the complaint to the complainant, and, if the complaint is timely filed and satisfies the requirements of section 1.05.007(a), the town secretary shall provide a copy of the complaint to the town attorney or independent counsel and the person complained against. If a complaint is not timely filed, it shall be returned to the complainant, and a copy of the complaint shall be sent to the person complained against.
- (2) Attorney preliminary review. Within ~~seven-ten~~ (7)10 business days of receipt by the town attorney or independent counsel of a complaint determined by the town secretary to satisfy the requirements of section 1.05.007(a) and to have been timely filed, the town attorney or independent counsel shall review the complaint to determine whether the complaint is sufficient as to form, including, but not limited to, determining whether the complainant has Personal Knowledge, and whether the complaint alleges sufficient facts which if accepted as true would constitute a prima facie violation of this article. Further, the complaint shall be reviewed for compliance with subsections (a) through (c) of this section.
- (A) Sufficient complaint. If the town attorney or independent counsel finds that the complaint is both sufficient as to form, that the complainant has Personal Knowledge, and accepting the facts alleged as true for the limited purpose of a threshold review, finds that the allegations would constitute a prima facie violation of this article, the complaint shall be forwarded to the commission and the person complained against if the complaint is against a town official, candidate, or appointee. The complaint shall be forwarded to the town manager if the complaint is against a town employee or former town employee. The town manager

shall adhere to the town's administrative procedures and policies for reviewing complaints against town employees or former employees and any resulting disciplinary or criminal actions.-

- (B) Insufficient or ineligible complaint. If the town attorney or independent counsel finds that the complaint is ~~either~~ insufficient as to form, or the complainant lacks Personal Knowledge, or, accepting the facts alleged as true for the limited purpose of a threshold review, finds that the allegations would not constitute a prima facie violation of this article, the town attorney or independent counsel shall notify the town council, the commission, the town manager, the complainant, and the person complained against of this determination, and shall return the complaint to the complainant. Further, if the town attorney or independent counsel determines that the commission is prohibited from entertaining a complaint under the conditions set forth in subsection (l) of this section, the town attorney or independent counsel shall notify the town council, the commission, the town manager, the complainant and the person complained against of this determination, and shall immediately return the complaint to the complainant.
- (3) Notification of hearing date. Not later than ~~ten-fifteen~~ (4015) business days after the commission receives a complaint forwarded by the town attorney or independent counsel, the commission shall notify in writing both the person who made the complaint and the person complained against of a date for a preliminary hearing. If the commission does not hold a preliminary hearing within ~~twenty-thirty~~ (2030) business days of its receipt of the complaint, it shall notify the person who made the complaint and the person complained against of the reasons for the delay and shall subsequently give the appropriate notifications to all parties.
- (f) Complaint filed by commissioner. A complaint filed by an individual member of the commission shall be deemed to have been filed in the commission member's capacity as a private citizen and, in such event, the member of the commission filing the complaint shall not thereafter participate in any commission meeting at which such complaint is considered except as the complainant.
- (g) Communications of commission members. After a complaint has been filed and during the pendency of a complaint before the commission, a member of the commission may not communicate directly or indirectly with any party or person about any issue of fact or law regarding the complaint, except at a meeting of the commission; provided that a member may consult with the attorney or the town manager or his designee for the commission as to process, procedure and legal issues. Ex parte communications by or to members of the commission are prohibited.
- (h) Disclosure of information prohibited. No town official, candidate, appointee, or employee shall reveal information relating to the filing or processing of a complaint,

except as required for the performance of official duties or as required by law. All papers and communications relating to a complaint shall be treated as confidential unless required to be made public under the Public Information Act, court order, or other applicable law.

- (i) Preliminary hearing. A preliminary hearing shall be conducted in accordance with the following:
- (1) As soon as reasonably possible, but in no event more than sixty (60) business days after receiving a complaint, the commission shall conduct a preliminary hearing. The issue at a preliminary hearing shall be the existence of reasonable grounds to believe that a violation of this article has occurred. The person filing a complaint shall state the alleged violation and shall describe in narrative form the testimony and other evidence which would be presented to prove the alleged violation as stated in the written complaint. Statements at a preliminary hearing shall be under oath, but there shall be no cross- examination or requests for persons or evidence issued for the hearing. Members of the commission may question the complainant, the independent counsel for the commission, or the town official, candidate, or appointee ~~or employee~~ named in the complaint. The town official, candidate, or appointee ~~or employee~~ named in the complaint may not be compelled to give evidence or testimony that violates his right against self- incrimination under the United States or the state constitution.
 - (2) The town official, candidate, or appointee ~~or employee~~ named in the complaint shall have the opportunity to respond, but is not required to attend or make any statement. The town official, candidate, or appointee ~~or employee~~ may describe in narrative form the testimony and other evidence which would be presented to disprove the alleged violation.
 - (3) The complainant and the town official, candidate, or appointee ~~or employee~~ named in the complaint shall have the right of representation by counsel paid for at his own expense.
 - (4) At the conclusion of the preliminary hearing, the commission shall decide whether a final hearing should be held. If the commission determines that there are reasonable grounds to believe that a violation of this article has occurred, it shall schedule a final hearing. If the commission does not determine that there are reasonable grounds to believe that a violation of this article has occurred, the complaint shall be automatically dismissed. A decision to conduct a final hearing is not a finding that a violation has occurred. Notwithstanding the foregoing, the commission may proceed to determine the appropriate sanction if the charged town official, candidate or, appointee, ~~or employee~~ does not object and admits the charged violation, and the commission determines that there are no fact issues to be resolved.
 - (5) At the preliminary hearing or at least fifteen (15) business days prior to the final hearing, the complainant, the town official, candidate, or appointee ~~or employee~~

named in the complaint may request that the commission summon certain persons and evidence for a final hearing, if one is scheduled.

(j) Final hearing. A final hearing shall be conducted in accordance with the following:

- (1) The final hearing shall be held as expeditiously as possible following the preliminary hearing at which a determination was made by the commission that there are reasonable grounds to believe that a violation of this article occurred, but in no event shall it be ~~held-scheduled~~ more than thirty (30) ~~business~~ days after such determination. The commission may grant two (2) postponements of the final hearing, not to exceed fifteen (15) ~~business~~ days each, upon the request of the town official, candidate, ~~or~~ appointee ~~or-employee~~ named in the complaint.
- (2) The issue at a final hearing shall be whether a violation of this article has occurred. The commission shall make its determination based on a clear and convincing evidence standard of proof. Parties to the proceeding may present testimony and evidence at the final hearing. All witnesses shall make their statements under oath. If the commission determines that a violation has occurred, it shall state its findings in writing, shall identify the particular provision(s) of this article which have been violated, and within five (5) business days shall deliver a copy of its findings to the complainant, if any, the person named in the complaint and the town secretary.
- (3) If a complaint proceeds to a final hearing, the commission shall ~~summon-request~~ in writing witnesses for which it has received a written request from the complainant or from the town official, candidate, ~~or~~ appointee ~~or-employee~~ named in the complaint, provided that the requesting party shows good cause for the request and the request is timely submitted in accordance with subsection (i)(5) of this section. ~~The request shall be made by certified mail, with return receipt requested, at least ten (10) business days before the date of the final hearing. Such written summons shall be served by a constable at least ten (10) business days before the date of the final hearing.~~ Additionally, the commission may administer oaths and affirmations and receive testimony and evidence presented at the final hearing. It shall be a violation of this article for a person to fail ~~or refuse~~ to appear and testify before the commission in response to a written ~~requestsummons~~ served ten (10) ~~business~~ days or more prior to the scheduled time and date of final hearing. Notwithstanding the foregoing, no town official, candidate, ~~or~~ appointee ~~or-employee~~ named in a complaint or witness may be compelled to give evidence or testimony that violates his/her right against self-incrimination under the United States or the state constitution.

(k) Sanctions. The following sanctions are available:

- (1) If the commission determines that a violation of this article has occurred, it shall proceed directly to determination of the appropriate sanction(s). A violation of this article shall not be subject to criminal penalties under the town Code of

Ordinances, except for those instances specifically provided for in section 1.05.011 of this article. The commission may receive additional testimony or statements before determining sanctions, but is not required to do so. If the town official, candidate, ~~or~~ appointee ~~or employee~~ named in the complaint acted in reliance upon a written opinion of the town attorney, the commission shall consider that fact.

- (2) If the commission determines that a violation of this article has occurred, it shall take the following actions:

~~(A) If the person who committed the violation is a current employee under the jurisdiction of the town manager, the matter shall be referred to the town manager.~~

~~(B)~~(A) If the person who committed the violation is the town manager, town attorney, town secretary, or a judge of the municipal court, the matter will be referred to the town council.

~~(C)~~(B) If the person who committed the violation is a town council member, a candidate, an appointee, ~~or~~ a former town official, ~~or a former town employee, the~~ matter will be referred to the town council.

- (3) When referring a matter under subsection (k)(2) of this section, the commission may impose or recommend the following sanctions:

(A) Letter of notification. A letter of notification may be recommended when the commission finds that a violation of this article was clearly unintentional or when the action or conduct found to have been a violation of this article was performed by the town official, candidate, ~~or~~ appointee, ~~or employee~~ in reliance on a public written opinion of the town attorney. A letter of notification must advise the town official, candidate, ~~or~~ appointee, ~~or employee~~ to whom the letter is directed of any steps to be taken to avoid future violations.

(B) Letter of admonition. A letter of admonition may be recommended when the commission finds that the violation of this article was minor and/or may have been unintentional, but where the circumstances call for a more substantial response than a letter of notification.

(C) Reprimand. A reprimand may be recommended when the commission finds that a violation of this article was committed intentionally or through disregard of this article. ~~A recommended reprimand directed to an employee shall be forwarded to the town manager. The town manager may also elect to discipline the employee in accordance with town personnel rules and procedures.~~ A letter of reprimand directed to an elected town official shall also be transmitted to the town secretary and published in the official newspaper of the town.

~~(D) Removal or suspension from employment. A recommendation of removal from employment or a recommendation of suspension from employment, as well as a recommendation for length of suspension, shall be the appropriate sanction when the commission finds that a serious or repeated violation(s) of this article has been committed intentionally or through culpable disregard of this article by town employees. The final discretion to carry out such recommendations to remove or suspend from employment and the length of suspension shall be with the town manager. The town manager may also elect to discipline the employee in accordance with town policies and procedures.~~

~~(E)~~(D) Censure, recall or removal from office or appointment. A letter of censure, a recommendation of recall, or a recommendation to institute proceedings for removal from office or appointment shall be the appropriate sanction when the commission finds that a serious or repeated violation(s) of this article has been committed intentionally or through culpable disregard of this article by an elected town official or appointed member. A letter of censure, a recommendation of recall, or a recommendation to institute proceedings for removal from office directed to an elected town official or appointed member shall also be transmitted to the town secretary and published in the official newspaper of the town. The town council and citizens of the town may take actions in accordance with the town charter. Any proceedings for removal from office shall be in compliance with provisions of the town charter and state law.

- (I) Dismissal of complaint. If the complaint is dismissed because the evidence failed to establish a violation of this article, the commission shall issue a letter of dismissal or finding, and shall not entertain any other similar complaint based on substantially the same evidence. A complaint shall also be dismissed if it was filed by a person determined to be a vexatious complainant as outlined in Section 1.05.010.

§ 1.05.008 **Request for review of allegations.**

Any town official, candidate, or appointee ~~or employee~~ against whom public allegations of ethics violations have been made in the media or elsewhere has the right to file a sworn statement with the town secretary affirming their innocence, and to request the commission to review the allegations and make known its findings.

§ 1.05.009 ~~Reserved.~~ Culpability.

~~To commit a violation under any provision of this article, a person must have acted or failed to act knowingly or intentionally.~~

§ 1.05.010 ~~False complaints~~ Vexatious Complainants.

- (a) The commission may find that a complainant is vexatious if the commission finds there is not reasonable probability that the complaint has merit against the town official, candidate, or appointee and that: In the event a complaint is received by the commission that is subsequently found to be baseless, and the commission deems that the complaint was filed with the intent to:
- (1) Harass the person named in the complaintThe complainant, in the seven-year period immediately preceding the date of filing a complaint with the commission, has filed at least three (3) complaints resulting in no violations being found by the commission and found to be frivolous or groundless under the conditions of this article; or
 - (2) Damage a person's reputation.
 - ~~(3) — (b) Benefit the person filing the complaint, or a third party, either personally, professionally or politically; or~~
 - ~~(4) — Damage a related third party;~~

The commission may take action to determine a person who has filed a complaint as outlined herein is a vexatious complainant. A person who has been determined by the commission to be a vexatious complainant shall be prohibited from submitting a complaint under this article for a period of three (3) years as of the date of the commission's decision. Any pending complaint(s) filed by the vexatious complainant as of the date of the commission's decision shall be automatically -dismissed by the commission. ~~the commission may recommend the town attorney cause a complaint to be filed against such person in the municipal court. The town council or town manager, as appropriate, may take disciplinary action(s) against the individual who filed the complaint, including but not limited to disciplinary action if such complainant is an employee, appointee, or town official as allowed by personnel policies, ordinance, state law or the town charter. The commission may also recommend other action(s) be taken.~~

§ 1.05.011 Reserved. Penalties.

- ~~(a) — It shall be unlawful and shall be a class C misdemeanor for any person to knowingly or intentionally violate section 1.05.007(d), 1.05.007(j)(3), or 1.05.010 of this article, and any person found guilty of such violation shall be fined, upon conviction, not less than one dollar (\$1.00) nor more than two thousand dollars (\$2,000.00) for each offense. Such penalty shall be in addition to all the other remedies provided herein.~~
- ~~(b) — A person who knowingly files a false sworn statement under this article may be subject to criminal prosecution for perjury under the laws of the state.~~

SECTION 3.
CUMULATIVE

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

SECTION 4.
SEVERABILITY

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

SECTION 5.
EFFECTIVE DATE

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

PASSED AND APPROVED by the Town of Trophy Club, Texas, this the 14th day of July, 2025.

Jeannette Tiffany, Mayor

ATTEST:

Tammy Dixon, Town Secretary

APPROVED AS TO FORM:

Dean Roggia, Town Attorney



Ethics Ordinance Amendments

Recommended by the Ethics Review Commission

July 14, 2025

Ethics Review Commission

Code of Ordinances Article 1.05 Code of Ethics and Conduct

§1.05.006(g) Meetings. The Commission shall meet at least once a year to review this article [Article 1.05] and may make recommendations to the Town Council for amendments hereto.

Ethics Review Commission Review Meetings:

- October 29, 2024
- April 1, 2025
- May 13, 2025
- June 17, 2025

On June 17, 2025, the Ethics Review Commission unanimously recommended the following amendments to Article 1.05.

Article 1.05 Code of Ethics and Conduct Review

Gift & Benefit Provisions §1.05.004(1)

Expanded Exceptions for Educational Gifts:

- Defined “insignificant in value” as less than \$50.
- Added an exception for awards, grants, scholarships, or similar gifts related to training, licensing, or education from nonprofit organizations, limited to town employees (excluding the Town Manager) and their families.
 - Requires:
 - Prior approval by the Town Manager.
 - Public disclosure at a Town Council Meeting.
- New 4-year limitation per recipient or family on receiving gifts from the same nonprofit.
- Authority for the Town Manager to reject such gifts was explicitly added.

Article 1.05 Code of Ethics and Conduct Review

Ethics Review Commission Authority §1.05.006

Modified Scope of Jurisdiction:

- Removed Ethics Review Commission jurisdiction regarding complaints filed against Town employees.
 - Town Manager given sole jurisdiction over employee-related complaints, separating responsibilities from the Commission.
 - Several sections of Article 1.05 are modified to align with this change.

Article 1.05 Code of Ethics and Conduct Review

Complaint Process Revisions §1.05.007

Stronger Complaint Screening & Notification:

- Explicit standard of “personal knowledge” for filing a valid complaint.
 - Personal Knowledge is defined at “knowledge gained by the complainant only through direct firsthand observation or the complainant’s own direct sensory experience, and does not include a belief based on what someone else, other than the person who is the subject of the complaint, has said or done.”
- Town Secretary authorized to share all submitted complaints with person(s) complained against.

New Timely Filing Requirement:

- Added that a complaint is timely is filed within one year of the court filing of a criminal or civil charge with a three-year maximum from the date of the alleged violation.

Article 1.05 Code of Ethics and Conduct Review

Removing Culpability Section §1.05.009

Remove that a person must act “knowingly” or “intentionally” to violate the Ethics Ordinance

- Remove references to a person being able to state that they did not know or did not intentionally violate the Ethics Ordinance as a defense.

Article 1.05 Code of Ethics and Conduct Review

Changing False Complaint Section to Vexatious Complaints §1.05.010

Introduce Provisions to Identify and Ban Vexatious Complainants:

- Criteria include:
 - Filing 3+ frivolous complaints in 7 years, or
 - Filing a repetitive groundless complaint against same individual in 3 years
- Enacts a sanction for vexatious complainants of a three-year ban on future complaints and dismissal of existing ones.

Article 1.05 Code of Ethics and Conduct Review

Removal of Penalties for Filing False Complaints §1.05.010 & §1.05.011

False Complaint Determination:

- Removed the Ethics Review Commission's involvement in making determinations or recommendations regarding filed false complaints

Removal of Penalties:

- Removed misdemeanor penalties associated with filing false complaints or any other violation(s) of the Ethics Ordinance.

Article 1.05 Code of Ethics and Conduct Review

Number of Days References Changes / Various Sections

Standardized Business Days and Lengthened Some Timelines:

- Changed multiple number of days throughout the ordinance for required actions to be completed.
- Standardized all references to number of days to be based on “business days.”

Questions/Discussion