

**HOME RULE
CHARTER
OF
THE CITY OF CADDO MILLS, TEXAS**

To be submitted to a vote of the people on: November 5, 2024

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**HOME RULE CHARTER
FOR
THE CITY OF CADDO MILLS, TEXAS**

PREAMBLE

We, the citizens of Caddo Mills, Texas, in order to establish a Home Rule municipal government, provide for the future progress of our City and obtain more fully the benefits of local self-government, and provide for the public welfare, hereby adopt this Home Rule Charter, in accordance with the statutes of the State of Texas; and do hereby declare the residents of the City of Caddo Mills, in Hunt County, Texas living within the legally established boundaries of the said City, to be a political subdivision of the State of Texas, incorporated forever under the name and style of the “City of Caddo Mills” with such powers, rights, privileges, authorities, duties and immunities, as are herein provided.

ARTICLE I

Form of Government and Boundaries

SECTION 1.01 Form of Government

The municipal government provided by this Charter, shall be known as the “Council-Manager Government”. Pursuant to its provisions, and subject only to the limitations imposed by the State Constitution, the statutes of this State, and by this Charter, all powers of the City shall be vested in an elective council, hereinafter referred to as the “City Council”, which shall enact local legislation, adopt budgets, determine policies, and appoint the City Manager, who in turn, shall be held responsible to the City Council for the execution of the laws and the administration of the government of the City. All powers of the City shall be exercised in the manner prescribed by this Charter, or if the manner not be prescribed, then in such manner as may be prescribed by ordinance, the State Constitution, or by the statutes of the State of Texas.

SECTION 1.02 The Boundaries

The citizens of the City and Hunt County, Texas, residing within its corporate limits, as heretofore or hereafter established, are hereby constituted and shall continue to be a municipal body politic and corporate, in perpetuity, under the name of the “City of Caddo Mills” with such powers, privileges, rights, duties, authorities and immunities, as are herein provided. The records of the City of Caddo Mills’s boundaries shall be kept on file with the City Secretary.

SECTION 1.03 Extension of Boundaries

The boundaries of the City may be enlarged and extended by the annexation of additional territory, irrespective of size and configuration, by the method hereinafter set forth:

- (1) The City Council shall have the power by ordinance to fix the boundary limits of the City of Caddo Mills and to provide for the alteration and extension of said boundary limits, and the annexation of additional territory lying adjacent to the City, or as otherwise allowed by law, in any manner provided by law.
- (2) When any additional territory has been so annexed, same shall be a part of the City and the property situated therein shall bear taxes levied by the City, and the citizens thereof shall be entitled to all the rights and privileges of the other citizens of said City and shall be bound by the acts, ordinances, resolutions and regulations of the City. No part of the City as presently established may be disannexed.
- (3) The City shall maintain an official map of its boundaries in accordance with state law. The boundaries and limits of the City of Caddo Mills, until changed in the manner provided herein, shall be the same as have heretofore been established and as exist on the date of the adoption of this Charter.

ARTICLE II

Powers of the City

SECTION 2.01 General Powers of the City

The City shall have all powers and rights of self-government and home rule that exists now or may be granted to municipalities by the Constitution and laws of the State of Texas, unless such power or right is expressly prohibited or restricted by this Charter. The enumeration of particular powers in this Charter shall not be held or deemed to be exclusive, and in addition to the powers enumerated herein, implied herein or appropriate to the exercise thereof, the City shall have and may exercise all other powers which under the Constitution and laws of the State of Texas that it would be competent for this Charter to specifically enumerate.

SECTION 2.02 Public Improvements

The City shall have the power to, among other things, construct and maintain, within or without its corporate limits, public improvements as authorized by State statutes and such other public improvements as the City Council shall determine to serve a public purpose of the City, including but not limited to, constructing and maintaining streets, flood control and sanitary facilities, water and storm drainage facilities in, over, under or upon all public property or easements granted for that purpose and to levy assessments for the costs of such improvements. The City shall have the power to collect attorney's fees for the collection of paving assessment in foreclosure cases as allowed under state law. It shall have the power to cause liens to be established for the purpose of securing the payment of such levies and shall have the power to compel the use of such improvements by the citizens of the City.

SECTION 2.03 Miscellaneous Powers

The City shall have the power to, among others, establish and maintain ordinances and regulations governing the use of lands within the City and to enforce by all lawful means these ordinances and regulations, within and without its corporate limits. The City shall have the power to authorize, regulate and inspect all construction and existing structures within or without its limits, consistent with state statutes, and to establish and enforce ordinances and regulations concerning their use, construction and reconstruction. The City shall have the power to contract and be contracted with, to buy, sell, lease, lease-purchase, mortgage and/or manage property, to acquire property by donation or condemnation and to control such property as its interests require. The City shall have the power to license and regulate persons, corporations and associations engaged in any business, occupation, profession or trade in accordance with state law. The City shall have all powers granted by any section of this Charter.

ARTICLE III

The City Council

SECTION 3.01 Composition/Election

- (1) Members. The “City Council” shall be composed of a “Mayor” and five (5) “Council Members” elected under the Place System, with there being Places 1, 2, 3, 4, and 5. The Mayor and each Council Member shall be elected at large until the time of transition to geographic districts as provided in subsection 3.01(4) of this Section, and unless sooner removed under the provisions of this Charter and as provided in subsection 3.01(2) below, each shall serve for a term of three (3) years, or until their successor has been appointed or elected and duly qualified. All of the City Council holding office at the time of passage of this Charter and any amendments hereto shall continue to hold their respective office until the respective term for which they were elected expires.
- (2) City Council shall be elected as follows upon expiration of each offices’ current term at the time of the Charter’s adoption:
 - (i) In order to provide for an orderly transition from two (2) year terms to three (3) year terms, the Mayor and Council Places 1 through 5 shall draw lots at the next open meeting of the City Council after adoption of this Charter.
 - (ii) For the 2025 general election, the offices of Mayor, Council Place 3 and Council Place 4 shall draw lots with the result that two (2) offices shall have two (2) year terms and one (1) office shall have a three (3) year term. Each general election thereafter for Mayor, Council Place 3 and Council Place 4 shall each be for a three (3) year term.
 - (iii) For the 2026 general election, the offices of Council Place 1, Council Place 2 and Council Place 5 shall draw lots with the result that one (1) office shall have a two (2) year term and two (2) offices shall have a three (3) year term. Each general election thereafter for Council Place 1, Council Place 2 and Council Place 5 shall each be for a three (3) year term.
 - (iv) Two (2) offices of the City Council shall be subject to election each year.
- (3) Majority Vote. The candidate for election to the office of Mayor who receives a majority of votes cast for all candidates for such office at the municipal election shall be declared elected. The candidate for election to each Place on the Council, who receives a majority of the votes cast for all candidates for such Place at the municipal election, shall be declared elected. Runoff elections shall be called in accordance with Section 5.04 of this Charter.
- (4) Transition to Districts. Within two (2) years following the date of release of the 2030 federal census data for the City, or once the City reaches 10,000 in population, whichever occurs later, the City Council shall initiate a Charter Review Commission to review and determine whether there Council districts shall remain at-large or become single member district. If the Council transitions to single member districts, geographic districts shall be created by an independent third-party, determined by division of the City’s population to establish equality of population, and comply with all legal requirements in effect at the time of transition under this Section.
 - (i) The Mayor shall always be elected at-large.

SECTION 3.02 Qualifications of City Council

In addition to any other qualifications prescribed by law, the Mayor and each Council Member shall meet the qualifications set forth in Article V of this Charter in order to file for office and while in office.

SECTION 3.03 Compensation

The City Council shall be entitled to reimbursement for actual expenses incurred in the performance of official duties with the approval of the City Council at a public meeting.

SECTION 3.04 Mayor and Mayor Pro-Tem

- (1) The Mayor shall attend and preside at meetings of the City Council. The Mayor shall participate in the discussion of all matters coming before the City Council but shall not have a vote on matters before the City Council except in the event of a tie. The Mayor shall have a one-time veto power over ordinances adopted by the City Council, which can be overridden by a majority vote of the City Council, excluding the Mayor, at the next regular or special meeting. The Mayor shall also represent the City in intergovernmental relationships, present an annual state of the City message and perform other duties specified by the City Council and/or imposed by this Charter and by ordinances and resolutions passed in pursuance thereof. Additionally, the Mayor may sign, after approval by the City Council, all contracts and conveyances made or entered into by the City and all bonds, warrants and any other obligation issued under the provisions of this Charter. The Mayor shall be recognized as head of the City government for all ceremonial purposes, and by the Governor for purposes of military law, but shall have no regular administrative duties.
- (2) The Mayor Pro-Tem shall be a Council Member elected by the City Council at the first regular meeting after each election of Council Members and/or Mayor or at the first regular meeting after any applicable run-off election, whichever is later. The Mayor Pro-Tem shall act as Mayor during the disability or absence of the Mayor, and in this capacity shall have the rights conferred upon the Mayor.

SECTION 3.05 Vacancies, Forfeiture and Filling of Vacancies

- (1) The office of a Council Member or the Mayor shall become vacant upon his or her disqualification, death, resignation, forfeiture of, or removal from office by any manner authorized by law. Additionally, the office of any Council Member elected by geographic district shall become vacant upon such member ceasing to have his/her primary residence within the geographic district to which he/she was elected at any time, or for any length of time, during the term for which such person was elected.
- (2) If any member of the City Council is absent from three (3) consecutive regular meetings, or twenty-five percent (25%) of regularly scheduled meetings during the twelve-month (12-month) period immediately preceding and including the absence in question (the "12-month period"), without explanation acceptable to a majority of the remaining members of the City Council, his or her office may be declared vacant at the next regular meeting of the City Council by Council adoption of a resolution. The first 12-month period for purposes of this section shall begin the first day of the month following the adoption of this Charter.
- (3) Any person on the City Council who ceases to possess the required qualifications for office under applicable federal law, state law or this Charter, including without limitation Article

V hereof, or who is convicted of a felony or of a misdemeanor involving moral turpitude or is convicted of violating any state laws regulating conflicts of interest of municipal officers shall forfeit his or her office. Every forfeiture shall be declared and enforced by the City Council. The City Council shall convene a public hearing before exercising its authority under this provision and permit the Council Member subject to the action to be heard regarding forfeiture of office, if requested.

- (4) If there is a vacancy in the office of Mayor, a new Mayor shall be elected by special election held within one hundred twenty (120) days after such vacancy occurs, in accordance with the Texas Constitution and the Texas Election Code.
- (5) A vacancy in the office of a Council Member, shall be filled by special election held within one hundred twenty (120) days after such vacancy occurs, in accordance with the Texas Constitution and the Texas Election Code. Notwithstanding the foregoing, in the event that a vacancy occurs on the City Council where the remainder of the unexpired term for such office is twelve (12) months or less, the City Council may fill such vacancy by majority vote approval of a person who meets all qualifications of state law and this Charter to hold office.
- (6) If the vacated office is that of Mayor Pro-Tem, the City Council shall elect a new Mayor Pro-Tem at the next regular meeting following such vacancy or as soon thereafter as practicable.
- (7) Vacancies filled by special election or by appointment, as applicable, shall be for the remainder of the term vacated.

SECTION 3.06 Powers of the City Council

All powers of the City and the determination of all matters of policy shall be vested in the City Council. Except where in conflict with and otherwise expressly provided by this Charter, the City Council shall have all powers authorized to be exercised by the Constitution and laws of the United States and the State of Texas and the acts amendatory thereof and supplementary thereto, now or hereafter enacted. Without limitation of the foregoing and among the other powers that may be exercised by the City Council, the following are hereby enumerated for greater certainty:

- (1) Appoint and remove the City Manager;
- (2) Appoint and remove the City Secretary;
- (3) Appoint and remove the Municipal Judge(s) of the Municipal Court;
- (4) Appoint and remove the City Attorney;
- (5) Designate items to appear on a future agenda of a City Council meeting for consideration and/or discussion;
- (6) Establish administrative departments;
- (7) Adopt the budget of the City;
- (8) Collectively inquire into the conduct of any office, department or agency of the City and make investigations as to municipal affairs;
- (9) In accordance with Article VIII of this Charter, provide for such boards, commissions and committees as deemed necessary, and appoint the members of all such boards, commissions and committees, each of which shall have all powers and duties now or hereafter conferred by City ordinance or by applicable law;
- (10) Adopt and modify the official map of the City;
- (11) Adopt, modify and carry out plans in cooperation with the Planning & Zoning Commission for the planning, improvement and redevelopment of specific areas of the City;

- (12) Adopt, modify and carry out plans in cooperation with the Planning & Zoning Commission for the planning, reconstruction or redevelopment of any area or district which may have been destroyed in whole or part by disaster;
- (13) Regulate, license and fix the charges or fares made by any person owning, operating or controlling any vehicle of any character used for the carrying of passengers for hire on the public streets and alleys of the City;
- (14) Provide for the establishment and designation of fire limits and prescribe the kind and character of buildings or structures or improvements to be erected therein; provide for the erection of fireproof buildings within certain limits; and provide for the condemnation of dangerous structures or buildings or dilapidated buildings or buildings calculated to increase the fire hazard, and the manner of their removal or destruction;
- (15) Fix and regulate rates and charges of all utilities and public services;
- (16) Adopt plats, unless the City Council votes to give this authority to the Planning & Zoning Commission or City staff; and
- (17) Individually make inquiries of the City Manager regarding City business and items and issues before the Council in preparation for City Council or other meetings.

SECTION 3.07 Prohibitions

- (1) Except where authorized by law or by this Charter, no Mayor or Council Member shall hold any other City office or City employment for the City of Caddo Mills during his or her term as Mayor or Council Member. No former Mayor or Council Member shall hold any compensated appointive office or City employment until one (1) year after the expiration of the term for which they were elected or appointed to the City Council.
- (2) A current Mayor or Council Member shall not concurrently serve as a voting member on a board, commission, or committee which has an advisory or deliberative character and whose members are appointed by or serve at the pleasure of the City Council.
- (3) Members of the City Council shall not in any way dictate the appointment or removal of the City administrative officers or employees whom the City Manager or any of the City Manager's subordinates are empowered to appoint. The City Council, at a meeting called for that purpose, may express its views and fully and freely discuss with the City Manager anything pertaining to appointment and removal of such officers and employees.
- (4) Except for the purpose of inquiries and investigations as provided by this Charter, the City Council shall deal with City officers and employees who are subject to the direction and supervision of the City Manager solely through the City Manager. The City Council shall not give orders to any such officer or employee, either publicly or privately, except as otherwise provided in this Charter.

SECTION 3.08 Meetings of the City Council

- (1) The City Council shall hold at least one (1) regular meeting each month and as many additional meetings as it deems necessary to transact the business of the City. The City Council shall fix by ordinance the date and time of the regular meetings.
- (2) Special meetings of the City Council shall be held at the call of the Mayor or a majority of the Council Members upon provision of public notice in accordance with state law.
- (3) Except as provided by state law, all City Council meetings shall be open to the public and shall be held and notice given in accordance with the Texas Open Meetings Act.
- (4) Any Council Member can request to have an item added to the agenda for consideration at the next scheduled regular or special meeting of the City Council.

- (5) In addition to meeting the notice requirements of state law, all public meeting notices given shall communicate the date, time and agenda of the meeting through any means reasonably capable of reaching a majority of the taxpayers; means of such notice shall be as determined necessary by the City Council (*i.e.*, social media platforms and email).

SECTION 3.09 Quorum and Voting

A majority of the City Council qualified to vote shall constitute a quorum for the purpose of transaction of business. The Mayor shall not be included for the purpose of determining whether a quorum is present at a meeting. No action of the City Council, except as specifically provided in this Charter, shall be valid or binding unless adopted by the affirmative vote of a majority of the members of the City Council present. If a certain percentage of affirmative votes to pass a measure is required, like a supermajority, the number of affirmative votes required must be determined by the number of City Council Members qualified to vote rather than the number present.

SECTION 3.10 Conflict of Interest

Should any person on the City Council, the Mayor, or any other officer, whether elected, appointed, paid or unpaid, who exercises responsibilities beyond those that are advisory in nature, have a conflict of interest, pursuant to any state laws, including but not limited to Chapter 171 of the Texas Local Government Code, as amended, and/or the City Charter and/or City ordinances regulating conflicts of interest of municipal officers, with an agenda item then before the City Council, he or she shall openly declare same before discussion proceeds, file any required affidavit, and he or she shall thereby be prohibited from discussing the item and voting on the question. Any members of the City Council who have a conflict of interest are considered present for purposes of constituting a quorum. Any violation of this section, with the knowledge, expressed or implied, of a person or corporation contracting with the City, shall render the contract involved voidable by the City Council. If any provision of this section conflicts with state law regulating conflicts of interest, state law shall control.

SECTION 3.11 Abstention

To abstain where no conflict of interest exists under federal, state or local law, the City Council member shall file an affidavit with the City Secretary stating the nature and extent of the conflict prior to the City Council meeting in which the matter is to be discussed.

SECTION 3.12 Rules of Procedure

The City Council shall determine, which may be done by ordinance, resolution or otherwise, its own rules of order and business. The City Council shall provide that the citizens of the City shall have a reasonable opportunity to clearly hear and be heard at public hearings and with regard to specific matters under consideration. The City Council shall provide for minutes to be taken and recorded for all public meetings as required by law. Such minutes shall be a public record and shall be kept and maintained by the person performing the duties of the City Secretary. City Council meetings and public hearings will be recorded by audio device and pursuant to section 12.11 of this Charter, shall be made available for inspection during reasonable business hours as soon as practicable after meeting. When feasibly/financially possible, this requirement shall be for video recordings.

SECTION 3.13 Passage of Ordinances in General

- (1) The City Council shall legislate by ordinance only, and the enacting clause of every ordinance shall provide "Be it ordained by the City Council of the City of Caddo Mills, Texas...". Each proposed ordinance shall be introduced in the written or printed form

required for adoption. General appropriation ordinances may contain various subjects and accounts for which monies are to be appropriated. After adoption, an ordinance shall not be amended or repealed except by the adoption of another ordinance amending or repealing the original ordinance. Copies of any proposed ordinance, in the form required for adoption, shall be furnished to the City Council. Copies of the proposed ordinance, in the form required for adoption, shall be available at the City offices and shall be furnished to citizens upon request to the City Secretary from and after the date on which such proposed ordinance is posted as an agenda item for a City Council meeting and, if amended, shall be available and furnished in amended form for as long as the proposed ordinance is before the City Council.

- (2) Unless otherwise required by law, every ordinance shall become effective upon adoption or at any later time(s) specified in the ordinance, except that every ordinance imposing any penalty, fine or forfeiture shall become effective only after having been published once in its entirety or summary form, or publication of its caption, after adoption, in a newspaper designated as the official newspaper of the City.
- (3) If a majority of the City Council present requests that the ordinance title and caption or the ordinance its entirety be read, it must be read.

SECTION 3.14 Emergency Ordinances

- (1) The City Council may adopt emergency ordinances only to meet public emergencies affecting life, health, property or the public peace. In particular, such ordinances shall not levy taxes, grant or renew or extend a franchise or regulate the rate charged by any public utility for its services. Neither shall they authorize the borrowing of money except as provided elsewhere in this Charter.
- (2) An emergency ordinance shall be introduced in the form and manner generally prescribed for ordinances, except that it shall be plainly designated in the title as an emergency ordinance and shall contain, after the enacting clause, a declaration stating that an emergency exists and describing the emergency in clear and specific terms.
- (3) An emergency ordinance may be introduced at any City Council meeting and can be adopted with or without amendment or rejected at the meeting at which it is introduced. The affirmative vote of a quorum of the members of the City Council shall be required for adoption.
- (4) Emergency ordinances shall become effective upon adoption and shall be published as soon thereafter as practicable. Every emergency ordinance so adopted, except one authorizing the borrowing of money as described herein, is automatically repealed as of the sixty-first (61st) day following the day on which it became effective, unless the ordinance is readopted or extended by vote of the City Council due to the continuation of the emergency for which the ordinance was adopted.

SECTION 3.15 Authentication, Recording, Codification, Printing and Distribution

- (1) All ordinances and resolutions adopted by the City Council shall be authenticated by seal and signature of the person performing the duties of the City Secretary and numbered consecutively as adopted. They shall be properly indexed, and codified as appropriate, and shall be kept available for public inspection.
- (2) The City Council may codify the ordinances of the City. If adopted, the codification shall be known and cited as “The Caddo Mills City Code” and shall be in full force and effect without the necessity of such Code or any part thereof being published in any newspaper.

The caption, descriptive clause and other formal parts of the ordinances of the City may be omitted without affecting the validity of such ordinances when codified. Every general ordinance enacted subsequent to such codification shall be enacted as an amendment to the Code. For the purpose of this section, general ordinances shall be deemed to be those ordinances of a permanent or continuing nature which affect the residents of the City at large. Copies of the Code shall be furnished to City Officers, placed in City offices and pursuant to section 12.11 of this Charter, shall be made available for inspection during reasonable business hours.

- (3) The City Council shall cause all ordinances and amendments to this Charter to be printed promptly following their adoption. A copy of each ordinance and amendment shall be placed in appropriate City offices for public reference. Printed ordinances and Charter amendments pursuant to section 12.11 of this Charter, shall be made available for inspection during reasonable business hours as soon as practicable after meeting..

SECTION 3.16 Investigations by the City Council

The City Council shall have the power to inquire into the official conduct of any department, agency, office, officer or employee of the City. For that purpose, the City Council shall have the power to administer oaths, subpoena witnesses and compel the production of books, papers or other evidence material to the inquiry. The City Council shall provide, by ordinance, penalties for contempt for failing or refusing to obey any such subpoena or to produce any such books, papers or other evidence, and shall have the power to punish any such contempt in the manner provided by the ordinance.

SECTION 3.17 Code of Ethics

The City Council shall adopt and maintain, by ordinance or resolution, within one (1) year from the date of adoption of this Charter, a Code of Ethics for the purpose of, among other things, establishing and defining the bounds of reasonable ethical behavior by the City Council and all appointed City Officials.

SECTION 3.18 Nepotism

No person related within the second degree by affinity or within the third degree by consanguinity to the Mayor, any Council Member, the City Manager or the City Secretary shall be employed by or contracted with the City. This prohibition shall not apply to the following:

- (1) Any person currently employed by the City and who was employed by the City prior to the date that the person related in the above prohibited degree files to run for elective office or is nominated for an appointment. The person must have been employed with the City for the applicable time period(s) set forth in Texas Government Code Section 573.062, as amended, to be exempt from the prohibition; or
- (2) Any person who is a seasonal employee, an intern of the City or in an unpaid position with the City.

When a person is allowed to continue employment in any such position as provided by subsections (1) and (2) above, the officer related to such person shall not participate in the deliberation or voting upon the appointment, reappointment, employment, confirmation, re-employment, change in status, compensation or dismissal of such person, unless such action is taken with respect to a bona fide class or category of employees.

ARTICLE IV

City Administration

SECTION 4.01 City Manager

- (1) The City Council shall appoint, upon the affirmative vote of a majority of the full membership of the City Council, a City Manager who shall serve as Chief Administrative Officer of the City. The City Manager shall be responsible to the City Council for administration of all the affairs of the City, with only those exceptions named in this Charter. The City Manager shall be appointed solely upon the City Manager's executive, administrative and educational qualifications. The City Manager need not be a resident of the City when appointed, but shall, if required by the City Council, reside within the City during the balance of the tenure of his or her appointment.
- (2) The City Council shall fix the compensation of the City Manager, and the City Manager's compensation may be amended, from time to time, in accordance with the City Manager's experience, qualifications and performance.
- (3) The City Manager shall be appointed for an indefinite term at the pleasure of the Council and may be removed at the discretion of the City Council by the affirmative vote of a majority of the full membership of the City Council. Upon decision to remove the City Manager, written notice of such decision shall be furnished to him or her.
- (4) In case of the absence, disability or suspension of the City Manager, the City Council may designate a qualified administrative officer of the City to perform the duties of the office.
- (5) The City Manager shall:
 - (i) Appoint, suspend and remove all City employees and appointive administrative officers provided for in this Charter, except as otherwise provided by law, this Charter or personnel rules adopted pursuant thereto;
 - (ii) Direct and supervise the administration of all departments, offices and agencies of the City, except as otherwise provided by law or this Charter;
 - (iii) See that all state laws and City ordinances are effectively enforced;
 - (iv) Attend all City Council meetings, unless excused, with the right to take part in discussion, but the City Manager shall not vote;
 - (v) Prepare and accept, or designate an appropriate department head or City employee to prepare and accept, items for inclusion in the official agenda of all City Council meetings and meetings of all boards and commissions;
 - (vi) Prepare and recommend to the City Council the annual budget and capital program, and administer the budget as adopted by the City Council;
 - (vii) Keep the City Council fully advised at least quarterly as to the financial conditions and future needs of the City, and make such recommendations concerning the affairs of the City, as the City Manager or the City Council deems desirable or necessary;
 - (viii) Make reports as the City Manager or the City Council may require concerning the operations of the City departments, offices or agencies subject to the City Manager's direction or supervision;
 - (ix) Pledge to uphold standards and principles as provided in the International City/County Management Association (ICMA) Code of Ethics; and
 - (x) Perform such other duties as are specified in this Charter or may be required by the City Council and are consistent with this Charter or state or federal law.

SECTION 4.02 City Secretary

- (1) The City Council shall appoint, upon affirmative vote of a majority of the full membership of the City Council, a City Secretary whose term shall be at the pleasure of the majority of the full membership of the City Council.
- (2) The City Council shall fix the compensation of the City Secretary, and the City Secretary's compensation may be amended, from time to time, in accordance with the City Secretary's experience, qualifications and performance.
- (3) The City Secretary shall:
 - (i) Give notice of all official public meetings of the City Council in a manner consistent with this Charter and state laws, including email and social media platforms;
 - (ii) Attend all public meetings and hearings of the City Council;
 - (iii) Keep the minutes of the proceedings of all public official meetings and hearings of the City Council and post to the City website in a manner prescribed by the City Council consistent with applicable law;
 - (iv) Act as custodian of all official records of the City Council;
 - (v) Hold and maintain the seal of the City and affix this seal to all appropriate documents;
 - (vi) Serve as the election official for all City elections;
 - (vii) Authenticate by signature and seal and record all ordinances, resolutions and proclamations of the City; and
 - (viii) Perform such other duties as may be required by the City Manager consistent with this Charter and the laws of the State of Texas.

SECTION 4.03 Municipal Court

- (1) The City Council shall establish and cause to be maintained a Municipal Court. The Court shall have all the powers and duties as are now, or as may be, prescribed by the laws of the State of Texas.
- (2) The City Council shall appoint by the affirmative vote of a majority of the City Council such Municipal Judges of the Municipal Court as may be necessary. The Municipal Judge(s) of the Municipal Court(s) shall be appointed to a term of two (2) years and may be appointed to additional consecutive terms upon completion of his/her/their term(s) of office upon majority vote of City Council.

SECTION 4.04 City Attorney

- (1) The City Council shall appoint by the affirmative vote of a majority of the full membership of the City Council a competent, duly qualified licensed and practicing attorney in the State of Texas who shall serve as the City Attorney.
- (2) The City Attorney shall:
 - (i) Serve as the legal advisor to the City;
 - (ii) Represent the City in litigation and legal proceedings in accordance with the direction of the City Council; and
 - (iii) Review and provide opinions as requested by the City Council or City Manager on contracts, legal instruments, ordinances of the City and other City business.
- (3) The City Council shall have the right to retain Special Counsel, duly qualified and licensed to practice, at any time that it may deem necessary and appropriate.

- (4) The City Attorney and Special Counsel shall receive compensation as may be determined by the City Council.
- (5) The City Attorney, with approval of the City Council, may select additional attorneys to act for him or her and the City in its representation and/or litigation.
- (6) The City Attorney may be removed by the affirmative vote of a majority of the full membership of the City Council.

SECTION 4.05 Police Department

A Police Department is established and shall be maintained to preserve order and to protect citizens from violence and their property from damage and loss. The Police Department shall perform other duties as directed by ordinance or by the City Manager. The Police Department shall be directed by an experienced peace officer appointed by the City Manager after consultation with the City Council.

SECTION 4.06 Fire Department

A Fire Department is established and shall be maintained to prevent and extinguish fires in the City. The Fire Department shall perform other duties as directed by ordinance or by the City Manager. The Fire Department shall be directed by an experienced firefighter appointed by the City Manager after consultation with the City Council.

SECTION 4.07 Administrative Departments, Offices and Agencies

- (1) The City Council may, after hearing recommendations of the City Manager, establish, abolish, re-designate and/or combine departments, offices or agencies in addition to those provided for by this Charter, and may prescribe the functions and duties of such departments, offices and agencies.
- (2) Except as provided elsewhere in this Charter, all departments, offices and agencies of the City shall be under the direction and supervision of the City Manager and shall be administered by officers appointed by and subject to the direction and supervision of the City Manager. The City Manager may, with the consent of the City Council, serve as the head of one (1) or more City departments, offices or agencies or appoint one (1) person as head of two (2) or more of them.

ARTICLE V

Nominations and Elections

SECTION 5.01 City Elections

- (1) All City elections shall be conducted in accordance with the Texas Election Code.
- (2) The regular City election shall be held annually on the first Saturday in May or such other date as required by the Texas Election Code. The City Council shall be responsible for specification of places for holding such elections.
- (3) The City Council may, by ordinance or resolution, order a special election for purposes consistent with this Charter and laws of the State of Texas. The City Council will fix the time and places for such a special election, and provide all means for holding same.
- (4) Municipal elections shall be conducted by election officials appointed by the City Council, or as prescribed by law. Sample ballots identical in format to those used in the specific election shall be posted in the voting place(s) for the purpose of voter orientation.
- (5) All municipal elections shall be publicized in accordance with the Texas Election Code.
- (6) A sample ballot shall be published in the official newspaper of the City in accordance with the Texas Election Code/state law and this Charter.

SECTION 5.02 Filing for Office/Qualifications

- (1) Candidate Filing. Candidates for elective City offices shall file for office in accordance with the Texas Election Code.
- (2) Candidates for Elective Office – At Large. Candidates for an at-large elective City office shall meet the following qualifications:
 - (i) Shall be at least eighteen (18) years of age at the time of the election for which they are filing;
 - (ii) Shall be qualified/registered to vote in the City;
 - (iii) Shall meet all requirements to be a qualified voter set forth in the Texas Election Code at the time of the election for which they are filing;
 - (iv) Shall have resided within the corporate limits of the City, or recently annexed territory, for at least twelve (12) months immediately preceding the filing date;
 - (v) Shall not, at the time of filing or while in office, be in arrears in payment of taxes or other liabilities due to the City after notice of any delinquency;
 - (vi) No candidate may file in a single election for more than one (1) office or position as provided by this Charter;
 - (vii) No employee of the City shall continue in such position after filing for an elective office provided for in this Charter; and
 - (viii) Shall comply with all other City ordinances or resolutions that may be applicable.
- (3) Candidates for Elective Office – Geographic District. In addition to the requirements set forth in subsection 2 of this Section, a person shall only be eligible to be a candidate for a Council Member representing a geographic district if such candidate, at the time of filing for office, is a qualified resident of such district and has resided in such district for at least twelve (12) months immediately preceding the filing date.

SECTION 5.03 Official Ballots

Official Ballots utilized by the City for general and special elections within the City shall comply with all applicable law, including without limitation, the Texas Election Code, as amended.

SECTION 5.04 Official Results/Run-Off Elections

- (1) Each candidate for elective office receiving a majority of the votes cast for such office shall be declared elected. In the event that no candidate receives a majority of all votes cast for the office sought at such election, the City Council shall, upon completion of the official canvass of the ballots and in accordance with state law, issue a call for a run-off election to be held in accordance with the Texas Election Code. At such run-off election, the two (2) candidates receiving the highest number of votes (or three (3) persons in case of tie for second place) for any office sought in the first election shall be placed upon the ballot to be voted on in such run-off election.
- (2) The returns of every municipal election shall be handled in accordance with applicable state law, including without limitation, the Texas Election Code, as amended. Election returns, general and special, shall be presented to the City Council at an open public meeting scheduled in accordance with state law following the election, at which time the City Council shall canvass and declare the results of the election, which shall be recorded in the minutes of the meeting.

SECTION 5.05 Taking of Office

After the canvassing of election returns, each newly elected person to the City Council shall be inducted into office in accordance with state law.

ARTICLE VI

Recall, Initiative and Referendum

SECTION 6.01 Scope of Recall

Any elected City official, whether elected to office by registered voters or appointed by the City Council to fill a vacancy, shall be subject to recall and removal from office by the registered voters of the City on grounds of incompetency, misconduct or malfeasance in office.

SECTION 6.02 Petitions for Recall

Before the question of recall of such officer shall be submitted to the registered voters of the City, a petition demanding such question to be so submitted shall first be filed with the person performing duties of City Secretary, which petition shall be signed by qualified voters of the City of at least thirty percent (30%) of the number of voters voting in the last regular municipal election as determined from the list of qualified voters maintained by the County Election Administrator, or one hundred fifty (150) of such voters, whichever is greater. The recall petition and each signature on a recall petition shall conform to the requirements for information as set forth in Chapter 277 of the Texas Election Code, as amended.

SECTION 6.03 Form of Recall Petition

The recall petition mentioned above must be addressed to the City Council, must distinctly and specifically set forth the grounds upon which such petition for removal is predicated, and, if there be more than one (1) ground, such petition shall specifically state each ground with such certainty as to give the officer sought to be removed adequate notice of the matters and things with which the officer is charged. The petition shall be verified by oath in the following form:

“State of Texas”

County of _____

I, _____, being first duly sworn, on oath depose and say that I am one of the signers of the above petition, and that the statements made therein are true, and that each signature appearing thereto was made in my presence on the day and date it purports to have been made, and I solemnly swear that the same is the genuine signature of the person it purports to be.

Signature

Sworn and subscribed before me this ____ day of _____, 20 ____.

Signed _____
Notary Public in and for
State of Texas

SECTION 6.04 Various Papers Constituting Recall Petition

The petition may consist of one (1) or more copies, or subscription lists, circulated separately, and the signatures thereto may be upon the paper or papers containing the form of petition, or upon other paper attached thereto. Verifications provided for in Section 6.03 of this Article may be made by one (1) or more

petitioners, and the several parts of copies of the petition may be filed separately and by different persons, but no signatures to such petition shall remain effective or be counted which were placed thereon more than one hundred eighty (180) days, or such other length of time as may be allowed by the Texas Election Code, prior to the filing of such petition or petitions with the person performing the duties of City Secretary. All papers comprising a recall petition shall be filed with the person performing the duties of City Secretary on the same day, and the said person performing the duties of City Secretary shall immediately notify, in writing, the officer so sought to be removed, by mailing such notice to the officer's City address.

SECTION 6.05 Presentation of Petition to the City Council

Within twenty-one (21) days after the date of the filing of the papers constituting the recall petition, the person performing the duties of City Secretary shall verify the number of valid signatures and present such petition to the City Council.

SECTION 6.06 Public Hearing to be Held

The officer whose removal is sought may, within seven (7) days after such recall petition has been presented to the City Council, request that a public hearing be held to permit him or her to present the facts pertinent to the charges specified in the recall petition. In this event, the City Council shall order such public hearing to be held, not less than five (5) days, nor more than fifteen (15) days, after receiving such request for a public hearing.

SECTION 6.07 Calling of Recall Election

If the officer whose removal is sought does not resign, then the City Council shall order an election and set the date for holding such recall election. The date selected for the recall election shall be in accordance with the Texas Election Code. If after the recall election date is established, the officer vacates his or her position, the election shall be cancelled.

SECTION 6.08 Ballots in Recall Election

Ballots used at recall elections shall conform to the following requirements, unless state law mandates otherwise:

- (1) With respect to each person whose removal is sought, the question shall be submitted:
"Shall _____ be removed from the office of _____ by recall?"
- (2) Immediately below each such question there shall be printed the following words, one above the other, in the order indicated:
"Yes"
"No"

SECTION 6.09 Result of Recall Election

If a majority of the votes cast at a recall election shall be "No", that is against the recall of the person named on the ballot, the officer shall continue in office for the remainder of his or her unexpired term, subject to recall as before. If a majority of the votes cast at such election be "Yes", that is for the recall of the person named on the ballot, the officer shall, regardless of any technical defects in the recall petition, be deemed removed from office and the vacancy be filled by the City Council as provided in this Charter.

SECTION 6.10 Recall, Restrictions Thereon

No recall petition shall be filed against the Mayor or any other Council Member within six (6) months after he/she first takes office, or within six (6) months after an election for his/her recall, nor within six (6) months of the end of his/her term.

SECTION 6.11 Failure of the City Council to Call an Election for Recall

In the case where all of the requirements of this Charter have been met for submission of a recall petition, the City Council shall discharge those duties imposed on the City Council by the provisions of this Charter with reference to such recall election.

SECTION 6.12 General Power of Initiative and Referendum

The registered voters of the City, in addition to the method of legislation herein before provided, shall have the power of direct legislation by the initiative and referendum.

- (1) Initiative: Such power shall not extend to the budget or capital program or any ordinance not subject to initiative as provided by state law, relating to appropriation of money, issuing of bonds, levy of taxes or salaries of City officers or employees.
- (2) Referendum: Such power shall not extend to the budget or capital program or any emergency ordinance or ordinance not subject to referendum as provided by state law, relating to appropriation of money, issuing of bonds or levy of taxes.

SECTION 6.13 Initiative

Registered voters of the City may initiate legislation by submitting a petition addressed to the City Council which requests the submission of a proposed ordinance or resolution to a vote of the registered voters of the City. Such petition must be signed by qualified voters of the City of at least thirty percent (30%) of the number of voters voting in the last regular City election, or one hundred fifty (150) of such voters, whichever is greater, and each copy of the petition shall have attached to it a copy of the proposed ordinance or resolution. The petition shall be signed in the same manner as recall petitions are signed, as provided in this Article and state law, and shall be verified by oath in the manner and form provided for recall petitions in this Article and state law. The petition may consist of one (1) or more copies as permitted for recall petitions. Such petition shall be filed with the person performing the duties of City Secretary. Following a review by the City Attorney for enforceability and legality, and within twenty-one (21) days after the filing of such petition, the person performing the duties of City Secretary shall present said petition and the proposed ordinance or resolution to the City Council. Upon presentation to the City Council, it shall become the duty of the City Council, within two (2) regularly scheduled City Council meetings after the receipt thereof, to pass and adopt such ordinance or resolution without alteration as to meaning or effect in the opinion of the persons filing the petition, or to call a special election, to be held on a date allowed under the Texas Election Code, as amended, for which the City is able to comply with all requirements for calling and conducting a special election or for adding the item to a general election. At such election, the registered voters of the City shall be afforded the opportunity to vote on the question of adopting or rejecting the proposed ordinance or resolution. Any election order so issued shall comply fully with the Texas Election Code. Unless otherwise provided by law, any election for an initiative under this Charter shall be held on the first authorized uniform election date that occurs after the sixty-fifth (65th) day after the petition was presented to the City Council.

SECTION 6.14 Referendum

Registered voters of the City may require that any ordinance or resolution, with the exception of ordinances or resolutions appropriating money, authorizing the issuance of public securities or levying

taxes, passed by the City Council be submitted to the voters of the City for approval or disapproval, by submitting a petition for this purpose within thirty (30) days after final passage of such ordinance or resolution, or within thirty (30) days after its publication. Such petition shall be addressed, signed and verified in accordance with the requirements of this Article applicable to a recall petition and shall be submitted to the person performing the duties of City Secretary who shall verify the signatures in the same manner as required under this Article for a recall petition. Within twenty-one (21) days after the date of filing of such petition, the person performing the duties of City Secretary shall present said petition to the City Council. Thereupon the City Council shall immediately reconsider such ordinance or resolution and, if the City Council does not entirely repeal the same, shall submit it to popular vote as provided in Section 6.13 of this Charter. Pending the holding of such election, each ordinance or resolution shall be suspended from taking effect and shall not later take effect unless a majority of the qualified voters voting thereon at such election shall vote in favor thereof. Unless otherwise provided by law, any election for a referendum under this Charter shall be held on the first authorized uniform election date that occurs after the sixty-fifth (65th) day after the petition was presented to the City Council.

SECTION 6.15 Voluntary Submission of Legislation by the City Council

The City Council, upon its own motion and by the affirmative vote of a majority of the full voting membership of the City Council, may as either a binding or nonbinding referendum, submit to popular vote at any election for adoption or rejection any proposed ordinance or resolution or measure, or may submit for repeal any existing ordinance, or resolution, or measure, in the same manner and with the same force and effect as provided in this Article for submission of an ordinance or resolution for initiative, and may at its discretion call a special election for this purpose in accordance with the Texas Election Code, as amended.

SECTION 6.16 Form of Ballots

The ballots used when voting upon such proposed and referred ordinance or resolution, shall set forth their nature sufficiently to identify them and shall also set forth upon separate lines the words:

- “For the Ordinance” or
- “Against the Ordinance” or
- “For the Resolution” or
- “Against the Resolution”

SECTION 6.17 Publication of Proposed and Referred Ordinances

The person performing the duties of City Secretary shall publish the proposed or referred ordinance or resolution in the official newspaper of the City at least two (2) times within fifteen (15) days before the date of the election, shall publish the proposed ordinance or resolution on the City’s website continuously for at least thirty (30) days before the date of the election, and shall give such other notices and do such other things relative to such election as are required by law in municipal elections and by the ordinance or resolution calling the election. In addition to the foregoing, the City Council may require publication of the proposed ordinance or resolution through any means capable of reaching a majority of the residents of the City.

SECTION 6.18 Adoption of Ordinances

If a majority of the qualified voters voting on any proposed ordinance or resolution, whether received via petition or vote by City Council in accordance with this Article, shall vote in favor thereof, it shall thereupon or at any time fixed therein, become effective as a law or as a mandatory order of the City

Council unless such proposed ordinance, resolution or measure was submitted by Council as a non-binding referendum in accordance with Section 6.15 of this Article.

SECTION 6.19 Inconsistent Ordinances

If the provisions of two (2) or more proposed ordinances or resolutions approved at the same election are inconsistent, the ordinance or resolution receiving the highest number of votes shall prevail.

SECTION 6.20 Ordinances Passed by Popular Vote, Repeal or Amendment

No ordinance or resolution which may have been passed by the City Council upon a petition or adopted by popular vote under the provisions of this Article shall be repealed or amended except by the City Council in response to a referendum petition or by submission as provided by Section 6.15 of this Charter.

SECTION 6.21 Further Regulations by the City Council

The City Council may pass ordinances or resolutions providing other and further regulations for carrying out the provisions of this Article consistent herewith.

ARTICLE VII

Financial Procedures

SECTION 7.01 Fiscal Year

The fiscal year of the City shall begin on the first day of October and end on the last day of September on the next succeeding year. Such fiscal year shall also constitute the budget and accounting year.

SECTION 7.02 Submission of Budget and Budget Message

On or before the fifteenth (15th) day of August of the fiscal year, the City Manager shall submit to the City Council a budget for the ensuing fiscal year and an accompanying budget message.

SECTION 7.03 Budget Message

The City Manager's message shall explain the budget both in fiscal terms and in terms of the work programs. It shall outline the proposed financial policies of the City for the ensuing fiscal year, describe the important features of the budget, indicate any major changes from the current year in financial policies, expenditures and revenues together with the reasons for such changes, summarize the City's debt position and include such other material as the City Manager deems desirable.

SECTION 7.04 Budget a Public Record

The budget and all supporting schedules shall be filed with the person performing the duties of City Secretary and shall be published on the City website contemporaneously with the submission of the budget to the City Council and shall be open to public inspection by anyone interested.

SECTION 7.05 Public Hearing on Budget

At the City Council meeting when the budget is submitted, the City Council shall name the date and place of a public hearing, which shall be scheduled and published in accordance with the requirements of Chapter 102, Local Government Code, as amended. At this hearing, interested citizens may express their opinions concerning items of expenditures and revenues, giving their reasons for wishing to increase or decrease any items of expense.

SECTION 7.06 Proceeding on Adoption of Budget

After public hearing, the City Council shall analyze the budget, making any additions or deletions which they feel appropriate, and in accordance with law, prior to the beginning of the next fiscal year, shall adopt the budget by the affirmative vote of a majority of the full membership of the City Council. Should the City Council take no final action on or prior to such day, the current budget shall be in force on a month-to-month basis until a new budget is adopted. If any provision of this section conflicts with state law regulating conflicts of interest, state law shall control.

SECTION 7.07 Budget, Appropriation and Amount to be Raised by Taxation

On final adoption, the budget shall be in effect for the fiscal year. Final adoption of the budget by the City Council shall constitute the official appropriations as proposed by expenditures for the current fiscal year and shall constitute the basis of official levy of the property tax as the amount of tax to be assessed and collected for the corresponding tax year. Estimated expenditures will in no case exceed proposed revenue plus the undesignated fund balance from the previous fiscal year. Unused appropriations may be transferred to any item as determined necessary by the City Council to pay City expenses.

SECTION 7.08 Contingent Reserve

The City Council shall adopt an ordinance or resolution that provides a percentage amount of the budget to be designated as reserves and the purposes for which such reserves may be expended in the event of unforeseen items of expenditure or revenue shortfalls. Expenditures from such reserve appropriation shall be under the control of the City Council and shall only be utilized for those purposes identified in the Council adopted ordinance or resolution or as approved by majority vote of the City Council. The proceeds of the reserves shall be disbursed only by transfer to departmental appropriation, the spending of which shall be charged to the departments or activities for which the appropriations are made.

SECTION 7.09 Amending the Budget

Under conditions which may arise and which could not reasonably have been foreseen in the normal process of planning the budget, the City Council may, by the affirmative vote of a majority of the full membership of the City Council, amend or change the budget to provide for any additional expense in which the general welfare of the citizenry is involved. These amendments shall be by ordinance and shall become an attachment to the original budget.

SECTION 7.10 Certification; Copies Made Available

A copy of the budget, as finally adopted, shall be published on the City website and shall be filed with the person performing the duties of City Secretary and such other places required by state law or as the City Council shall designate. The final budget shall be maintained on file in the office of the City Secretary for review by the public.

SECTION 7.11 Capital Program

The City Manager shall submit a five-year (5-year) Capital program as an attachment to the annual budget. The program as submitted shall at minimum include:

- (1) A clear general summary of its contents;
- (2) A list of all capital improvements which are proposed to be undertaken during the five (5) fiscal years succeeding the budget year, with appropriate supporting information as to the necessity for such improvements;
- (3) Cost estimates, method of financing and recommended time schedules for each improvement; and
- (4) The estimated annual cost of operating and maintaining the facilities to be constructed or acquired.

The above information may be revised and extended each year with regard to capital improvements still pending or in process of construction or acquisition. The Capital program shall be updated and presented to the City Council annually.

SECTION 7.12 Defect Shall Not Invalidate the Tax Levy

Errors or defects in the form or preparation of the budget or the failure to perform any procedural requirements in the adoption of the budget shall not nullify the tax levy or the tax rate.

SECTION 7.13 Lapse of Appropriations

Every appropriation, except an appropriation for a capital expenditure, shall lapse at the close of the fiscal year to the extent that it has not been expended or encumbered. An appropriation for a capital

expenditure shall continue in force until the purpose for which it was made had been accomplished or abandoned. The purpose of any such appropriation shall be deemed abandoned if three (3) years pass without any disbursement from or encumbrance of the appropriation. Any funds not expended, disbursed or encumbered shall be deemed excess funds.

SECTION 7.14 Borrowing

The City shall have the right and power to borrow money on the credit of the City by whatever method it may deem to be in the public interest and also to issue or incur bonds and other evidence of indebtedness, and such powers may be exercised to finance public improvements or for any other public purpose not prohibited by the Constitution and the laws of the State of Texas, and the City may issue refunding bonds to refund outstanding bonds and other evidences of indebtedness of the City previously issued or incurred.

- (1) All such bonds and other evidences of indebtedness shall be issued in conformity with the laws of the State of Texas and may be secured by or paid, in whole or in part, from ad valorem tax revenues, revenues derived from other taxing powers of the City, revenues derived by the City from any fee or service charge, including revenues derived from the operations of any public utilities, utility systems, recreational facilities or any other municipal function to the extent not prohibited by the Constitution and laws of the State of Texas. Such bonds or evidence of indebtedness may be a charge upon and payable from the properties, or interest therein pledged, or the income therefrom, or both to the extent not prohibited by the Constitution or laws of the State of Texas. The proceeds of bonds or other evidence of indebtedness issued or incurred by the City shall be used only for the purpose for which the bonds or other indebtedness was issued or incurred.

SECTION 7.15 Taxpayer Funds to Non-Profits

As allowed by law, the City Council shall be authorized to adopt a program providing that City funds derived from ad valorem tax or sales tax may be used to fund the public purposes of a nonprofit organization. Such program shall only become effective upon the adoption of a resolution approved by a majority of the City Council that sets forth criteria under which funding will be provided, as well as requirements that the non-profit organization provide reports and financial information as determined appropriate by the Council in order for the City to verify appropriate and lawful use of public funds.

SECTION 7.16 Purchasing and Contracts

The City Council may, by adoption of an ordinance or resolution, adopt a policy under which the City Manager may expend funds and enter into contracts for the expenditure of funds for City purposes without further approval of the City Council.

SECTION 7.17 Administration of Budget

- (1) No payment shall be made or obligation incurred against any public funds except in accordance with appropriations duly made pursuant to the City Council approved budget in effect at the time such payment is made or obligation is incurred. The City Manager shall not make any payment or incur any obligation unless there are sufficient unencumbered funds available for such payment or obligation.
- (2) Any authorization of payment or incurring of obligation in violation of the provisions of this Charter shall be void and any payment so made illegal. Such action shall be cause for removal of any officer who knowingly authorized or made such payment or incurred such

payment or obligation, and the officer shall also be liable to the City for any amount so paid.

- (3) This prohibition shall not be construed to prevent the making or authorizing of payments or making of contracts for capital improvements to be financed wholly or partly by the pledge of taxes, the issuance of bonds, time warrants, certificates of indebtedness, or certificates of obligation, or to prevent the making of any contract or lease providing for payments beyond the end of the fiscal year, providing that such action is made or approved by ordinance.
- (4) The City Manager shall submit to the City Council a report identifying the revenues and expenditures of the City in such form and at such frequency as requested by the City Council.

SECTION 7.18 Depository

The provisions of the laws of the State of Texas, governing the selection and designation of the City Depository are hereby adopted as the law governing the selection and designation of a depository of and for the City. All monies received by any person, department or agency of the City for or in connection with the affairs of the City shall be deposited promptly in the City depository or depositories. The City depositories shall be designated by the City Council in accordance with such regulations and subject to the requirements as to security for deposits and interest thereon as may be established by ordinance and law. Procedures for withdrawal of money or the disbursement of funds from the City depositories shall be prescribed by ordinance.

SECTION 7.19 Independent Audit

Within 180 days of the close of each fiscal year or as soon thereafter as practical, and at such other times as may be deemed necessary, the City Council shall call for an independent audit to be made of all accounts of the City by a certified public accountant. No more than five (5) consecutive annual audits shall be completed by the same firm or individual. The certified public accountant selected shall have no personal interest, directly or indirectly, in the financial affairs of the City or any of its officers. The report of audit, with the auditor's recommendations, will be made to the City Council. Upon completion of the audit, the Independent Auditor's Report and Annual Financial Report shall be published on the City's website and copies of the audit placed on file in the office of the person performing the duties of City Secretary, as a public record.

SECTION 7.20 Power to Tax

- (1) The City shall have the power to levy, assess and collect taxes of every character and type for any municipal purpose not prohibited by the Constitution and laws of the State of Texas as now written or hereafter amended.
- (2) The City shall have the power to grant tax exemptions in accordance with the laws of the State of Texas as now written or hereafter amended.
- (3) The tax rate shall be calculated, publicized and adopted in accordance with the laws of the State of Texas, as now written or hereafter amended.
- (4) Errors or defects in the form or preparation of the tax levy or the failure to perform any procedural requirements shall not nullify the tax levy or the tax rate.

SECTION 7.21 Taxes Due and Payable

- (1) Except as otherwise provided by law or this Charter, the Council shall have the power to provide by ordinance or resolution such rules, regulations and mode of procedure to

enforce and facilitate the collection and payment of all taxes due the City as it may deem expedient and may provide such penalty and interest as prescribed by state law for the failure to pay such taxes.

- (2) Failure to levy and assess taxes through omission in preparing the appraisal rolls shall not relieve the person, firm or corporation so omitted from obligation to pay such current or past due taxes as shown to be payable by recheck of the rolls and receipts for the years in question, omitting penalty and interest.

SECTION 7.22 Tax Liens, Liabilities and Suits

- (1) All taxable property located in the City on January 1 of each year shall stand charged from that date with a special lien in favor of the City for the taxes due. All persons purchasing any such property on or after January 1 in any year shall take the property subject to the liens provided above. In addition to the liens herein provided, on January 1 of any year, the owner of property subject to taxation by the City shall be personally liable for the taxes due for that year.
- (2) The City shall have the power to sue for and recover personal judgment for taxes without foreclosure, or to foreclose its lien or liens, or to recover both personal judgment and foreclosure. In any such suit where it appears that the description of any property in the City appraisal rolls is insufficient to identify such property, the City shall have the right to plead a good description of the property to be assessed, to prove the same, and to have its judgment foreclosing the tax lien or for personal judgment against the owners for such taxes.

ARTICLE VIII

Boards and Commissions

SECTION 8.01 Authority, Composition and Procedures

The City Council shall create, establish or appoint, as may be required by the laws of the State of Texas or this Charter, or as determined desirable by the City Council, such boards, commissions and committees as it deems necessary to carry out the functions and obligations of the City. The City Council shall, by ordinance or resolution, prescribe the purpose, composition, function, duties, accountability and tenure of each board, commission and committee where such are not prescribed by state law or this Charter and may adopt or approve rules of procedure for each board, commission or committee established. Bylaws of boards, commissions and committees and amendments thereto shall be subject to City Council approval except for those cases where state law expressly prohibits Council approval and review.

SECTION 8.02. Qualifications

Except as otherwise authorized by state law or by local ordinance, all persons appointed to serve on a board, commission or committee of the City shall have been residents of the City for at least ninety (90) days prior to appointment, shall continue to be a resident of the City during the term of appointment, shall be qualified voters of the City of Caddo Mills, and shall not be an officer of the City nor any person who holds a compensated position of the City.

SECTION 8.03. Attendance

If any board, commission or committee member fails to attend three (3) consecutive regular meetings of a board, commission or committee upon which the member serves, or twenty-five percent (25%) of the total number of regular meetings held in a twelve (12) month period, such member shall be subject to removal, unless excused by majority vote of the applicable board(s), commission(s) and/or committee(s).

SECTION 8.04. Alternate Members

The City Council may provide for alternate seats on all boards, commissions and committees of the City.

ARTICLE IX

Comprehensive Plan

SECTION 9.01 Comprehensive Master Plan; Purpose and Effect

The City Council shall adopt, amend and maintain a Comprehensive Master Plan pursuant to the provisions of state law after public input and public hearing. The purpose of the Comprehensive Master Plan is to guide the growth and development of the City and to establish the standards that the City will seek to attain through the adoption of its development regulations to include its zoning regulations, subdivision regulations, building and construction regulations, landscaping regulations, signage regulations and other related police power enactments. The Comprehensive Master Plan shall identify the goals and objectives of the community for growth and development and shall serve as a basis of the City's capital improvement program for the development and construction of public works infrastructure.

ARTICLE X

Utility and Public Service Franchises and Licenses

SECTION 10.01 Authority

The City shall have the power to buy, own, sell, construct, lease, maintain, operate and regulate public services and utilities and to manufacture, distribute and sell the output of such services and utility operations. The City shall not supply any utilities service outside the City limits, except by a written contract and/or by ordinance. The City shall have such regulatory and other power as may now or hereafter be granted under the Constitution and laws of the State of Texas.

SECTION 10.02 Ordinance Granting Franchise

No franchise shall be granted for a term of more than twenty (20) years from the date of the grant, renewal or extension of any franchise.

SECTION 10.03 Transfer of Franchise

No public service or utility franchise is transferable, except with the approval of the City Council. However, the franchisee may pledge franchise assets as security for a valid debt or mortgage.

SECTION 10.04 Franchise Value Not to be Allowed

Franchises granted by the City are of no value in fixing rates and charges for public services or utilities within the City and in determining just compensation to be paid by the City for property which the City may acquire by condemnation or otherwise.

SECTION 10.05 Right of Regulation

In granting, amending, renewing and extending public service and utility franchises, the City reserves unto itself all the usual and customary rights, including, but not limited to, the following rights:

- (1) To repeal the franchise by ordinance for failure to begin construction or operation within the time prescribed, or for failure to comply with terms of the franchise;
- (2) To require all extensions of service within the City limits to become part of the aggregate property of the service and operate subject to all obligations and reserved rights contained in this Charter. Any such extension is considered part of the original grant and terminable at the same time and under the same conditions as the original grant;
- (3) To require expansion and extension of facilities and services and to require maintenance of existing facilities to provide adequate service at the highest level of efficiency;
- (4) To require reasonable standards of service and quality of product and prevent rate discrimination;
- (5) To impose reasonable regulations and restrictions to ensure the safety and welfare of the public;
- (6) To examine and audit accounts and records and to require annual reports on local operations of the public service or utility;

- (7) To require the franchisee to restore, at franchisee's expense, all public or private property to a condition as good as or better than before disturbed by the franchisee for construction, repair or removal;
- (8) To require the franchisee to furnish to the City, from time to time within a reasonable time following request of the City, at franchisee's expense a general map outlining current location, character, size, length, depth, height and terminal of all facilities over and under property within the City and its extraterritorial jurisdiction; and
- (9) To require compensation, rent or franchise fees to be paid to the City as may be permitted by the laws of the State of Texas.

SECTION 10.06 Regulation of Rates

- (1) The City Council has the power to fix and regulate the rates and charges of all utilities and public services, consistent with state statutes.
- (2) Upon receiving written request from a utility or public service requesting a change in rates, or upon a recommendation from the City that rates for services provided by or owned by the City be changed, the City Council shall call a public hearing for consideration of the change.
- (3) A holder of a franchise to provide a public service or utility in the City must show the necessity for the change in rates by any evidence required by the City Council, including but not limited to, the following:
 - (i) Cost of its investment for service to the City;
 - (ii) Amount and character of expenses and revenues connected with rendering the service;
 - (iii) Copies of any reports or returns filed with any state or federal regulatory agency within the last three (3) years; or
 - (iv) Demonstration that the return on investment, if any, is within state and federal limitations.
- (4) If not satisfied with the sufficiency of evidence, the City Council may hire rate consultants, auditors and attorneys to investigate and, if necessary, litigate requests for rate changes, the expense of which shall be reimbursed to the City by the franchisee.

SECTION 10.07 Licenses

The City shall have the power to license, levy and collect fees in order to license any lawful business, occupation or calling subject to control pursuant to the police powers of the State of Texas and/or for any other purpose not contrary to the Constitution and laws of the State of Texas.

ARTICLE XI

General Provisions

SECTION 11.01 Official Newspaper/Public Notices

The City Council shall declare annually an official newspaper of general circulation in the City. All ordinances, notices and other matters required by this Charter, City ordinance, or the Constitution and laws of the State of Texas shall be published in the official newspaper; additionally, such matters shall be published on the City website as well as through utilization of any other means that the City Council determines to be feasible and which is accessible to a majority of the residents of the City.

SECTION 11.02 Oaths

All elected and appointed officers of the City shall take and sign an oath of office based on those prescribed for state elective and appointive offices, respectively, in the Constitution of the State of Texas.

SECTION 11.03 Severability

If any section or part of this Charter is held invalid by a court of competent jurisdiction, such holding shall not invalidate or impair the validity, force or effect of any other section or part of this Charter.

SECTION 11.04 Wording Interpretation

The gender of the wording throughout this Charter shall always be interpreted to mean either sex. All singular words shall include the plural and all plural words shall include the singular. All references to the state law or laws of the State of Texas, however expressed in this Charter, shall mean “as presently enacted or as may be amended or superseded”. The use of the word “City” in this Charter shall mean the City of Caddo Mills, Texas, and the use of the word “Charter” shall mean this Home Rule Charter.

SECTION 11.05 Renumber, Rename, Rearrange, Clerical, Typographical and Grammatical Error Correction

The Council shall have the power, by ordinance, to renumber, rename and rearrange all articles, sections and paragraphs of this Charter, or any amendments thereto, and to correct clerical, typographical or grammatical errors within the Charter, as it shall deem appropriate, provided that such action does not change the meaning or effect of any part hereof, and, upon the passage of any such ordinance, a copy thereof, certified by the City Secretary, shall be forwarded to the Secretary of State of the State of Texas for filing.

SECTION 11.06 Regulation of Liquor and Malt Beverages

The sale of liquor or malt beverages in a residential area of the City is prohibited.

ARTICLE XII

Legal Provisions

SECTION 12.01 Assignment, Execution and Garnishment

- (1) Property, real and personal, belonging to the City shall not be liable to be sold or appropriated under any writ of execution or cost bill or subject to any execution of any kind or nature. No lien of any kind or character can be created, and none shall ever exist or be established, on or against the public buildings, property, public halls, parks, public works or any other asset of the City. Funds belonging to the City in the hands of any person, firm or corporation, shall not be liable to garnishment, attachment or sequestration; nor shall the City be liable to garnishment, attachment or sequestration; nor shall the City be liable to garnishment on account of any debt it may owe or funds or property it may have on hand owing to any person. Neither the City nor any of its officers or agents shall be required to answer any such writ of garnishment on any account whatsoever.
- (2) The City shall not be obligated to recognize any assignment of wages or funds by its employees, agents or contractors, except as provided by the laws of this State or the United States of America.

SECTION 12.02 Security and Bond

It shall not be necessary in any action, suit or proceeding in which the City is a party for any bond, undertaking or security to be demanded or executed by or on behalf of the City. All such actions shall be conducted in the same manner as if such bond, undertaking or security had been given as required by law.

SECTION 12.03 Notice of Claim

The City shall not be held liable on account of any claim for the death of any person or injuries to any person or damage to any property, unless the person making such complaint or claiming such damages shall, within ninety (90) days after the time at which it is claimed such damages were inflicted upon such person or property, file with the City a written statement, under oath, stating the nature and character of such damages or injuries, the extent of the same, the place where same happened, the circumstances under which same happened and the condition causing same, with a detailed statement of each item of damages and the amount thereof, giving a list of any witnesses known.

No provision of this section shall ever be so construed as to expand the ordinary liability of the City; and provided, that nothing herein contained shall be construed to mean that the City, waives any rights, privileges, defenses or immunities in tort actions which are provided under the common law, the Constitution and general laws of the State of Texas.

SECTION 12.04 Power to Settle Claims

The City Council shall have the power to compromise and settle any and all claims and lawsuits of every kind and character, in favor of, or against, the City, including suits by the City to recover delinquent taxes.

SECTION 12.05 Service of Process Against the City

All legal process against the City shall be served upon either the City Secretary or the City Manager.

SECTION 12.06 Judicial Notice

This Charter shall be deemed a public act, may be read in evidence without pleading or proof, and judicial notice shall be taken thereof in all courts and places.

SECTION 12.07 Pending Matters

All rights, claims, actions, orders, contracts and legal or administrative proceedings shall continue except as modified pursuant to the provisions of this Charter and in each case shall be maintained, carried on or dealt with by the City department, office or agency appropriate under this Charter.

SECTION 12.08 Property Not Exempt From Special Assessments

No property of any kind, by whomsoever owned or held or by whatsoever institution, agency, political subdivision or organization, owned or held, whether in trust or by non-profit organization, or corporation, or by foundation, or otherwise, (except property of the City), shall be exempt in any way from any of the special taxes, charges, levies and assessments, authorized or permitted by this Charter, for local improvements, for the public welfare, except as allowed by law and expressly authorized by the City Council.

SECTION 12.09 City Council May Require Bonds

In addition to any provisions contained herein, the City Council may require any City official, department director, or City employee, before entering upon his or her duties, to execute a good and sufficient bond with a surety company doing business in the State of Texas and approved by the City Council. The premium of such bond shall be paid by the City.

SECTION 12.10 Disaster Clause

In case of disaster when a legal quorum of the City Council cannot otherwise be assembled in person, electronically, or by other means due to multiple deaths or injuries, the surviving persons of the City Council, or highest surviving City official, if no elected official remains, must, within twenty-four (24) to seventy-two (72) hours of such disaster, request the highest surviving officers of the local Chamber of Commerce and the Board of Trustees of the local school district, and the County Judge of Hunt County to appoint a commission of at least three (3) and no more than five (5) people to act during the emergency and call a City election within fifteen (15) days of such disaster, or as provided in the Texas Election Code, for election of a required quorum, if for good reasons it is known a quorum of the present City Council will never again meet.

SECTION 12.11 Public Meetings and Public Records

All meetings of the Council, and any other Board or Commission shall be governed by provisions of Chapter 551 of the Texas Government Code and any amendments thereto, with regard to the posting of agenda and the holding of public meetings. All public records of every office, department or agency of the City shall be open to inspection by any person at all reasonable business hours, provided that records excepted from public disclosure by Chapter 552 of the Texas Government Code

and any amendment thereto shall be closed to the public and not considered public records for the purpose of this section.

SECTION 12.12 Indemnification of Officers

The Council shall, by appropriate ordinance, provide for the indemnification and defense of the officers and employees of the City, including members of the Council, or any board, commission or committee, including volunteers, against any loss, cost or expense, including court costs and attorney's fees, to the extent allowed by law, arising out of any court claim, suit, or judgment or settlement thereof, resulting from any alleged negligent act or omission of such officer, employee, member or volunteer during the discharge of his duties and within the scope of his office, employment, membership or assigned voluntary position with the City, or in any other case where the City is directed or authorized by law to do so, provided however, that such indemnification will not be provided for any act arising out of the intentional or knowing violation of any penal statute or ordinance or arising out of any conduct determined by final judgment to be an act of fraud or to have been taken with the intent to deceive or defraud, or for any personal or private business of such officer, employee, member or volunteer, or for the gross negligence or official misconduct, or willful act of such officer, employee, member or volunteer.

SECTION 12.13 Charter Authority

This Charter shall not be construed as a mere grant of enumerated powers but shall be construed as a general grant of power, and not as a limitation of power on the government of the City. Except where expressly prohibited by this Charter, each and every power under the Constitution of Texas, which it would be competent for the people of the City to grant expressly to the City, shall be construed to be granted to the City by this Charter.

ARTICLE XIII

Review and Amendment of Charter

SECTION 13.01 Charter Review Commission – Amendment to Charter

- (1) The City Council shall appoint a Charter Review Commission at least once every ten (10) years, or earlier if not prohibited by law. The Charter Review Commission shall consist of at least ten (10) and no more than fifteen (15) citizens of the City who shall:
 - (i) Inquire into the operation of the City government under the Charter and determine whether any provisions require revision. To this end, public hearings may be held. The Commission may compel the attendance of any officer or employee of the City and require submission of any City records;
 - (ii) Propose any recommendations it deems desirable to ensure compliance with the Charter of the City government; and
 - (iii) Report its findings and present its recommendations to the City Council.
- (2) The City Council shall receive and have published in the official newspaper of the City or any other means allowed by law, a comprehensive summary of the report presented by the Commission, shall consider any recommendations made, and may order any amendments suggested to be framed and submitted to the voters of the City in the manner provided by state law as now written or hereafter amended.
- (3) The term of office of the Commission shall be for not more than nine (9) months, at the end of which time a report shall be presented to the City Council and all records of proceedings of the Commission shall be filed with the City Secretary and become a public record.

SECTION 13.02 Petition to Amend Charter

Amendments to this Charter may be framed and submitted to the qualified voters of the City in the manner provided by the Constitution and the laws of the State of Texas; including upon the City Council's own motion or upon petition by thirty percent (30%) of the number of voters voting in the last regular City election, or one hundred and fifty (150) of such voters, whichever is greater, and each copy of the petition shall have attached to it a copy of the proposed ordinance or resolution. Each signature on a petition to amend shall conform to the requirement for information as set forth in the Texas Election Code, as amended. A petition to amend shall comply with the requirements of Article VI of this Charter, and the City shall review, verify and process a petition for Charter Amendment in the same manner as a Petition for Initiative in Article VI of this Charter.

SECTION 13.03 Calling of Election to Amend Charter

An election to amend the Charter shall not be held more often than once every two (2) years as calculated under state law, as amended. A petition received prior to the passage of the two (2) year anniversary as calculated under state law shall be returned to the petitioner with a written notice of the reason for return to be signed by the Mayor after approval of Council, and in such event, no further action of Council shall be required. Upon its own motion or following presentation by the City Secretary of a proper verified petition to amend with a sufficient number of valid signatures, the City Council shall, by ordinance, order an election and set the date for holding such election in accordance with this Charter and state law.

ARTICLE XIV

Transitional Provisions

SECTION 14.01 Effective Date

This Charter or any amendments hereto shall take effect immediately following adoption by the voters, as prescribed by state law.

SECTION 14.02 Continuation of Elective Offices

Upon adoption of this Charter, the present persons filling elective offices on the City Council will continue to fill those offices for the terms for which they were elected. Persons who, on the date this Charter is adopted, are filling appointive positions with the City which are retained under this Charter, may continue to fill these positions for the term for which they were appointed, unless removed by the City Council or by other means provided in this Charter.

SECTION 14.03 Continuation of Operation

All City zoning, ordinances, bonds, resolutions, rules and regulations in force on the effective date of this Charter shall remain in force until altered, amended, or repealed by the City Council, and all rights of the City under existing franchises and contracts are preserved in full force and effect.

SECTION 14.04 Officers and Employees

Except as specifically provided, nothing in this Charter shall affect or impair the rights or privileges of persons who are City officers or employees at the time of its adoption.