

MEETING
Town of Little Elm
100 W Eldorado Parkway
Little Elm, Texas 75068-5060

214-975-0404
<http://www.littleelmtx.us>

Work Session and Regular Council

Tuesday, January 17, 2012 - 6:00 PM
Town Council Chambers
100 West Eldorado Parkway
Little Elm, TX 75068

1. Call to Order Council Work Shop **at 6:00 p.m.**
 - A. Items to be withdrawn from Consent Agenda.
 - B. Emergency Items if posted.
 - C. Request by the Town Council for items to be placed on the next regular council agenda for discussion, and recognition of excused absences.
 - D. Presentation of monthly updates from department heads concerning law enforcement activities, municipal court, customer service, emergency medical services, fire department response, fire prevention activities, emergency management, ongoing economic development projects, building permits, code enforcement activities, library activities, human resources updates, information technology report, revenue and expenditure report, street construction status, sanitation services, highway construction status, utility operations, parks and recreation activities, as well as facility and fleet updates. 5
 - E. Council to highlight items on the agenda needing further discussion or comments prior to the regular session.
2. Presentations and Announcements:
 - A. Finance Director-presentation and recognition of accounting staff for National Governmental Finance Officers Association Award. 21
3. **Roll Call/Call to Order Regular Town Council Meeting Immediately Following Council Workshop.**
4. Opening Prayer: Curtis Cornelious-Praise Fellowship Worship Center.

5. Pledge to the Flags:
 - A. United States Flag
 - B. Texas Flag:

Honor the Texas Flag I pledge allegiance to thee
Texas, one state under God, one and indivisible.
6. Public Comments: Persons may address the Town Council on any issue. This is the appropriate time for citizens to address the Council on any concern whether on this agenda or not. Please observe the time limit of three (3) minutes. In accordance with the State of Texas Open Meeting Act, the council may not comment or deliberate such statements during this period, except as authorized by Section 551.072, Texas Government Code.
7. Consent Agenda: All matters listed under the Consent Agenda are considered to be routine by the Town Council and require little or no deliberation. There will not be a separate discussion of these items and the agenda will be enacted by one vote. If the Council expresses a desire to discuss a matter listed, that item will be removed from the consent agenda and considered separately:
 - A. Minutes of the January 3, 2012 Workshop and Regular Meeting. (Town Secretary) 22
 - B. Minutes of the January 10, 2012 Workshop. (Town Secretary) 26
 - C. Authorize Town Staff to complete purchase of the following from Dallas Dodge: (1) Frazer Type I 14' 2012 Dodge Ram 4500 Diesel Ambulance thru HGAC pricing in the amount of \$200,050. (Fire Chief) 29
 - D. Approve Resolution No. 01171201 a Resolution regarding a Financing Agreement for the purpose of procuring an "EMS Apparatus, Related Equipment and a Patrol Boat". (Finance Director) 33
 - E. Authorize Final Payment of \$47,920.59 to McKinstry Essention, Inc. close out of the Town's Solar Energy for Town Hall and Public Safety Center, and authorize the Town Manager to execute the same. (Director of Development Services) 37
 - F. Reject all bids received on January 10, 2012 in response to Bid #01102012-6101 for the procurement of Radio Read Meters and authorize Staff to advertise a new bid package for the procurement of Radio Read Water Meters. (Public Works Director) 39
8. Reports and requests for Town Council consideration and appropriate action:
 - A. Discussion and Action to adopt Ordinance No. 1093 an Ordinance of the Town of Little Elm, Texas updating the Town's Employee Personnel Policies and providing an effective date. (Town Manager) 40

- B. Discussion and Action to approve Resolution No. 01171202 a Resolution of the Town Council of the Town of Little Elm, Texas, approving the Second Amended Bylaws of the Little Elm Economic Development Corporation, a Type A Economic Development Corporation; and providing for an immediate effective date. (EDC Director) 158
- 9. FYI: (All matters are provided to the Town Council for informational purposes only)
 - A. Town Secretary Monthly Report for December 2011. 176
 - B. Development Services Monthly Report for December 2011. 177
 - C. Public Works Monthly Report. 212
- 10. The Town Council will hold a Closed (executive) session meeting pursuant to Chapter 551, Texas Government Code, Vernon's Texas Code Annotated, in accordance with the authority contained in:
 - A. Section 551.071: Consultation with Town Attorney to receive legal advise concerning legal matters and contemplated litigations.
 - 1. Tri Dal, LTD vs Town of Little Elm.
- 11. Reconvene into Open Session: Discussion and consideration to take any action necessary as the result of the closed (executive) session.
 - A. Section 551.071:
 - 1. Tri Dal, LTD vs Town of Little Elm.
- 12. Adjourn Work Shop and Regular Meeting.

Pursuant to the Texas Open Meeting Act, (Chapter 551, Texas Government Code), one or more of the above items will be taken or conducted in open session following the conclusion of the executive closed session.

Persons with disabilities who plan to attend this meeting and who may need auxiliary aide of service such as interpreters for the hearing impaired, reader or large print are requested to contact the secretary at 214-975-0404 two days prior to the meeting so appropriate arrangements can be made. **BRAILLE IS NOT PROVIDED.**

Respectfully,

Town Secretary

This is to certify that the above notice was posted on the bulletin board at the Town Hall Center this 13th day of January 2012.

STAGE 3 WATER CONSERVATION

Water Use Reduction Goal and Stage 4

Town of Little Elm
January 5, 2012

DISCUSSION TOPICS

- Conservation Plan Triggers
- Stage Three Causes
- Lake Lavon Levels
- Present Drought Condition
- Drought Recovery
- Future Drought Outlook
- Inflows Graphics
- Inflows with/without Dallas
- Stage 3 Goals Definition
- Stage 3 Goal Rational
- Stage 3 Goal Graph
- Stage 3 Goal Worksheet
- Meeting Stage 3
- Take Aways

CONSERVATION & DROUGHT PLAN TRIGGERS

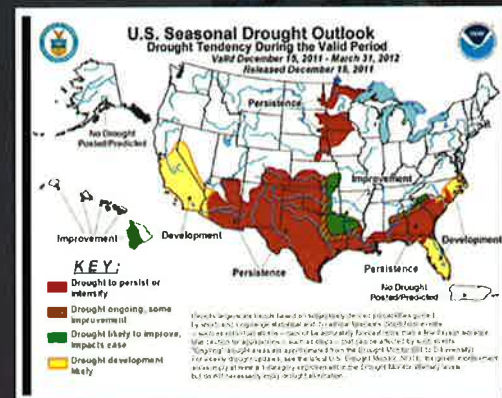
Supply source has limited availability or becomes contaminated

- *Stage 1* – NTMWD's storage capacity in Lavon or Chapman <65%
(Implemented 4/19/11)
- *Stage 2* – NTMWD's storage capacity in Lavon or Chapman <55%
(Implemented 8/19/11)
- *Stage 3* – NTMWD's storage capacity in Lavon or Chapman <45%
(Implement 11/1/11)
- *Stage 4* - NTMWD's storage capacity in Lavon or Chapman <35%

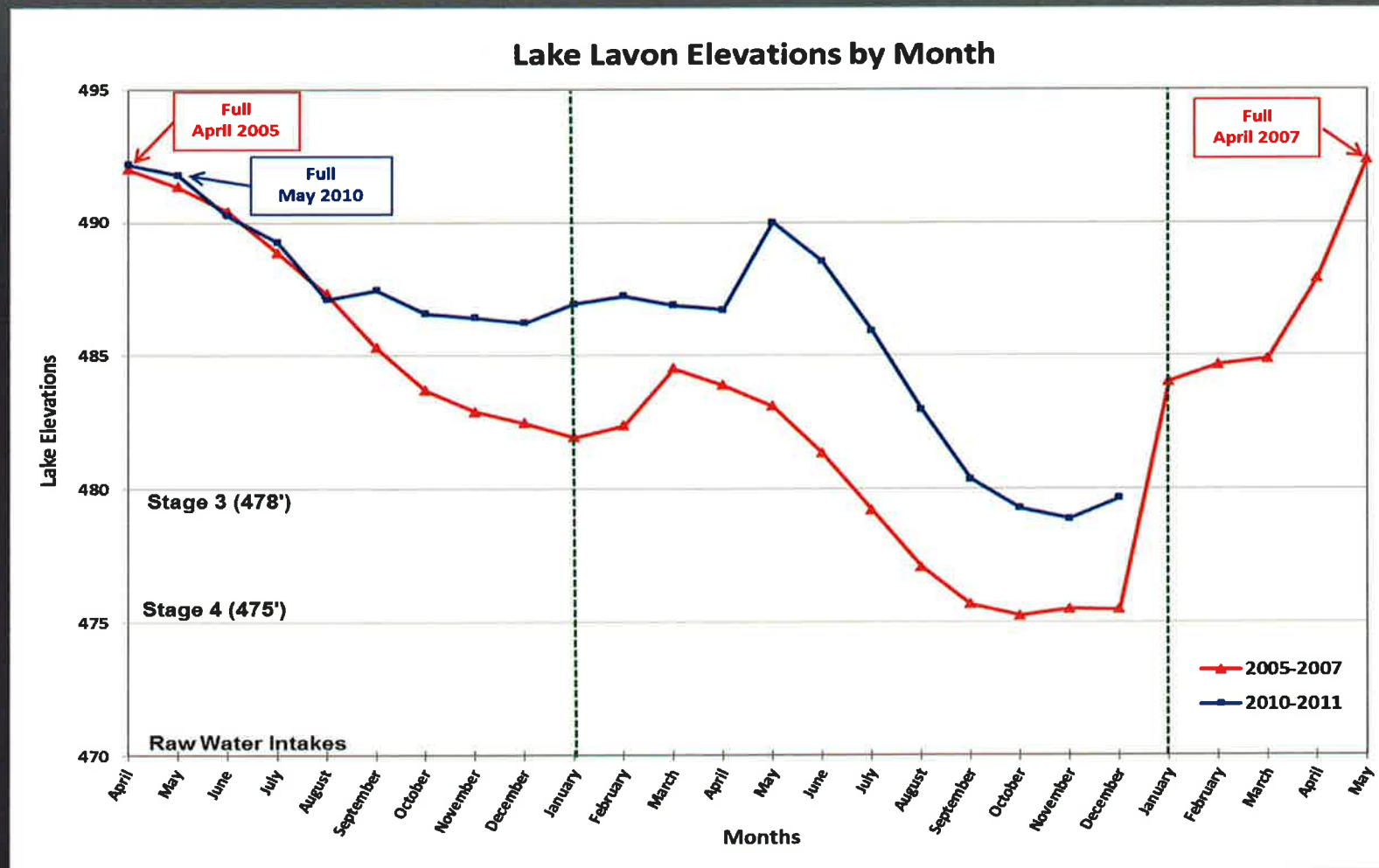
HOW DID WE GET TO STAGE THREE ?

The Perfect Storm

- Loss of the Texoma Supply – 28% of total supply
Zebra Mussels found April 3, 2009
Stopped Pumping July 17, 2009
Petitioned filed to resume seasonal pumping
- Oct 2010 to Sept 2011 – Driest on record 7.18”
Normal rainfall is 14.94”
Oct 1901-Sept 1902 Record low was 7.35”
- Lake Lavon Levels
Normal Elevation – 492
Present Elevation – 480.³⁷
- Lake Jim Chapman/Cooper -
Stage 3 - <45%
Present - 30.85%



LAKE LAVON LEVELS

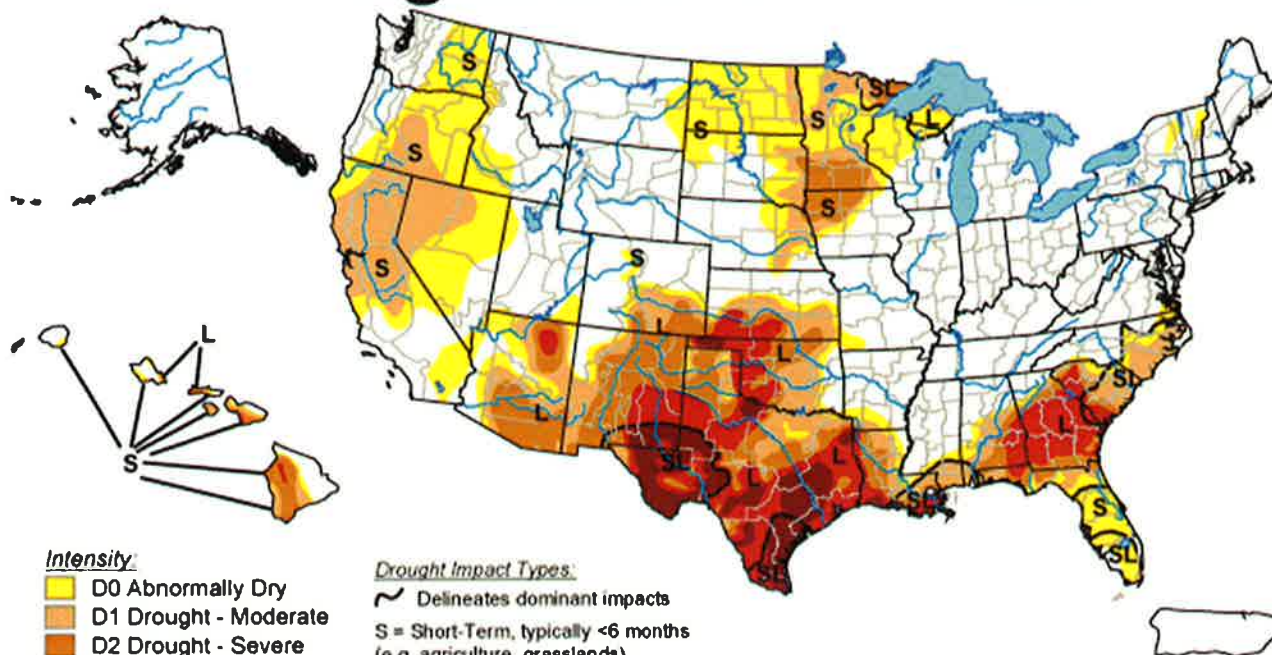


DROUGHT UPDATE

U.S. Drought Monitor

January 3, 2012

Valid 7 a.m. EST



Intensity

- D0 Abnormally Dry
- D1 Drought - Moderate
- D2 Drought - Severe
- D3 Drought - Extreme
- D4 Drought - Exceptional

Drought Impact Types:

- Delineates dominant impacts
- S = Short-Term, typically <6 months
(e.g. agriculture, grasslands)
- L = Long-Term, typically >6 months
(e.g. hydrology, ecology)

The Drought Monitor focuses on broad-scale conditions.
Local conditions may vary. See accompanying text summary
for forecast statements.

<http://droughtmonitor.unl.edu/>



Released Thursday, January 5, 2012

Author: Brad Rippey, U.S. Department of Agriculture

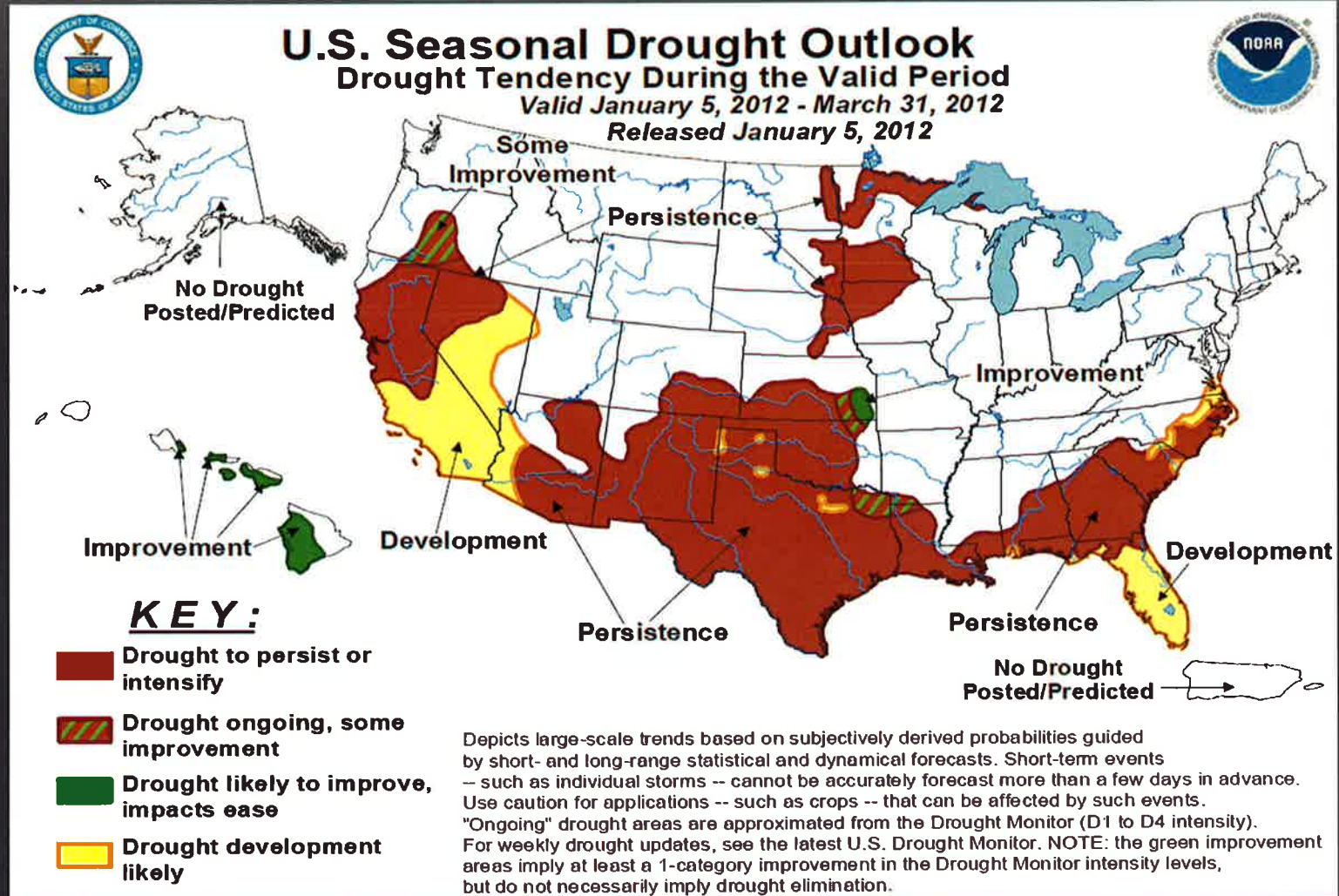
PRECIPITATION REQUIRED TO END DROUGHT

IN 1 MONTH

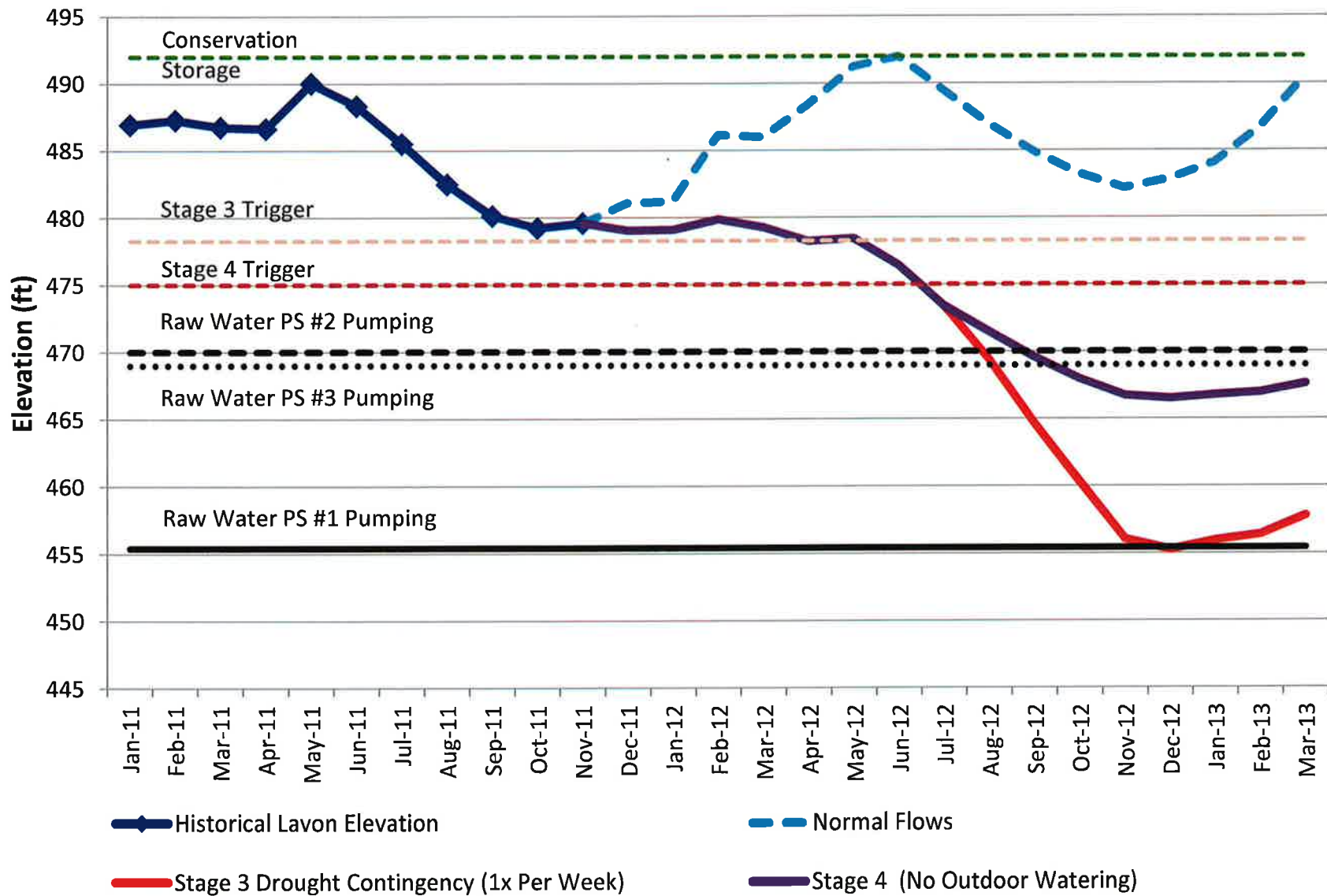
Source: NOAA / NCDC



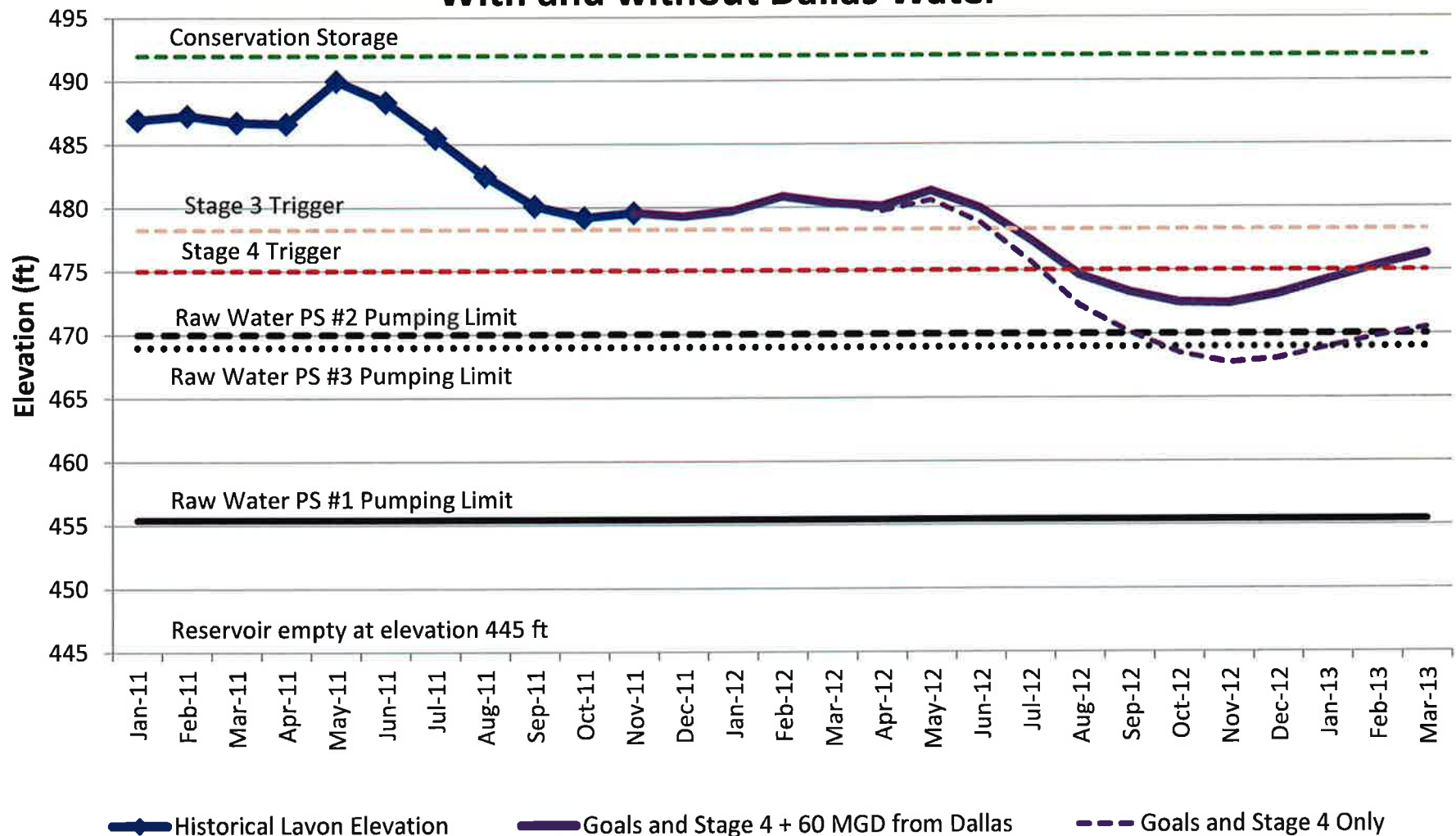
DROUGHT OUTLOOK



Lake Lavon Elevations - Worst 16-Month Inflows (12/55 - 3/57) Drought Contingency Only



Lake Lavon Elevations - Worst 16-Month Inflows (12/55 - 3/57) **NTMWD Goal Demands + Stage 4 Below 475 Feet** **With and without Dallas Water**



DEFINING STAGE THREE CONSUMPTION GOALS

- Goals for Water Year 2011-12 (August-July)
- Based on use in Water Year 2010-11
- Reductions due to drought measures:
 - Assume 5 percent Stage 2 (August-October)
 - Assume 10 percent Stage 3 (November on)
- Goals are for cumulative use in water year
- If District enters Stage 4, goals would be revised

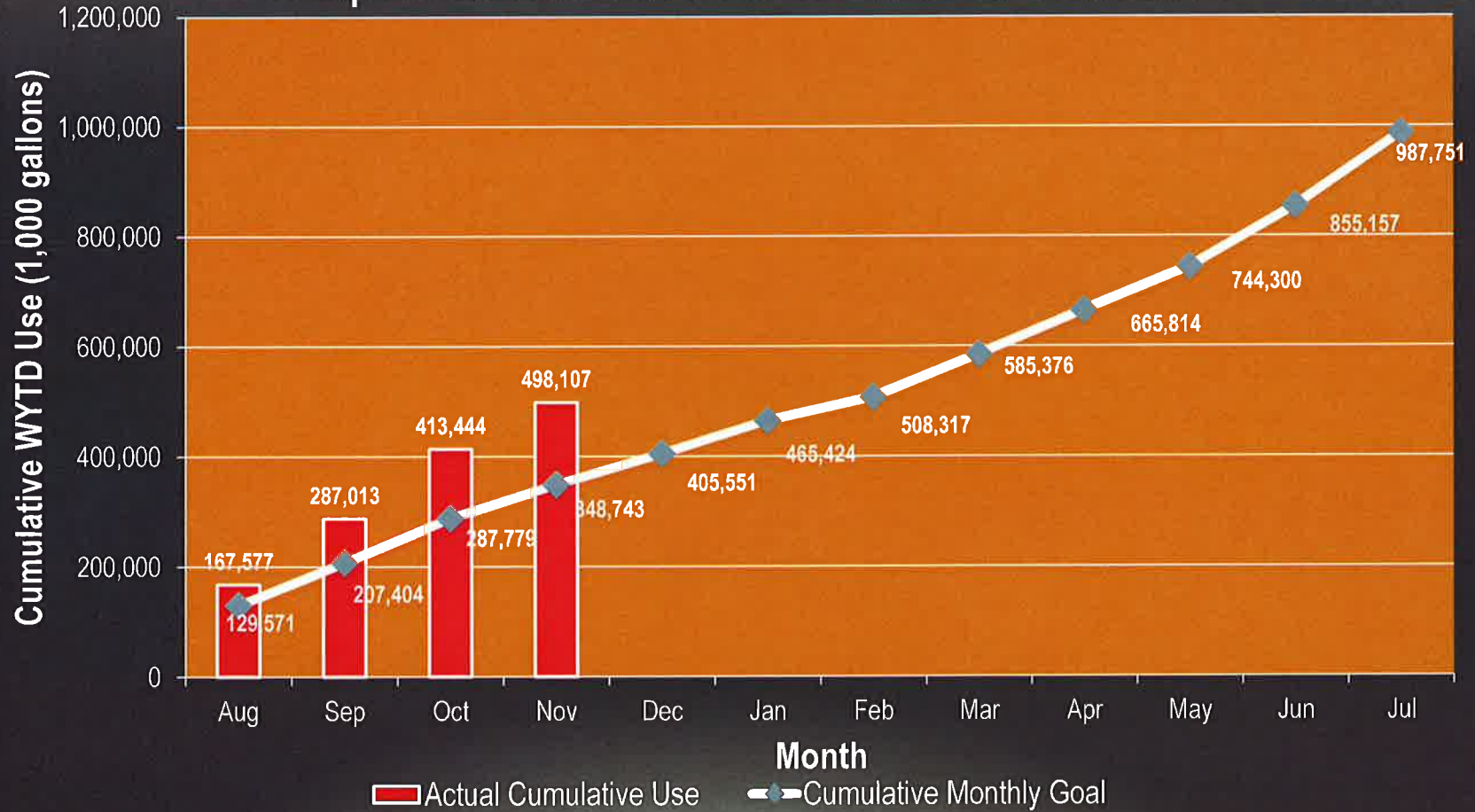
STAGE THREE CONSUMPTION GOALS RATIONAL

Goal Based on Last Year's Use

- Advantages
 - Established in NTMWD contracts for rationing
 - Consistent with State law
 - Easy to explain
- Disadvantages
 - Does not account for growth

STAGE THREE GOAL

Comparison of WY 2012 Water Use and Goal - Little Elm



STAGE THREE GOAL

Little Elm
Water Year 2012 Water Use Goal and Actual Use

Month	Use in 1,000 Gallons								
	Actual Use in WY 2010-11	Reduction for Goal	Goal for Month	WY 2011-12 Year to Date Use Goal	Actual WY 2011-12 Use	Month Percent Over (Under) Goal	Actual WY 2011-12 Year to Date Use	Year to Date Amount Over (Under) Goal	Year to Date Percent Over (Under) Goal
Aug	136,391	5%	129,571	129,571	167,577	29.3%	167,577	38,006	29.3%
Sep	81,929	5%	77,833	207,404	119,436	53.5%	287,013	79,609	38.4%
Oct	84,605	5%	80,375	287,779	126,431	57.3%	413,444	125,665	43.7%
Nov	67,738	10%	60,964	348,743	84,663	38.9%	498,107	149,364	42.8%
Dec	63,120	10%	56,808	405,551					
Jan	66,526	10%	59,873	465,424					
Feb	47,659	10%	42,893	508,317					
Mar	85,621	10%	77,059	585,376					
Apr	89,375	10%	80,438	665,814					
May	87,207	10%	78,486	744,300					
Jun	123,174	10%	110,857	855,157					
Jul	147,327	10%	132,594	987,751					

MEETING STAGE THREE GOALS

- Reduce Water Waste
 - Increase monitoring to reduce conservation violations
 - Monitor 2 AM to 9 AM
 - Notify resident of violation
- Violations
 - First Violation - document and educate
 - Second Violation – document and notify Code Enforcement
- Track, Document and Report Success Rate

TAKE AWAY

- Town must set example by reducing consumption to meet set goals
- Success means future availability of water
- Reduce the possibilities of water rationing
- Prepare for Stage Four

FINANCE DIRECTOR

ALAN DICKERSON

WILL MAKE PRESENTATION

MINUTES
Town of Little Elm
214-975-0404
<http://www.littleelm.org>

WORKSHOP
AND
REGULAR TOWN COUNCIL MEETING
Tuesday January 3, 2012

Present: Charles Platt Mayor, Curtis Cornelious Mayor Pro-tem, Council members Richard Stevens, Stephanie Shoemaker, Brandon Gerard, and Bill Roebken. Staff: Robert Brown, Doug Peach, Kathy Phillips, Alan Dickerson, Jason Laumer, Dusty McAfee, Dee Dee Hale, Kevin Mattingly, Tony Chrisman, Waylan Rhodes, Leslie Smith, and Joe Florentino.

1. Call to Order Council Work Shop at 6:30 p.m.

- a. Items to be withdrawn from Consent Agenda. **NONE**
- b. Emergency Items if posted. **NONE**
- c. Request by the Town Council for items to be placed on the next regular council agenda for discussion, and recognition of excused absences. **NONE**
- d. Presentation of monthly updates from department heads: Police Chief-Waylan Rhodes reported to Council regarding a shooting that occurred on New Year's. Warrant being issued for suspect arrest. In the Warrant Division at end of year in 2010 this one officer collected over \$112,000; and this past year over \$156,000 was collected. This officer is also bailiff for the court, marine patrol officer and helps out in traffic division when needed. Public Works Director-Kevin Mattingly handed out a monthly report to the Council regarding Items of Interest: Regarding Stage 3 water restrictions a meeting was held December 15th for NTMWD customers. For discussion was how to measure reduction in water consumption. Also discussed were what triggers Stage 4 and how to prepare businesses that depend on irrigation as a mainstay to their business success, and stepping up enforcement of water restriction violations to meet the needed reduction. Staff is working on a Cross Connection Control Policy and Ordinance: the policy revisions have been made and ready for presentation to Council, Ordinance will need to be reviewed by Town Attorney, the implementation time-line will be updated, staff will determine impact to commercial customers and determine impact to ISD's. Staff had received notification from the TCEQ on December 20th of completion of the SEP (Drug Take Back Program). This SEP benefitted not only LE residents but also surrounding communities. Kevin also reported on the annual total work orders completed by staff from 01/02/2011 to 12/31/2011 for Water, WW, Streets, Street lights: received 1,860 orders, 1,773 were completed in 4,902 work hours. Parks & Recreation Director Tony Chrisman reported that the Cottonwood Complex will be watering off the new well system. In recreational activities basketball was in progress, adult softball and youth baseball will start in February. Staff is working on the park area

across from (Pirates Cove) placing post along the area to keep vehicular traffic from driving along shore line. Tony reported on Library activity: the Santa program was attended by 50 children, 11 children programs were hosted, 27 youth programs and 8 adult programs. The library saw 189 patrons more than previous month. Staff has four (4) applicants for the library director position will interview two this week and two next week.

- e. Council to highlight items on the agenda needing further discussion or comments prior to the regular session. **NONE**

2. **(6:50 p.m.) Presentations and Announcements: None**

3. **Roll Call/Call to Order Regular Town Council Meeting at 7:00 p.m.**

4. **Opening Prayer:** Richard Stevens-Living Word Baptist Church.

5. **Pledge to the Flags:**

- a. United States Flag
- b. Texas Flag

6. **Public Comments:** None

7. Upon motion by Council member Stevens and second by Council member Shoemaker the members **voted 6-0** to approve the Consent Agenda as presented:

- a. **Minutes** of the December 20, 2011 Special Council Meeting.
- b. **Minutes** of the December 13, 2011 Special Meeting and Work Shop.
- c. **Minutes** of the December 6, 2011 Work Shop and Regular Meeting.

8. **Reports and requests for Town Council consideration and appropriate action:**

- a. Appointment of Caprice Garcia as Teen Court Judge: Judge DePiazza issued Oath of Office to Judge Garcia.
- b. Upon motion by Council member Stevens and second by Council member Gerard the members **voted 6-0** to approve request from the Republican Party to use the Town Hall exclusively for the March 6th (changed to April 3rd) Primary Election and Precinct Convention and if needed for Run-off date, to be determined.
- c. Upon motion by Council member Roebken and second by Council member Shoemaker the members **voted 6-0** to re-appoint Frank Kastner to Place 2 and Jack Gregg to Place 6 for a term through December 31, 2013 on the TIRZ #1, TIRZ #2 and LERA Boards. To appoint Charles Platt to Place 4 TIRZ #1, and TIRZ #2 Boards for a term through December 31, 2013. To appoint Richard Stevens to Place 4 on the LERA Board for a term through December 31, 2013.

- d. Upon motion by Council member Gerard and second by Council member Shoemaker the members the members **voted 6-0** to confirm Mayor's nomination of David Coleman as Chairman of the TIRZ #1 Board, Jack Gregg as Chairman of the TIRZ #2 Board, and Dan Jaworski as Chairman of the LERA Board for terms through December 31, 2012.
- e. Upon motion by Council member Cornelious and second by Council member Stevens the members **voted 6-0** to authorize the Town Manager to enter into an annual contract with Nortex Concrete Leveling and Stabilization through an interlocal purchasing agreement with the City of Grand Prairie for an amount not to exceed \$125,000.00 for 2012 street repairs.
- f. Upon motion by Council member Roebken and second by Council member Cornelious the members **voted 6-0** to approve a Design Task Order for Riney Road Water Line Relocation between the Town of Little Elm and TRC Engineers, Inc. for the amount of \$54,743.00 and authorize the Town Manager to execute a contract for the same.
- g. Upon motion by Council member Stevens and second by Council member Gerard the members **voted 4-2** (opposed Mayor Platt and Council member Roebken) to approve a Design Task Order for the Hilltown Subdivision Engineering Study between the Town of Little Elm and TRC Engineers, Inc. for the amount of \$15,000.00 and authorize the Town Manager to execute a contract for the same.
- h. Upon motion by Council member Cornelious and second by Council member Shoemaker the members **voted 6-0** to approve a Ground and Tower Lease with New Cingular Wireless PSC, LLC for the placement of antennas on the Walker Lane Elevated Water Storage Tank Site and authorize the proceeds to be dedicated to the Landscape Fund.
- i. Upon motion by Council member Cornelious and second by Council member Gerard the members **voted 6-0** to approve Change Order #1 to the Guaranteed Maximum Price Amendment #2 to the Construction Manager at Risk Agreement for the Recreation Center and Senior Center between the Town of Little Elm and Adolfson & Peterson and authorize the Town Manager to execute for the same.
- j. Upon motion by Council member Roebken and second by Council member Stevens the members **voted 6-0** to adopt Ordinance No. 1092 an Ordinance of the Town of Little Elm, Texas, amending the Code of Ordinances of the Town, by amending Chapter 90 (Streets, Roads, and other Public Property), by repealing the existing Article IV (Street Excavation), in whole, and replacing it with a new Article IV (Right-of-Way Management) to update and revise the

Town's Regulation, Permitting, Review, Operation, and General Use Of Public Rights-Of-Way; providing a savings clause; providing a penalty; providing a severability clause; providing a repealer clause; and providing an effective date.

- k. Upon motion by Council member Cornelious and second by Council member Shoemaker the members **voted 6-0** to adopt Ordinance No. 1094 an Ordinance of the Town Council of the Town of Little Elm, Texas, determining Rules of Procedures for Public Hearings and Presentations and Announcements: providing for a severability clause; and providing for an immediate effective date.

9. **FYI:** (All matters are provided to the Town Council for informational purposes only)

- a. Town Secretary Monthly Report for November 2011.
- b. Development Services Monthly Report for November 2011.
- c. Thanks to Fire Department.

10. The Town Council held an Closed (executive) session meeting **at 7:32 p.m.** pursuant to Chapter 551, Texas Government Code, Vernon's Texas Code Annotated, in accordance with the authority contained in:

Section 551.074: Personnel Matters, discussion regarding Town Manager vacancy.

11. Reconvened into Open Session **at 7:42 p.m.** Discussion and consideration to take any action necessary as the result of the closed (executive) session.

Section 551.074: Upon motion by Council member Cornelious and second by Council member Gerard the members **voted 6-0** to approve raising the Interim Town Manager salary to the previous Town Manager Salary effective December 20, 2011.

12. Adjourned Work Shop and Regular Meeting **at 7:43 p.m.**

Respectfully,



Town Secretary

Passed and Approved this ____ day of _____ 2012.

MINUTES
Town of Little Elm
214-975-0404
<http://www.littleelmtx.us>

PUBLIC HEARING AND WORK SHOP
Tuesday January 10, 2012

Present: Charles Platt Mayor, Curtis Cornelious Mayor Pro-tem, Council members Richard Stevens, Stephanie Shoemaker, and Brandon Gerard. Absent: Council member Bill Roebken.
Staff: Doug Peach, Kathy Phillips, Dee Dee Hale, Alan Dickerson, Dianne Lawson, Jason Laumer, Dusty McAfee, Kevin Mattingly, Jennette Killingsworth, and Joe Florentino.

1. Roll Call/Call to Order **at 6:30 p.m.**
2. **Public Hearing** to allow for final public comment regarding the completion of the 2008 Texas Capital Fund Program-Infrastructure Improvements, Contract 728092, benefitting Retractable Technologies, Inc. The general public is invited to attend and participate.
 - a. Staff Report. Shelley Green with Municipal Development Services informed Council that the Public Hearing was required in order to close out the Texas Capital Fund Program-Infrastructure Improvements, Contract 728092, which benefitted Retractable Technologies, Inc., total amount of grant project \$760,000.
 - b. Opened Public Hearing **at 6:31 p.m.**
 - c. Receive Public Comments. None
 - d. Closed Public Hearing **at 6:32 p.m.**
3. **Work Shop:**
 - a. **Discussion**-Little Elm Park Street Names: Director of Development Services Jason Laumer informed Council due to recent road expansion and improvements inside Little Elm Park Town Staff is looking for Council direction for street names. Little Elm Park Road is very close to Little Elm Parkway near Kroger and may cause some confusion. Staff has discussed naming the main entrance the same as Lobo Lane since the new drive will line up with Lobo Lane and naming the road down to Lighthouse Grill and the Swim Beach to Lighthouse Beach Drive. Staff has some ideas for the new connector road to Main Street to present. Staff will bring back Ordinance to council at future meeting with proposed street names for consideration.
 - b. **Discussion** on expanding Development Officer job description requirements. Director of Development Services Jason Laumer informed council that the development officer position and job responsibilities were presented and approved by the Town council during the 2012 FY budget process. Over the last year Development Services has been reviewing our Health Inspection process and procedures. We are looked at several options, what process and fees others cities have, and the costs for in-house


vs. consultants. During the recent interview process for the development officer position, which will be performing rental inspections, commercial site inspections, and various zoning related codes, staff came across an applicant that can perform these duties and perform Health Inspections. Staff would like to improve the health inspection process and believe the cheapest most effective way would be to expand the job duties of the development officer position which would cause a change in the pay plan approved by Council for the position to grade P, step 2. Overall it would be a savings to the budget and not require a budget amendment. The pay plan adjustment would be approximately \$8,000 while the annual cost for the Health Contract in \$20,000 per chart provided. The Town would still contract out occasionally for septic inspections which have been less than \$1,000 a year for the last three years. Staff is asking for Council direction. Council consensus was to proceed.

- c. **Presentation and Discussion** on Utility Billing Processes and Procedures: Director of Finance Alan Dickerson stated that often Council members and others receive feedback or inquiries the Town's Utility Billing practices. This presentation is for the purpose of clarifying staff's current practices in regard to billing, collection, notices and payment options. Alan presented power point presentation from meter readings to collections.
- d. **Discussion**-financing of the budgeted ambulance and recently purchased patrol boat as an all-inclusive financing proposal option: Director of Finance Alan Dickerson informed Council that the purpose of this item is to discuss financing option for the budgeted ambulance and recently authorized acquisition of the Patrol Boat. The original intent was to pay cash for the Patrol Boat but since we were doing a financing arrangement for the Ambulance Box and Chassis, he thought that we could go ahead and include the Patrol Boat in a bundled financing package. Both assets have useful lives that extend beyond the financing term. Capital Cost total \$328,242, budgeted for Capital Outlay is \$300,500. The financing proposal is for a term of three (3) years for an interest cost of \$17,900. He is seeking Council direction in order to bring back for action on the January 17th agenda a financing proposal for both assets as stated in discussion. Council consensus was to proceed with financing proposed and bring to 17th meeting for council consideration.
- e. **Discussion** regarding rescheduling/cancelling of the February 21st Regular Council Meeting: Interim Town Manager Doug Peach reminded the Council of the Annual Friends of the Library Trivia night being held on February 21st. Several Council members and Staff members participate in this annual event asking for council direction regarding rescheduling or cancelling the February 21st meeting. Council consensus was to cancel at this time, if something comes up between now and the 21st the meeting would be rescheduled.
- f. **Discussion** regarding holding Council Workshop in lieu of Pre-Session prior to Regular Meeting: Interim Town Manager Doug Peach stated he would like to propose the Town Council begin conducting Council Work Session in advance of the Regular Council Meeting. This would eliminate the need for the Council Work Session on the

second week on each month. The Work Session would take the place of the current Pre-Session when Department Head typically give verbal reports. The Work Session would continue to serve the same purpose. Staff would present detail information on large ordinances or other large subject matters to be considered by Council at a future Regular Meeting. He was asking for Council direction. Council consensus was to start the Work Session/ Regular Meeting at 6:00 p.m., to keep departmental reports on the agenda in case needed and proceed with workshop items then move on to Regular Meeting. Doug stated we would start with the 17th meeting; may need to fine-tune as we go.

4. Adjourned **at 7:20 p.m.**

Respectfully:


Town Secretary

Passed and approved this ____ day of _____ 2012.

TOWN OF LITTLE ELM

AGENDA INFORMATION SHEET:

COUNCIL MEETING

DATE: January 17, 2012

PROJECT: Purchase of:
Frazer Type I 14' 2012 Dodge Ram 4500 Diesel Ambulance

DESCRIPTION: As part of the FY 2011/12 budget 200,050 was authorized for the purchase of an ambulance.

A committee was formed to create spec for the new ambulance. Committee work included visiting Frazer manufacturing plant and meetings soliciting input from firefighter paramedics.

Using this input, the committee worked with the Frazer to create a spec for a new ambulance that would meet the needs of the Fire Department and be within the budgeted amount.

That spec has been completed and is as follows: One (1) Frazer Type I 14' Generator powered module mounted on a Dodge Ram 4500 6.7L diesel chassis with an air suspension system.

Cost of the ambulance is \$200,050 (HGAC).

COST: \$200,050

FUNDING SOURCE: Acct No. Amount
112-6630-58 \$200,050

SCHEDULE: 120 to 150 days upon approval.

RECOMMENDED ACTION:

Authorize Town Staff to complete purchase of the following from Dallas Dodge:
(1) Frazer Type I 14' 2012 Dodge Ram 4500 Diesel Ambulance.

TOWN CONTACT: Joseph Florentino, Fire Chief 214-975-0425

ATTACHMENTS: Invoice Quote, HGAC pricing worksheet



Invoice Quote # 7049C
Purchase Order: Todd Jamison

Date: January 2, 2012
Terms: Due Upon Receipt

Salesman: Steve B. Dornak

Sold To:

Delivered To:

Town of Little Elm
100 West Eldorado Pkwy
Little Elm, TX 75068

Will Call @ Frazer
7227A Rampart
Houston, TX 77081

Year	Make	Model	VIN Number
2012	Dodge	4500	3C7WDKCL2CG173828
Frazer Type I 14' GPM			\$ 80,000.00
2012 Dodge Ram 4500 Diesel			\$ 44,500.00
Kellerman air suspension system w/rear			
Sway bar included			\$ 7,000.00
Heat shielding for diesel chassis			\$ 1,500.00
Optional items as listed on quote 7049C			\$ 66,050.00
HGAC Fee			\$ 1,000.00
Total Amount			\$ 200,050.00

DISCLAIMER OF WARRANTIES

The Seller hereby expressly disclaims all warranties, either expressed or implied, including any implied warranty of merchantability or fitness for a particular purpose, and neither assumes or authorizes any other person to assume for it any liability in connection with the sale of the vehicle.

11550 LBJ Freeway, Exit 13
Dallas, Texas 75238

214-327-9361
DallasDodge.net

HGACBuy		CONTRACT PRICING WORKSHEET For MOTOR VEHICLES Only		Contract No.:	AM04-10	Date Prepared:	01/02/12
<p>This Worksheet is prepared by Contractor and given to End User. If a PO is issued, both the PO and the Worksheet <u>MUST</u> be faxed to H-GAC @ 713-993-4548. Therefore please type or print legibly.</p>							
Buying Agency:	Little Elm Fire Department			Contractor:	Dallas Dodge Quote #7049C-HGAC		
Contact Person:	Todd Jamison			Prepared By:	Steve Domak		
Phone:	214-975-0429			Phone:	281-639-3507		
Fax:	214-975-0776			Fax:	281-463-3723		
Email:	tjamison@littleelm.org			Email:	sdomak@swbell.net		
Product Code:	LA10	Description:	Type 1 14' on Dodge Ram 4500 Diesel DRW Cab/Chassis, Gen Pwrd Mod				
A. Product Item Base Unit Price Per Contractor's H-GAC Contract:							\$124,500.00
B. Published Options - Itemize below - Attach additional sheet(s) if necessary - Include Option Code in description if applicable. (Note: Published Options are options which were submitted and priced in Contractor's bid.)							
Description		Cost	Description		Cost		
1-Heat shielding for diesel chassis		\$1,500.00	249-This unit gets an Engel 14 qt. Refrigerator with a hasp on th		\$900.00		
1181-Kelderman air suspension system		\$6,500.00	277-Air Liquide electric O2 panel with monitor at the action wa		\$1,275.00		
16-Arm rests on the console		\$200.00	298-Cabinet aft of CPR seat on taller 12' unit or 14' unit		\$1,000.00		
42-2 high glove box holder on back wall of truck cab (x2)		\$250.00	337-Extra overhead grab rails on a 14' unit		\$275.00		
89-Buell dual 10" & 12" air horns through front bumper		\$800.00	366-Blue EVS captain's chair with built-in child safety seat		\$700.00		
99-Mount a fast recovery compressor for the air horn system be		\$1,200.00	376-Extra sharps container and bracket above squad bench		\$75.00		
114-Chrome nerf bars for Ram 3500		\$450.00	450-Akro bins-48 small and 12 large-blue		\$375.00		
185-Netting at the head of the squad bench		\$750.00	422-(2) large map holders on the side main door		\$350.00		
188-Squad bench cabinet w/padding on end		\$600.00	479-Module has simple 2 color paint scheme		\$1,500.00		
199-22 pocket acrylic organizer above the squad bench (x2)		\$900.00	486-Chassis has simple 2 color paint scheme		\$2,900.00		
229-Lip up at bottom of front I/O		\$50.00	Subtotal From Additional Sheet(s):				\$42,350.00
236-Ribbed rubber on floor in front I/O		\$25.00	Subtotal B:				\$64,925.00
C. Unpublished Options - Itemize below / attach additional sheet(s) if necessary. (Note: Unpublished options are items which were not submitted and priced in Contractor's bid.)							
Description		Cost	Description		Cost		
Knox MedVault with USB and software		\$1,900.00	Phillips MRX Heartstart bracket		\$1,525.00		
Motorola XTL 5000 800 Mhz radio		\$5,900.00	Subtotal From Additional Sheet(s):				\$300.00
				Subtotal C:		\$9,625.00	
Check: Total cost of Unpublished Options (C) cannot exceed 25% of the total of the Base Unit Price plus Published Options (A+B).					For this transaction the percentage is:		5%
D. Total Cost Before Any Applicable Trade-In / Other Allowances / Discounts (A+B+C)							
Quantity Ordered:	1	X Subtotal of A + B + C:	\$199,050.00	=	Subtotal D:	\$199,050.00	
E. H-GAC Order Processing Charge (Amount Per Current Policy)						Subtotal E:	\$1,000.00
F. Trade-Ins / Special Discounts / Other Allowances / Freight / Installation / Miscellaneous Charges							
Description		Cost	Description		Cost		
				Subtotal F:		0	
Delivery Date:					G. Total Purchase Price (D+E+F):		\$200,050.00

**CONTRACT PRICING WORKSHEET**
For MOTOR VEHICLES OnlyContract
No.:

AM04-10

Date
Prepared:

01/02/12

This Worksheet is prepared by Contractor and given to End User. If a PO is issued, both the PO and the Worksheet **MUST** be faxed to H-GAC @ 713-993-4548. Therefore please type or print legibly.

Buying Agency:	Little Elm Fire Department	Contractor:	Dallas Dodge Quote #7049C-HGAC
Contact Person:	Todd Jamison	Prepared By:	Steve Dornak
Phone:	214-975-0429	Phone:	281-639-3507
Fax:	214-975-0776	Fax:	281-463-3723
Email:	tjamison@littlcoln.org	Email:	sdornak@swbell.net

Product Code:	LA10	Description:	Type I 14' on Dodge Ram 4500 Diesel DRW Cab/Chassis, Gen Pwr Mod
---------------	------	--------------	--

A. Product Item Base Unit Price Per Contractor's H-GAC Contract: \$124,500.00

B. Published Options - Itemize below - Attach additional sheet(s) if necessary - Include Option Code in description if applicable.
(Note: Published Options are options which were submitted and priced in Contractor's bid.)

Description	Cost	Description	Cost
496-Wig wag headlight flasher for a Dodge	\$325.00	431-2 high powder coated aluminum "D" cylinder holder in front	\$150.00
501-This unit gets a 3M Opticom on the front wall	\$1,800.00	284-Remote genset start/stop switch at the action wall	\$225.00
518-This unit gets a shore power ignition kill switch	\$225.00	1303-All products listed in the current Whelen Automotive Dist	\$1,525.00
1117-Install a Sigtronics US45S intercom base-6 headset station	\$1,700.00	175-Radio speakers in module off chassis radio with volume con	\$450.00
1136-Install (2) Sigtronics SE-8 headsets in the truck cab hung f	\$950.00	635-This unit gets a shelf in the backboard compartment (not lip	\$350.00
1138-Install (1) Sigtronics SE-18 headset at the action wall, mo	\$600.00	675-Install (1) SCBA bracket in the vertical back board storage	\$175.00
1140-Install a Voyager back up camera on the rear wall	\$400.00	677-Install a coat hook in the front back board compartment cer	\$50.00
1147-Install a Voyager quad view monitor in the truck cab near	\$800.00	131-120VAC quad outlet in lieu of duplex outlet in front I/O	\$50.00
1305-All products listed in the current Stryker "List Price Book	\$27,750.00	567-Install a vertical divider in the O2 compartment from the sh	\$175.00
1168-3M diamond grade conspicuity tape on panel of exterior c	\$300.00		
1209-Lighting modification from base (x8)	\$4,000.00		
340-Install an extra O2 outlet in the ceiling raceway above the p	\$350.00		
		Subtotal B:	42350

C. Unpublished Options - Itemize below / attach additional sheet(s) if necessary.
(Note: Unpublished options are items which were not submitted and priced in Contractor's bid.)

Description	Cost	Description	Cost
Lind DC to AC converter	\$300.00		
		Subtotal From Additional Sheet(s):	
		Subtotal C:	300

Check: Total cost of Unpublished Options (C) cannot exceed 25% of the total of the Base Unit Price plus Published Options (A+B). For this transaction the percentage is: 0%

D. Total Cost Before Any Applicable Trade-In / Other Allowances / Discounts (A+B+C)

Quantity Ordered:		X Subtotal of A + B + C:		=	Subtotal D:
					Subtotal E:

E. H-GAC Order Processing Charge (Amount Per Current Policy)

F. Trade-Ins / Special Discounts / Other Allowances / Freight / Installation / Miscellaneous Charges

Description	Cost	Description	Cost
		Subtotal F:	0

Delivery Date: **G. Total Purchase Price (D+E+F):** 0



LITTLE ELM

TOWN OF LITTLE ELM AGENDA INFORMATION SHEET CONSENT AGENDA

**COUNCIL
SESSION:**

January 17, 2012

ITEM:

CONSENT ACTION TO APPROVE RESOLUTION #01171201 AUTHORIZING THE INTERIM TOWN MANAGER TO EXECUTE ANY AND ALL DOCUMENTS REGARDING A FINANCING AGREEMENT FOR THE PURPOSE OF PROCURING AN "EMS APPARATUS, RELATED EQUIPMENT AND A PUBLIC SAFETY PATROL BOAT.

BACKGROUND:

The purpose of this item is to approve a financing agreement with Government Capital Corporation and authorize the Interim Town Manager to execute the same as per our discussion in work session on January 10, 2012. Government Capital Corporation has assisted the Town on past financial transactions for acquisition capital equipment. They recently completed a transaction for the Town's EDC.

The original intent was to pay cash for the Patrol Boat but since we were doing a financing arrangement for the Ambulance Box and Chassis, I thought that is would be prudent for budgeting purposes to include the Boat in the transaction. Both assets have useful lives that extend beyond the financing term.

Item	Capital Costs	Interest Cost	Budget for Capital Outlay
Ambulance	\$200,050	xxx xxx	\$200,500
Patrol Boat	<u>\$128,192</u>	<u>xxx xxx</u>	<u>\$100,000</u>
Total:	\$328,242	\$17,897	\$300.500

The payout is over 3 years (6 semi-annual payments) at an interest rate of 3.137%. The payment amount is \$57,690.

FISCAL IMPACT:

The Financing proposal is for a term of 3 years for an interest cost of \$17,897.

**RECOMMENDED
ACTION:**

The Finance Director recommends approval of Resolution #01171201 by consent to finance the above capital items through Government Capital Corporation and authorize the Interim Town Manager to execute any and all documents.

ATTACHMENTS:

- Resolution #01171201
- Finance Proposal Letter and Amortization Schedule

TOWN CONTACT:

Alan Dickerson, Finance Director

RESOLUTION No. 01171201

**A RESOLUTION REGARDING A FINANCING AGREEMENT FOR
THE PURPOSE OF PROCURING AN "EMS APPARATUS,
RELATED EQUIPMENT AND A PATROL BOAT".**

WHEREAS, the Town of Little Elm desires to enter into that certain Financing Agreement, by and between Government Capital Corporation and the Town, for the purpose of procuring an "EMS Apparatus, Related Equipment and a Patrol Boat ". The Town of Little Elm desires to designate this Agreement as a "qualified tax exempt obligation" of the Town for the purposes of Section 265 (b) (3) of the Internal Revenue Code of 1986, as amended. The Town desires to designate the Interim Town Manager as an authorized signer of the Agreement.

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE TOWN OF LITTLE ELM:

Section 1. That the Town of Little Elm enters into a Financing Agreement with Government Capital Corporation for the purpose of procuring an "EMS Apparatus, Related Equipment and a Patrol Boat".

Section 2. That the Financing Agreement, by and between the Town of Little Elm and Government Capital Corporation is designated by the Town as a "qualified tax exempt obligation" for the purposes of Section 265 (b) (3) of the Internal Revenue Code of 1986, as amended.

Section 3. That the Town designates the Interim Town Manager as an authorized signer of the Financing Agreement, by and between the Town of Little Elm and Government Capital Corporation.

This Resolution has been PASSED upon Motion made by Council Member _____, seconded by Council Member _____ by a vote of _____ to _____ and is effective this 17 Day of January 2012.

Mayor, Charles Platt

Kathy Phillips, Town Secretary



December 27, 2011

Mr. Alan Dickerson
Little Elm Town Hall
214-975-0415
adickerson@littleelm.org

Dear Mr. Dickerson,

Thank you for the opportunity to present proposed financing for the Town of Little Elm for the acquisition of an EMS Apparatus and Patrol Boat. I am submitting for your review the following proposed structure:

LENDER:	Government Capital Corporation
ISSUER:	Town of Little Elm
FINANCING STRUCTURE:	Tax Exempt Public Property Finance Contract

EQUIPMENT COST:	\$328,242.00	\$328,242.00
TERM:	6 Semi-Annual Payments	10 Semi-Annual Payments
INTEREST RATE:	3.137%	3.137%
PAYMENT AMOUNT:	\$57,689.77	\$35,685.16
1ST PAYMENT DUE:	August 1, 2012	August 1, 2012
ASSUMED CLOSING/FUNDING:	February 15, 2012	February 15, 2012

Financing for these projects would be simple, fast and easy due to the fact that:

- ✓ We have an existing relationship with you and have your financial statements on file, expediting the process. Please keep in mind we may also need current year statements.
- ✓ We can provide documentation your legal counsel is familiar with.

The above proposal is subject to audit analysis and mutually acceptable documentation. The terms outlined herein are subject to change and rates are valid for fourteen (14) days from the date of this proposal. If funding does not occur within this time period, rates will be indexed to markets at such time. The above payment amount includes all applicable issuance costs.

If you have any questions regarding other payment terms, frequencies or conditions, please do not hesitate to call.

With Best Regards,

Sheila Reese

Sheila Reese
Director of Public Relations

cc: Kevin Lerner, Vice President
Government Capital Corporation

"YOUR PUBLIC FINANCE PARTNER"

Compound Period: Semiannual

Nominal Annual Rate: 3.137%

CASH FLOW DATA

Event	Date	Amount	Number	Period	End Date
1 Loan	2/15/2012	328,242.00	1		
2 Payment	8/1/2012	57,689.77	6	Semiannual	2/1/2015

AMORTIZATION SCHEDULE - Normal Amortization, 360 Day Year

	Date	Payment	Interest	Principal
Loan	2/15/2012			
1	8/1/2012	57,689.77	4,805.24	52,884.53
2	2/1/2013	57,689.77	4,318.98	53,370.79
3	8/1/2013	57,689.77	3,481.86	54,207.91
4	2/1/2014	57,689.77	2,631.61	55,058.16
5	8/1/2014	57,689.77	1,768.02	55,921.75
6	2/1/2015	57,689.77	890.91	56,798.86
Grand Totals		346,138.62	17,896.62	328,242.00

TOWN OF LITTLE ELM

AGENDA INFORMATION SHEET:

COUNCIL

MEETING DATE: January 17, 2012

PROJECT: **Distributed Renewable Energy Technology Stimulus Grant for the Design-Build of Solar Energy for Town Hall and the Public Safety Center Close Out**

DESCRIPTION: The Design-Build of Solar Energy for Town Hall and the Public Safety Center is complete. The McKinstry and Town Staff have conducted a final inspection. All items identified during the inspection have been corrected. The contractor has submitted a final payment application.

On Tuesday, March 15, 2011 the Town awarded the Design-Build contract for the Solar Energy for Town Hall and the Public Safety Building to McKinstry Essention, Inc. in the amount of nine hundred fifty eight thousand four hundred eleven dollars and forty-four cents (\$958,411.44).

The solar project was eighty percent funded as grant by the American Recovery and Reinvestment Act of 2009 to promote economic recovery, investment, and the creation of new jobs and opportunities for the citizens. The Texas Comptroller of Public Accounts' State Energy Conservation Office (SECO) is in charge of the program, which is funded out of the United States Department of Energy.

The project is projected to produce over \$20,163 of annual utility savings to the Town of Little Elm. The estimated simple payback for this project is 7.9 years not including any utility rate escalation.

COST: **\$47,920.59 (final payment)**

FUNDING: **\$798,676.20 (ARRA Reimbursable Grant)**
\$159,735.24 Town Funded (General Fund Reserve)

SCHEDULE: The contract is to be closed out.

**RECOMMENDED
ACTION:**

Staff recommends Town Council authorize final payment of \$47,920.59 to McKinstry Essention, Inc. close out the Town's Solar Energy for Town Hall and the Public Safety Center, and authorize the Town Manager to execute the same.

TOWN CONTACT:

Jason W. Laumer, P.E.
Director of Development Services
JLaumer@littleelm.org
(214) 975-0473

ATTACHMENTS:

N/A

TOWN OF LITTLE ELM

AGENDA INFORMATION SHEET:

COUNCIL MEETING

DATE: January 17, 2012

PROJECT: **Radio Read Water Meter Bid# 01102012-6101**

DESCRIPTION: Per the Town of Little Elm's and the State of Texas purchasing guidelines the Public Works Department advertised seeking bids for the purchase of radio read water meters. Once advertised bid packets containing specifications, items being bid and requirements on how to complete the bid were made available to vendors. Four vendors received bid documents. One of the four bid packets given out contained conflicting or different specifications than the other three. Upon opening the bids Staff realized the inconsistent bid document. In order to comply with Local Government Code regarding procurement Staff recommends Council reject and deny all bids received for bid # 01102012-6101 on January 10, 2012 for Radio Read Water Meters. Following this action by Council, Staff will advertise a new bid package for the procurement of Radio Read Meters.

COST: \$0

FUNDING:	Acct. Name & No	Original Budget
	612-61-6357	\$150,000

SCHEDULE: NA

RECOMMENDED ACTION: **Staff recommends Council Reject all bids received on January 10, 2012 in response to Bid# 01102012-6101 for the procurement of Radio Read Meters and Authorize Staff to advertise a new bid package for the procurement of Radio Read Water Meters..**

TOWN CONTACT: Kevin C. Mattingly kmattingly@littleelm.org 972-377-5556

ATTACHMENTS: NA

AGENDA COVER SHEET

AGENDA ITEM

Proposed Revisions to the Little Elm Employee Policy Manual

BACKGROUND

For the past three months, an effort has been underway to update the Employee Manual. You will recall the last update was approved by Town Council two years ago. That effort in 2009/10 was a major rewrite of the Employee Manual. This effort was to make corrections that were missed last go around, as well an attempt to address some of the concerns that I had heard from various employees. As before, I solicited all employees, inviting them to participate on an Employee Policy Review Committee. Department Heads also participated in this process. The employee committee met on three separate occasions, completing their work today. All concerns expressed by Department Heads and the Employee Policy Review Committee were incorporated in to this proposed revision with exception to those suggestions that had an adverse impact on the budget.

COMMITTEE MEMBERS

Norma Perez	David Burkard	Dee Dee Hale	Dianne Lawson
Dusty McAfee	James Connor	Jeremy Wilson	Jimmy Lewis
Jon Bailey	Leslie Smith	Mary Jane Davis	Oscar Hinojosa
Patrick Twohig	Rodney Harrison	Roger Konieczny	Suzanne Wachal
Wayne Harrison	Michael Philbrick	Leo Rosa –Romero	Kevin Swindle

SIGNIFICANT CHANGES PROPOSED

Policy 1.07 Employee Safety – Added section requiring all employees to use Personal Protective Equipment; specifically the use of reflectorized outer garment whenever working in the roadway.

Policy 1.08 New Hire Eligibility – The section was inadvertently left out of the last update. It establishes minimum qualifications in the categories of age, physical fitness, education, and criminal history.

Policy 2.01 Attendance and Work Hours – Clarified the definitions of full time and part time employees.

Policy 2.03 Probationary Period – Clarification was made to the Town’s expectations of new hires as well as gives supervisors greater leeway in determining whether a new hire would be retained after the probationary period. Additionally, the Fire Department requested their new hires be on a one year probationary period while all others will remain at six months. Their justification of the greater on-the-job training requirements and the fact firefighters work schedule of “one day on / two days off” does not allow enough actual training hours when limited to just six months.

Policy 2.31 Use of Town Logo or Town Branding – new section prohibits personal use of town logo or town brand.

Policy 2.32 Employee Privacy on the Job – new section to clarify that an employee should have no expectation of privacy on the job. In another words, it is a clear warning to employees not to bring inappropriate or illegal items to work.

Policy 4.03 Sick Leave – Clarifies Town’s expectation of what an employee can and cannot do while on sick leave.

Policy 4.15 Sick Leave Pool – Clarifies eligibility and also sets a maximum number of hours for the Sick Pool to maintain.

Policy 5.12 Workers Compensation Insurance – increased the number of days for salary supplementation from 30 to 90 days.

Policy 5.23 Employee Assistance Program – The Town has provided an EAP program for several years, this section was inadvertently left out during last update.

Policy 6.02 Sexual and Other Unlawful Harassment – Added “bullying” to the list of prohibited harassment types.

Policy 6.12 Employee Safety – Added section to increase awareness of all employees the need to protect themselves against false allegations.

END

**ORDINANCE 1093
UPDATING EMPLOYEE POLICY MANUAL**

AN ORDINANCE OF THE TOWN OF LITTLE ELM, TEXAS UPDATING THE TOWN'S EMPLOYEE PERSONNEL POLICIES AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town Council of the Town of Little Elm has previously adopted a new employee personnel policy manual on February 16, 2010; and,

WHEREAS, updates to personnel policies are needed to clearly articulate the conduct and standards expected of each employee, identify benefits and minimum work requirements, as well as promote the efficiency and productivity in management of Town employees; and,

WHEREAS, Town staff, with the assistance of legal counsel has drafted an updated personnel policy manual to meet those requirements;

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF LITTLE ELM, TEXAS:

Section 1. The Town Council hereby formally adopts the updated employee personnel policy manual attached hereto.

Section 2. Future additions and modifications to the new personnel policies will be made by Town Council, by ordinance. Said additions or modifications shall be placed in writing and distributed to all employees at the time of their adoption.

Section 3. Interpretations of these personnel policies are left to the discretion of the Town Manager.

PASSED, APPROVED, AND ADOPTED by the Town Council of the Town of Little Elm, Texas on this ____ day of _____, 2012.

Curtis Cornelious, Mayor Pro-tem

ATTEST:

Kathy Philips, Town Secretary

TOWN OF LITTLE ELM EMPLOYEE MANUAL



Vision Statement

The Town of Little Elm is dedicated to cultivating a unique and desirable lakeside destination for all people to live, work, and play while enjoying natural areas and a safe, vibrant, and sustainable community.

Mission Statement

The Mission of the Town of Little Elm is to build upon our unique lake opportunities and small town charm, encourage diverse housing choices and employment opportunities, and provide quality services and infrastructure.

TOWN OF LITTLE ELM EMPLOYEE MANUAL



Welcome to your employment with the Town of Little Elm. We hope that you will find the Town of Little Elm to be a great place to work and be mutually beneficial to both yourself and the Town.

It is the Town's expectation that you abide by these five principles of public service:

1. **Safeguard the Public Interest** – Public office is a trust; use it only to advance public interests, not personal gain.
2. **Use Independent, Objective Judgment** – Make decisions on the merits, free from partiality, prejudice, or conflicts of interest.
3. **Be Publicly Accountable** – Conduct government openly, efficiently, equitably, and honorably so the public can make informed judgments and hold public officials accountable.
4. **Lead with Leadership** – Honor and respect democratic principles. Observe the letter and spirit of laws.
5. **Show Respectability and Fitness for Office** – Safeguard public confidence in the integrity of government by avoiding appearances of impropriety and unbecoming conduct.

This Employee Manual establishes the policies and procedures that will be followed by the Town of Little Elm in personnel administration matters. As such, all employees are expected to become familiar with the contents herein.

APPROVAL

This personnel policy of the Town of Little Elm, adopted by Ordinance # 999 on February 16, 2010, and amended by Ordinance # 1093 on January 17, 2012, supersedes all previously adopted personnel related policies of the Town of Little Elm; attached as Appendix A

INTRODUCTION

Common Courtesy, Small Gestures Make a BIG Difference.

How often do we feel we don't have the time or energy to extend ourselves to others with the small gestures that compose what we call 'common courtesy'. It sometimes seems that this kind of social awareness belongs in the past, to smaller towns, and slower times. Yet, when someone extends this kind of courtesy to us, we always feel touched. Someone who lends a helping hand when we are struggling with our groceries makes an impression because many people just walk right by. Even someone who simply makes the effort to look us in the eye, smile, and greet us properly when entering a room stands out in the crowd. It seems these people carry with them the style and poise from a bygone era, and we are always thankful for our contact with them. Common courtesy is a small gesture that makes a big difference.

An essential component of common courtesy is awareness and common sense – looking outside of yourself to see when someone needs help. As a courteous person, you are aware that when you are walking in to a store or restaurant, action is required. It is quite clear what needs to be done – open the door for the woman holding the baby, acknowledge those who look up to your presence with a quick smile and nod of the head. Another component is to give courtesy freely, without expecting anything in return. People may not even notice, much less return the kindness, but you can take heart in the fact that you are creating the kind of community that people do want to live in.

When you are out in the community, remember to acknowledge those around you with a smile and a warm greeting – regardless if they are total strangers or someone you know, and lend your hand when one is needed. I ask you to do your part to make this a better place to live.

Thank you,

Town Manager

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INTRODUCTION

POLICY 1.01: ETHICS POLICY

The Town Council has adopted an ethics policy covering all Town officials and employees. See Exhibit B – Ordinance adopting ethic policy. Until that ordinance is effective, the following continues to apply.

The Town of Little Elm employees shall adhere to the following ethical standards:

Employees may not have a direct or indirect interest, financial or otherwise, of any nature that is in conflict with the proper discharge of the employee's duties.

Employees shall adhere to the laws, rules, regulations, and policies of applicable governmental authorities and the following standards of conduct. The failure to do so may be grounds for disciplinary action, up to and including termination of employment.

No employee shall accept or solicit any gift, favor, or service that might reasonably tend to influence the employee in the discharge of their official duties or that the employee knows or should know is being offered with the intent to influence their official conduct.

No employee shall intentionally or knowingly solicit, accept, or agree to accept any benefit for having exercised their official powers or performed their official duties in favor of another.

No employee shall accept employment or engage in any business or professional activity that might reasonably expect would require or induce the employee to disclose confidential information acquired by reason of their official position.

No employee shall disclose confidential information gained by reason of their official position or otherwise use such information for their personal gain or benefit.

No employee shall transact any business in their official capacity with any business entity of which the employee is an officer, agent, or member, or in which the employee owns a substantial interest.

No employee shall make personal investments that could reasonably be expected to create a substantial conflict between the employee's private interest and the public interest.

No employee shall accept other outside or dual employment or compensation that could reasonably be expected to impair the employee's independence of judgment in the performance of the employee's public duties.

POLICY NO. 1.02: AT-WILL EMPLOYMENT

This manual (including any modification) is prepared for informational and guideline purposes only and does not constitute a contract in any respect between the Town of Little Elm and its employees. Employment with the Town of Little Elm is at will, and either the employee or the employer may terminate the relationship at any time for any or no reason. The Town Manager may remove with or without cause any employee of the Town who is not appointed by the Town Council. This removal power is subject to any exceptions in the applicable provisions of the Town Charter.

All statements in this manual regarding the at-will status of Town employees or any benefits provided herein shall control any contradictory statements by any other person, whether oral or written.

The at-will status of any employee may not be modified or rescinded by any oral or written statements by any person, including appointed or elected officials, any employee handbooks, employment applications, Town of Little Elm memoranda, or other materials provided to employees in connection with their employment. Similarly, the Town's policies and practices with respect to any matter or any benefits now offered may be terminated at any time and are not to be considered as creating any contractual obligation on the Town's part.

Statements of specific grounds for termination set forth in this manual or in any other Town documents are examples only, are not all-inclusive lists, and are not intended to restrict the Town's right to terminate at will.

Completion of an introductory or probationary period or "regular status" does not change an employee's status as an employee at-will or in any way restrict the Town's right to terminate such an employee or change the terms or conditions of employment.

POLICY NO. 1.03: APPLICATION OF POLICIES AND AMENDMENTS

The policies in this manual shall apply consistently and uniformly to all Town employees, provided that the provisions may be varied in the case of an employee with a written employment agreement approved by the Town Council. All employees must become familiar with and abide by these policies. The Town Council reserves the right to amend or rescind any policy at any time. The Town Manager reserves the right to make final decisions as to the interpretation and intent of all information contained in the Employee Manual. The provisions of these policies control over any contradictory statement made by any supervisor. Except as otherwise noted herein, all forms and implementation procedures will be provided by the Human Resources Department.

The Town encourages employees to suggest improvements to these policies. Any employee who wishes to suggest a personnel policy change should submit their suggestion(s) in writing to the Human Resources Department. Employees are responsible for knowing and using these rules and for requesting clarification or assistance when needed. Employees will be notified in writing

of any changes to this policy manual.

POLICY NO. 1.04: DIVISION OF RESPONSIBILITY

Except matters reserved to the Town Council by the Town Charter, the general and final authority for personnel management rests with the Town Manager.

The Human Resources Department is specifically assigned to coordinate all areas of personnel administration, including payroll and benefits.

Each supervisor is responsible for enforcing the provisions of these rules, related policies and procedures by cooperating with the Human Resources Department on all matters pertinent to their respective department. Department directors are responsible for employee-management relations, training and career development, and employee health, safety, and morale.

POLICY NO. 1.05: EQUAL EMPLOYMENT OPPORTUNITY

The Town is an equal opportunity employer. Discrimination against any person in recruitment, examination, selection, appointment, rate of pay, promotion and transfer, retention, daily working conditions, testing and training, awards, compensation and benefits, disciplinary measures or any other aspect of employment or personnel management because of age, race, religion, sex, color, national origin, citizenship, disability, veteran's status or other unlawful basis, is prohibited.

POLICY NO. 1.06: AFFIRMATIVE ACTION

The Town will apply good efforts to seek out, employ, train, and promote underrepresented, protected group members within and into the Town's workforce.

POLICY NO. 1.07: EMPLOYEE SAFETY

The Town wants to conduct its operations with the utmost regard for the safety of its employees and its citizens. The Town will not require any employee to perform hazardous duty without first receiving training concerning the hazard and proper work methods. The Town Manager will provide for health and safety programs appropriate to create a safer working environment. Employees shall not be subject to reprisal or retaliation for filing a worker's compensation claim or for reporting unsafe conditions to management or outside enforcement authorities. Employees are required to report any accidents or unsafe conditions or practices to their supervisor immediately so that corrective action may be taken. Any suggestions an employee makes to lessen the possibility of "on the job" accidents and injuries are appreciated and will be given serious consideration. All accidents and injuries, regardless of how minor, are required to be reported to supervisors, Department Heads, and Human Resources on forms provided by the

Human Resources Department.

In addition to individual departmental safety policies, all employees shall make use of Personal Protective Equipment provided by the Town. Employees are at greatest risk of severe injury when working within the public right of way. As such, every employee performing any duties within the roadway will wear reflectorized outer garments. Same is required in all work zones and construction sites.

POLICY 1.08: NEW HIRE ELIGIBILITY

Each new hire of the Town shall meet the following minimum requirements; however, each department may have more stringent requirements:

- 18 years of age
- No conviction of Class A misdemeanor or felony in prior 10 years.
- Physically fit for duties as defined in job description
- High school diploma or GED

YOUR EMPLOYMENT

POLICY NO. 2.01: ATTENDANCE AND WORK HOURS

Work Hours. The hours during which Town offices and departments are open for business shall be determined by the Town Manager. Department Directors shall implement schedules to meet these general requirements and to provide for other specific requirements of the department. Individual employees may be directed to work special hours or shifts as determined by the needs of the department. Work schedules must be easily accessible to all employees in departments with continuous operation or rotating shifts.

Full Time / Part Time. Employees who work a regularly assigned, year around work shift averaging 40 or more hours per week are classified as Full Time employees. Employees hired for seasonal periods less than one year or who assigned a work shift of less than 40 hours per week are classified as Part Time employees. Seasonal employees may work more than 40 hours per week, but cannot work more than 1,000 hours annually.

Regular Work Cycle (non-police/fire personnel). These employees of the Town normally work 40 hours in a seven-day workweek except as noted herein. Exempt employees may be required to work in excess of 40 hours. For payroll and recordkeeping purposes, the workweek begins on a Wednesday, and ends on the following Tuesday.

Work Cycle (Fire Department). The official work period for firefighters on shift rotation consists of a fourteen-day period beginning on a Wednesday and ending on a Tuesday, resulting in a possible total of 106 scheduled work hours each work period. Eligible employees will receive overtime pay for all work hours in any excess hours over the 106 work hours in a fourteen-day work period, in accordance with Section 207(k) of the Fair Labor Standards Act.

Work Cycle (Police Department). The official work period for police officers on shift rotation consists of a fourteen-day period beginning on a Wednesday and ending on a Tuesday, resulting in a possible total of 86 scheduled work hours each work period. Eligible employees will receive overtime pay for all work hours in any excess hours over the 86 work hours in a fourteen-day work period, in accordance with Section 207(k) of the Fair Labor Standards Act..

Work Cycle (Police & Fire Department) Special Provision. The Town is subject to Texas Local Government Code § 142.0015., a state law regulating the calculation of overtime for firefighters and police officers. (See Appendix C attached hereto for copy of that statutory language.)

Flexible Workweek Schedule. Contingent on available staffing, a temporary, flexible workweek schedule may be available for full-time employees who work in excess of 40 hours or outside of normal working hours. An employee may be able to take time off within the same work week or work period if that employee has exceeded their regular work hours, as defined above with Department Head approval. Department Heads have the ability to establish temporary flexible work schedules as long as service levels and productivity standards are

maintained.

All permanent work schedules for non-police/fire personnel, other than a normal “8 hours/day, 5 days/week” schedule, must be approved in writing by the Town Manager.

Meal Periods for non-exempt and non-police/fire personnel. These employees are normally provided a one-hour unpaid meal break near the middle of the workday. The Department Head may stagger meal periods in order to minimize departmental interruption. Supervisors will provide employees with the starting and ending times for their specific meal periods. Employees will be relieved from work responsibilities during unpaid meal breaks. These employees may not extend meal breaks beyond their assigned period. Employee’s may not “work through lunch” without supervisor approval.

Attendance and Punctuality. To maintain a safe and productive work environment, the Town expects employees to be reliable and punctual in reporting to work. Any absenteeism or tardiness is disruptive and place a burden on the Town and on co-workers. Either may lead to disciplinary action, up to and including termination of employment. In the rare instance when an employee cannot avoid being late to work or is unable to work as scheduled, the employee must personally notify their supervisor at least one hour in advance of the anticipated tardiness or absence; more notice may be required in accordance with individual departmental procedures. The employee must disclose to their supervisor the reason for the absence or tardiness and the date and time of their anticipated arrival. For absences of one day or more, the employee must personally notify their supervisor on each day of their absence. For absences of three or more days the employee’s supervisor must notify the Human Resources Department no later than the third day of absence in order to properly administrate the Family and Medical Leave Act procedures as covered in Appendix A to this policy.

In most instances, an employee who fails to properly notify their supervisor in advance of an absence or tardy will be subject to disciplinary action up to and including termination of employment. An employee who fails to notify his/her immediate supervisor of an absence of three days or more may be presumed to have voluntarily resigned their employment.

Overtime. All employees shall be required to work overtime when necessary as determined by their supervisor. Specific overtime assignments shall be rotated and allocated as evenly as possible among employees qualified to do the work. Employees are expected to respond to a reasonable request to work overtime and may be subject to disciplinary action for failing to stay or report for overtime work.

POLICY NO. 2.02 SAFE HARBOR POLICY

It is the Town’s policy and practice to accurately compensate employees and to do so in compliance with all applicable state and federal laws.

Review Your Pay Stub. The Town makes every effort to ensure our employees are paid correctly. Occasionally, however, inadvertent mistakes can happen. When mistakes happen and

are called to our attention, the Town will promptly make any corrections necessary. It is the employee's responsibility to review their pay stub when received to make sure it is correct. If the employee believes a mistake has occurred, or has any questions, they should immediately contact their immediate supervisor or Human Resources Department.

Non-exempt Employees. Non-exempt employees are compensated at an hourly rate for all hours worked for the Town. While it may be subject to review and modification from time to time, such as during salary review times, the hourly rate will be a predetermined amount that will not be subject to deductions for variations in the quantity or quality of the work you perform. Non-exempt employees are eligible for overtime pay and must maintain a record of the total hours worked each day. These hours must be accurately recorded on the timesheet provided. Each employee must sign their timesheet to verify that the reported hours worked are complete and accurate (and that there is no unrecorded or "off-the-clock" work). Timesheets must accurately reflect all regular and overtime hours worked, any absences, early or late arrivals, and early or late departures. Meal breaks are not compensable except for police officers and fire fighters on 12 hour or 24 hour shift assignments. At the end of each pay period, all employees are required to submit their completed timesheet for verification and approval. Upon receipt of each paycheck, it is the employee's responsibility to verify the accuracy of reported hours and pay. Any employee who fails to report or inaccurately reports any hours worked will be subject to disciplinary action, up to and including termination of employment.

Exempt Employees. Exempt employees receive a salary which is intended to compensate them for any and all hours worked for the Town. This salary is established at the time of hire or when becoming classified as an exempt employee. While it may be subject to review and modification from time to time, such as during salary review times, the salary will be a predetermined amount that will not be subject to deductions for variations in the quantity or quality of the work you perform. Exempt employees are required to complete timesheets in the same manner as non-exempt employees. Hours must be accurately recorded on the timesheet provided. Timesheets must accurately reflect all hours worked as well as any absences. At the end of every pay period, exempt employees shall submit completed timesheets to their supervisor for verification and approval. Any employee who fails to report or inaccurately reports any hours worked will be subject to disciplinary action, up to and including termination of employment.

Falsification of Timesheet. It is a violation of Town policy for any employee to falsify a timesheet, or to alter another employee's timesheet without the employee's signed acknowledgement of the change. It is also a violation of the Town's policy for any employee or manager to instruct another employee to incorrectly or falsely report hours worked or alter another employee's timesheet to under or over report hours worked. All employees are required to report any falsifications immediately to the Human Resources Department.

To Report Concerns or Obtain More Information. Any employee with questions about payroll deductions, hours worked, or pay should contact the Human Resources Department.

Follow up and Investigations. Every report will be fully investigated and corrective action will be taken where appropriate, up to and including termination of employment for any employee(s) who violate this policy. In addition, the Town will not tolerate any form of retaliation against

individuals who report alleged violations of this policy or who cooperate in the Town's investigation of such reports.

POLICY NO. 2.03: PROBATIONARY PERIOD

All new employees hired to fill regular full-time or part-time positions must satisfactorily complete a probationary period of six months*. Additionally, all current employees who are transferred or reclassified to a higher position, as well as former Town employees who are rehired, must satisfactorily complete a performance probationary period of six months. The probationary period assists the Town in maintaining an effective, productive, and efficient workforce to provide quality services to the citizens. In limited circumstances, an extension of the orientation and/or training time may be added to the probationary period, as deemed necessary by the Department Head.

Each probationary employee is responsible for knowing, understanding, and meeting the expectations and standards for their position. In addition, each employee is also responsible for performing their job in a safe, productive, and effective manner within the instructions and established standards for the position. Furthermore, employees are expected to maintain acceptable standards of conduct in their employment. During the probationary period, it is the responsibility of the employee to correct any deficiencies or inadequacies in job performance, attitude, or conduct. Only those employees who meet acceptable performance and other standards during their probationary period will be retained as employees.

Seasonal/Temporary Employees. Seasonal and temporary full and part-time employees do not serve a performance probationary period and have no right of appeal when terminated at any time.

Probationary Performance Evaluations. All probationary employees shall be consistently evaluated and will receive a performance evaluation(s). These reviews are designed to evaluate each employee's performance and to communicate that performance to the employee. If the employee is proposed to be retained as a Regular employee, then a signed original evaluation document(s) must be forwarded to the Human Resources Department along with any request for change of employment status.

Extensions to Probationary Period. The performance probationary period may be extended under the following circumstances:

- At the end of the 6 months probationary period, performance probation may be extended for up to an additional 3 months when a probationary employee's performance has been marginal due to extenuating circumstances, additional training is warranted, or an employee's absence from work for an extended period of time did not permit an opportunity for adequate assessment of performance. The decision to extend or not to extend an employee's probationary period may not be appealed. If an extension is granted, the employee will be advised in writing and given the date on which the extended probation

period will be completed. Such extension will be at the sole discretion of the Department Head with written notification filed with the Human Resources Department.

- A probationary period may be extended for time spent on an approved Leave of Absence including leaves of absences due to injury or illness or approved Military Leave. The approved extension will normally equal the length of time away from work. Accordingly, each full-day absence incurred by an employee during the probationary period will normally extend the 6-month probationary period by an additional day.

Successful Completion of Probation/"Regular" Status Granted. An employee is granted "regular" status in the new position if the employee's supervisor has completed a written performance evaluation that indicates satisfactory completion of the performance probationary period.

Termination of Probationary Employment. Probationary employees are at-will employees and may be terminated at any time during the probationary period, with or without notice or cause. A probationary employee who is terminated has no right of appeal. Probationary employees are not entitled to progressive levels of discipline. Probationary employees are otherwise subject to all policies and procedures of the Town. Department Heads will process termination through the Human Resources Department.

Sexual and Other Unlawful Harassment and Other Policies Apply. Probationary employees are subject in all respects to the Policies set forth in the Employee Manual, including the Town's Sexual and Other Unlawful Harassment Policy (Policy No. 6.02). While probationary employees have no right of appeal, if they believe they have been subjected to unlawful harassment or discrimination, they must immediately report such conduct as set out in Town Policy No. 6.02.

***Firefighter Exception.** Due to the rigorous requirements and extensive field training requirements of the job, all new hired firefighters will have a one year probationary period. This does not affect any leave policy.

POLICY NO. 2.04: VACANT POSITIONS

The Human Resources Department will post announcements for all employee vacancies, excluding vacancies to be filled by administrative transfer, reassignment, temporary promotion or reinstatement. Vacant positions will be posted internally when it is believed there is an adequate pool of qualified candidates available to provide opportunities for current employees to advance within the organization. Entry level positions and other vacancies will be advertised externally in a manner to attract the most number of qualified candidates. Employees are encouraged to apply for any vacancy for which they feel they are qualified. Vacancy announcements will specify the requirements for the vacant position, the application requirements, and the deadline to apply. Vacant positions shall be filled based upon the recommendation of the Department Heads with the approval of the Town Manager.

POLICY NO. 2.05: NEPOTISM

Employment may be restricted when an applicant or current employee is related by blood (consanguinity) or marriage (affinity) to another Town employee or official, as follows:

- An individual related to a member of Town Council or the Town Manager by third degree consanguinity or second degree affinity may not be employed or appointed to any position with the Town.
- An individual related to a Department Head by third degree consanguinity or second degree affinity may not hold a position in the same department.
- An individual related to an existing Town employee by third degree consanguinity or second degree affinity may not be placed in a position of direct supervision.

Relatives employed as of the effective date of this rule are exempt from it. If an employee becomes a relative of another employee that would fall under this policy, one of the employees must transfer to another area, resign, or face termination of employment.

Only the Town Manager may waive provisions of this policy when it is in the best interest of the Town.

POLICY NO. 2.06: ANTI-FRATERNIZATION

An individual shall not be appointed to a position if the appointment would create a close working relationship with another employee within the department or functional area that could affect the health, safety, or welfare of the employees, the efficient departmental operations; or the best interests of the organization. A supervisor-subordinate relationship is prohibited between two employees who are married, or cohabitating, or involved in a romantic relationship.

POLICY NO. 2.07: TOWN PROPERTY AND EQUIPMENT USE

The professionalism of Town staff is often judged by outward appearances. For that reason, even minor damages to vehicles and equipment need to be reported and repaired as quickly as possible.

The Town provides employees with adequate tools, equipment, and facilities for the Town job being performed, and the Town requires all employees to observe safe work practices and lawful, careful and courteous operation of vehicles and equipment. Any Town-provided safety equipment must be used at all times.

From time to time, the Town may issue equipment or other property to employees, e.g., credit cards, keys, tools, security passes, manuals, written materials, telephone cards, uniforms, mobile telephones, computers, and computer-related equipment. Employees are responsible for items formally issued to them by the Town, as well as for items otherwise in their possession or control or used by them in the performance of their duties. At the time of issuance, employees may be

required to sign certain forms or other documentation evidencing their receipt of property and/or equipment and authorizing a payroll deduction for the cost of lost, damaged, or unreturned items due to negligence. In addition to payroll deductions, the Town may take any other action it deems appropriate or necessary to recover and/or protect its property, as determined by the Department Head. Any damage to Town property is to be verbally reported immediately to the employee's supervisor. The employee is responsible for insuring a written report is filed with his/her Department Head and the Human Resources Department no later than the next business day. Timely reporting of damages will be taken in to account in the determination of any consequences.

Employees must notify their supervisor immediately if any vehicle, equipment, machine, tool, etc. appears to be damaged or defective, or is in need of repair. The Department Head or his/her designee can answer questions about an employee's responsibility for maintenance and care of equipment used on the job. The improper, negligent, or unsafe use or operation of equipment may result in disciplinary action, up to and including termination of employment.

Personal Use Prohibited. Town property, materials, supplies, tools, equipment, or vehicles may not be removed from the premises or used for personal purposes without prior written approval by their Department Head or the Town Manager.

POLICY NO. 2.08: USE OF TOWN VEHICLES OR USE OF PERSONAL VEHICLES FOR TOWN PURPOSES

Town-owned or leased vehicles may only be used for official Town business. Town owned or leased vehicles may only be driven by authorized Town employees. If an employee drives their own vehicle, or a Town-owned vehicle, or a rented or leased vehicle on the job or while carrying out Town-related business, the employee must comply with the following:

- Operate a vehicle in a manner which will reflect positively on the Town; employees shall not drive in a reckless manner, even on emergency calls. Employees should always observe posted laws and speed limits or department established guidelines.
- Drivers must have a valid State of Texas driver's license, on file with the Human Resources Department, appropriate for the vehicle operated, must maintain a satisfactory driving record, must maintain personal automobile insurance as required by the State of Texas, and must inform their supervisor of any change in status.
- Have no conviction for driving while intoxicated (DWI) or driving while under the influence (DUI) for the past 10 years.
- Nor shall any driver have an outstanding criminal charge where their driver's license has been suspended or revoked.
- Be at least 18 years of age.
- Any citation issued while driving a Town vehicle; or a personal vehicle used in the course of Town business, must be reported to the Human Resources Department within 3 business days.
- Complete a driver safety or defensive driving course approved by the Town Manager provided by Town at least every three (3) years.

- Seat belt use or other restraint devices is required for all vehicle occupants when the vehicle is in operation.
- No driver will read, type, or send text messages while vehicle is in operation except public safety personnel.
- No passengers other than Town employees or others on Town business may ride in a Town vehicle unless otherwise approved in advance by the employee's Department Head or designee.
- No personal use of Town-provided vehicles is allowed without the prior, specific approval of the Department Head.
- All maintenance and use records for Town vehicles must be completed as directed by the employee's supervisor. Privately owned vehicles will not use Town gasoline, oil or be afforded any maintenance by the Town.
- Report any broken, missing, or worn parts, tires, etc., or any needed maintenance of Town vehicles to the appropriate supervisor immediately.
- All drivers must keep a copy of proof of the Town's liability coverage in the vehicle.
- All drivers of personal vehicles used in the course of Town business must provide a copy of their personal auto insurance every 6 months to the Human Resources Department.
- At no time may an employee under the influence of alcohol, legal or illegal drugs drive a Town vehicle or a personal vehicle while conducting Town business.
- Privately owned motor vehicles may be used on Town business only after authorization has been approved. Upon approval by the Town Manager, employees driving their privately owned vehicles will receive an auto allowance at the per mile rate established by the Town. Only employees who are authorized will be eligible for mileage reimbursement. Only authorized employees who have documented mileage will be reimbursed for miles used. Fraudulent claim of miles used is considered a serious offense and is subject to disciplinary action, up to and including termination of employment. Employee's covered by this section who lose their state-mandated auto liability insurance are required to notify Human Resources Department within 10 days of loss of coverage.
- All employees are required to report the suspension or revocation of their driver license within three business days.

The Town may, at any time, check the driving record of a Town employee who drives as part of their duties to determine that they maintain the minimum qualifications for their job. Employees must cooperate in giving the Town any authorization is required for this purpose.

The above is not a complete and exhaustive list of vehicle use policies as each department has their own vehicle use policies. Violations of any of the specific items listed, as well as the improper, careless, negligent, destructive, or unsafe use or operation of a vehicle, may result in disciplinary action, up to and including termination of employment.

POLICY NO. 2.09: SPECIAL TAKE HOME VEHICLE PROVISIONS

Certain Town owned vehicles may be provided to employees to commute to and from work. Unless responding to Town business, these vehicles will only be used for commuting or very limited personal use, such as a stop for a personal errand on the way home. The use of Town

vehicles is not intended for family or friends. Employees who commute in Town vehicles will have added to their gross income each year an amount equal to the commuting value as established by IRS regulations unless said vehicle meets certain IRS exemption criteria.

Authorized employees may drive Town vehicles home only when certain criteria are met and take home privileges have been pre-approved by the Department Head and granted by the Town Manager. Written approvals must be on file with the Human Resources Department. The maximum commute to the Town must not exceed 30 minutes. Take home privileges may be authorized only when the following conditions are met:

- Employee is subject to frequent emergency call back during non-duty hours;
- Employee requires tools or special equipment on such call back assignments;
- Nature of employee's duties would pose a threat to life or property if, when called out after hours, the employee were required to report to his/her regular work station to obtain a Town vehicle; and
- A public relations benefit would result by increased visibility of the Town's vehicle.

POLICY NO. 2.10: VEHICLE ACCIDENT POLICY

All accidents of any nature are to be reported immediately to the employee's supervisor or Department Head. All accident reports, along with any law enforcement report, must be filed by the employee and his supervisor with the Department Head and the Human Resources Department within 1 business day of incident. An Accident Report will be filed in all instances involving Town owned vehicles and equipment, regardless of the amount of damage or location of the accident.

Employees involved in a major accident (meaning reported medical injuries or estimated damages exceeding \$1,500 as determined by the on scene supervisor) while operating a town vehicle or mobile equipment, or while operating a personal vehicle on Town business, must immediately notify their immediate supervisor as well as the proper law enforcement agency. Said supervisor shall also notify their Department Head, and Town Manager.

All vehicular accidents involving Town vehicles responding to an emergency or major accident involving reported injuries will be investigated by the Texas Department of Public Safety (DPS) Highway Patrol. If DPS is not available, then a neighboring law enforcement agency will investigate. In no case, should the Little Elm Police Department be the lead investigating agency under these circumstances.

Minor accidents (meaning no reported medical injury or estimated damages less than \$1,500 as determined by the on scene supervisor) involving Town vehicles, mobile equipment or a personal vehicle on Town business, will be investigated by the law enforcement agency with primary jurisdiction.

The employee driving shall be taken within one hour of the accident to the nearest hospital or medical care facility for drug and alcohol testing. The driver shall be accompanied by another

Town employee throughout the testing process and ensure the driver safely returns home or to work, as appropriate, when released. The driver shall not operate another Town vehicle until satisfactory results of the testing have been received by the Human Resources Department.

Employees who violate this policy or become involved in any accident will be subject to disciplinary action, up to and including termination, if, upon investigation it is determined that the employee is responsible for such action, or through careless or reckless actions, their action contributed to the cause of the accident.

Near misses involving no property damage or reportable medical injuries, as determined by the on scene supervisor, only require completion of an incident report that is due to the Department Head and Human Resources Department within one business day. No further action is required by the employee; although the employee may be subject to disciplinary action.

POLICY NO. 2.11: TO ENCOURAGE FUEL SAVINGS

This policy applies to all Town mobile equipment and vehicles:

- Vehicles and equipment may not idle stationary for more than 5 minutes unless the vehicle is operating computers, safety/emergency lighting and cameras as a part of the essential job function. The exception for idling beyond 5 minutes includes field reporting.
- Vehicle manufactures recommended tire pressure should be kept in all vehicles and checked monthly.
- Remove excess weight from vehicles whenever possible.
- Do not exceed the posted speed limit except for public safety emergencies.
- Avoid 'drive through windows'; cut off the engine and go inside.
- Attempt to schedule work activity to reduce driving time if applicable to the job assignment.
- Ensure vehicle is properly maintained according to manufacturer's maintenance schedule.
- Attendees to the same training conference/school should carpool, unless approved by Department Head. Use of Town owned vehicle for travel is preferred to the use of a personal vehicle. Reimbursement for personal vehicle use will not be made if a departmental vehicle or a car pool option is available.
- When new and replacement vehicles are being considered for purchase, strong consideration must be given to fuel economy. Vehicles with higher mileage rating should be given preference. Exceptions must be approved by the Town Manager.
- Vehicle use should be well organized so that unnecessary trips are avoided and vehicle wear and tear is minimized.
- Ride sharing and/or car pooling should be practiced when several employees have the same destination.
- Use of Town vehicles is restricted to Town business travel or other use as authorized by the Town Manager.

POLICY NO. 2.12: TRAVEL POLICY

It is the Town's policy to pay for, or reimburse, all reasonable and necessary expenses incurred by an employee when the employee travels out of town on Town-related business in accordance with this policy. Direct payment of travel expenses through an employee's assigned Purchase Card is treated in the same manner as a reimbursement for the purposes of this section. Purchase Cards use is governed by separate policy.

Calculation of Worked Hours. An employee will be paid no more than their regular worked hours per day while traveling away from their normally assigned work location. Department Heads may adjust an employee's shift hours during the time the employee is away. Any request for additional pay must be approved by the Town Manager.

Transportation. The most efficient and economical mode of travel must be used. Air travel arrangements are to be made by each department. Air travel must be booked at the most discounted fare basis whenever possible. When authorized, an employee using a personal vehicle on Town business shall be paid an amount per mile, equivalent to the current rate established by the Internal Revenue Service for business travel, or shall be paid the equivalent of a coach airline fare, whichever results in the lower cost to the Town. In instances of approved private vehicle use, reimbursement will also be made for mileage tolls and parking fees. Receipts are required for toll and parking fees, as well as for taxi cabs, bus, airport shuttles, car rentals, and other modes of transportation. The Town will pay for rental vehicles when deemed more expedient than using a cab. Those employees who have been assigned, or access to a Town vehicle, are to use that Town vehicle for travel rather than their private vehicle unless authorized by the Town Manager, or they do not intend to seek any reimbursement. Those employees who receive a vehicle allowance for use of their private vehicle will not be reimbursed for the first 100 miles for each out of town business travel.

Travel to Training or Other Town Business. Mileage reimbursement will be paid to employees who must use their personal vehicles to travel to a training destination further than their designated work location or other Town locations and/or facilities. Reimbursement will be made only for the difference in miles from the normal work location to the further training location. All mileage reimbursement will be based on computation from MapQuest Internet service.

Travel Approval and Cash Advances. All travel and cash advances must be approved in advance by the employee's Department Head (or designee), unless otherwise stated in this policy. A cash advance is limited to those employees without a Town-issued Purchase-Card. Any travel out of state must be approved by the Town Manager.

Lodging. The Town will reimburse lodging only for travel outside the Dallas/Fort Worth area. The Dallas/Fort Worth area consists of locations within a 60 mile radius of the Town unless there is bona-fide business activity that is expected to extend beyond 7:00 p.m. Employees are expected to commute to locations within the Dallas/Fort Worth area. Expenses for lodging are to be at the single room rate, unless an employee is approved in advance for double occupancy. Employees will take advantage of government, seminar, or group rates whenever possible. Extra

charges for room service will not be paid by the Town. An itemized hotel receipt must be provided, including an itemization for any room charges to be paid or reimbursed by the Town.

Meal Allowance. Expenses for meals while traveling out of town shall be reimbursed at actual cost as supported by itemized receipts, and deemed reasonable by the Town Manager; however the cost shall not exceed \$10 for breakfast, \$15 for lunch and \$30 for dinner. Meal reimbursement in connection with 'day travel' may be subject to IRS income tax withholding regulations.

Long Distance Phone Calls. Reasonable and necessary long distance business phone calls and computer related expenses for Town business reasons only will be reimbursed. For overnight travel, the Town will reimburse the employee for one personal telephone call home per day (not to exceed 15 minutes).

Non-Allowable Expenses. Expenses or charges for the following will normally not be reimbursed and must be paid by the employee:

- In-hotel pay television and movies;
- Dry cleaning and laundry;
- Expenses of a spouse;
- Alcoholic beverages;
- Fuel in privately owned vehicle;
- Personal vehicle maintenance or repair;
- Personal long distance telephone calls; and
- Other items of a personal nature.

Request for Reimbursement/Purchase Card Approvals. Upon return to the Town, a complete accounting of all expenditures of Town funds is to be filed within five days. Receipts for all expenses, including hotel bills, registration fees, meals, parking, airfare, cab, shuttle, etc must be attached to the approved travel expense form provided by the Finance Department. Unauthorized expenditures will not be reimbursed if unauthorized expenses appear on the employee's Purchase Card; the employee is required to reimburse the Town within 5 days of notice.

Expenses Not Covered in Policy. The Town Manager's approval must be obtained prior to any expenditure of funds for items or changes that are not specifically addressed in the travel policy.

Compliance. Abuse of this policy, including falsifying expense reports or submitting false claims, will result in disciplinary action, up to and including termination of employment.

POLICY NO. 2.13: PERSONAL CELL PHONES AND OTHER ELECTRONIC DEVICES BROUGHT INTO THE WORKPLACE

The Town recognizes that many employees have personal cell phones and other related electronic devices that they bring to work. The use of cell phones and related electronic devices at work must not interfere with job duties or performance. Employees must not allow the use of these devices to become disruptive or interfere with their own or a co-worker's ability to do their

jobs. Employees, who use these devices in violation of Town policy, including the Sexual and Other Unlawful Harassment Policy, will be subject to disciplinary action, up to and including termination of employment. Employees may not take pictures of persons or documents and/or record conversations with other employees on their personal electronic devices unless such action is authorized by an appropriate supervisor.

POLICY NO. 2.14: USE OF TOWN ISSUED CELL PHONES & PDA TYPE DEVICES

Employees with Town-issued smart phones, cell phones, and PDA type devices are allowed to use Town for personal phone calls; however, a payroll deduction may be made for all personal use if required by IRS income tax withholding regulations and in a manner as prescribed by the Town Manager.

POLICY NO. 2.15: ELECTRONIC COMMUNICATIONS AND SYSTEMS ACCESS USE

All computer information is considered confidential; accessing or attempting to access confidential data not normally available to an employee in the course of their work is strictly prohibited. Confidential information should only be used for its intended purpose.

Access to the Town's computer networks is strictly controlled by the Information Technology Department. No alterations to hardware or software are permitted.

Town data, databases, programs, and other proprietary information are the property of the Town, and can be used only for authorized Town business. Use of Town assets for personal gain or benefit is prohibited. All information on user computers is considered Town property. Deleting, altering, or sharing confidential proprietary or any other information upon termination is prohibited and will be investigated and prosecuted to the fullest extent of the law.

The same standards of good behavior, respect, and professionalism that guide us in the office environment, apply to computer communications with third parties. Important, confidential and proprietary information is stored on Town computer systems. Accordingly, only Town personnel are allowed access to the Town's computer systems, without written authorization. The Town's IT Manager must approve computer data and other information received by or provided to third parties.

The Town purchases or licenses the use of copies of computer software from a variety of outside companies. The Town does not own the copyright to this software or its related documentation and, unless authorized by the software developer, does not have the right to reproduce it for use on more than one computer. With regard to the use on local area networks or on multiple machines, Town employees shall use software only in accordance with the license agreement. No Town software license will be used for personal use on non-Town computer equipment except where authorized by the Town Manager. Software purchased or received by employees for personal use is prohibited on Town equipment.

The Town Information Technology Department is authorized to conduct random software license audits on all Town owned equipment. Only authorized Information Technology personnel shall install all computer equipment.

According to the U.S. Copyright Law, illegal reproduction of software can be subject to civil damages of as much as \$100,000 per work copied and criminal penalties including fines and imprisonment. Town employees who make, acquire or use unauthorized copies of computer software shall be disciplined as appropriate under the circumstances. The Town prohibits the illegal duplication of software.

Games and other types of “entertainment” software, whether vendor supplied or personal, are prohibited on Town computer equipment.

Internet access provided by the Town will be used only for conducting Town business and material received over the Internet will be considered Town property. Town employees are strictly accountable for the content of their Internet messages. Employees may use the internet for personal use during their lunch break and other personal time provided such use is within the limitations herein set forth.

All information created, sent or received via the e-mail system, network, Internet, Intranet or Extranet is the property of Town. Employees should not have any expectation of privacy regarding such information. This includes all e-mail messages and all electronic files. The Town reserves the right to, at any time and without notice, access, read and review, monitor and copy all messages and files on its computer system as it deems necessary. When it believes necessary, Town may disclose text or images to law enforcement or other third parties without the employee’s consent.

It is the responsibility of the user of the e-mail system, with guidance and training from the Information Technology staff, to manage e-mail messages as well as other electronic documents according to the Town’s retention policy and schedule. It is the responsibility of the sender of e-mail messages within the Town’s e-mail system and recipients of messages from outside the Town to retain the messages for the approved retention period. Names of the sender, recipient, date/time of the message, as well as any attachments must be retained with the message. Except for listserv mailings, distribution lists must be able to identify the sender and recipient(s) of the message.

Employees may not use Town’s e-mail system network or Internet/Intranet access for any of the following:

- a) Downloading of any software without the prior written approval of Town Information Technology Department.
- b) Dissemination or printing of copyrighted materials, including articles and software, in violation of copyright laws.
- c) Operating a business, usurping business opportunities, or soliciting.
- d) Offensive or harassing statements or language, including disparagement of others based on their race, color, religion, national origin, veteran status, ancestry, disability, age, sex, or sexual orientation.

- e) Sending or soliciting sexually oriented messages or images.
- f) Visiting sites featuring pornographic images, or sites that encourage or incite terrorism, espionage, theft, or illicit drug use.
- g) Gambling or engaging in any other activity in violation of local, state or federal law.
- h) Unethical activities or content, or activities or content that could damage the Town's professional reputation.
- i) Exceptions to the above conditions will apply to the departments that require full access to the Internet for job-related reasons. A request to gain access to other Internet sites must be provided from the department head or elected official.
- j) To minimize virus problems on Town computer equipment, all downloaded files must be scanned with virus detection software before viewed or opened.

The Town's computer equipment will not be removed from Town premises unless authorized by the Town's Information Technology department head and the proper paperwork is completed, with the exception of laptops that are issued to Town employees to utilize outside the normal operating hours.

The Town web site is a useful tool that provides an additional means for departments to communicate with and provide technology to the citizens of the Town. Under the authority and specific guidelines of the Information Technology Department, all departments have the opportunity to establish and maintain department web pages within the Town web site. Departments are responsible for ensuring that the content will be reviewed, approved, and published to the production web site by the Information Technology Department.

Computer users are responsible for the appropriate use of Town computers, and for taking reasonable precautions to secure the information and equipment entrusted to them. Employees are responsible for reporting inappropriate use of Town computers and breaches of computer security and assisting in resolving such matters.

Employees are reminded that they should keep their User ID and password confidential, because each employee will be held accountable for any computer access/use that is made with the User ID and password.

Except as authorized by the Town Manager, no employee is permitted to represent the Town on any web site or social networking internet site; including the use of the Town Logo.

Any employee who learns of a violation of this policy should immediately notify the appropriate Town Official/Department Head or the Information Technology Department.

POLICY NO. 2.16: CONFIDENTIALITY OF EMPLOYEE MEDICAL INFORMATION

Federal law, including the ADA and HIPPA, requires that the Town maintain all employee medical information in separate, confidential files. Therefore, in addition to personnel files, the Town maintains a separate medical file for each employee. The Human Resources Department maintains these confidential medical files.

Examples of information that may be provided to the Town by an employee's health care provider, and maintained in the confidential medical file, include:

- a note to justify a medically-related absence;
- a note to request leave for medical purposes;
- a note to verify the employee's ability to return to work;
- medical records to support a claim for sick pay or disability benefits;
- insurance records; and
- workers' compensation records.

It is important that employees understand that the records are confidential, but that the confidentiality may be limited when certain medical disclosures are necessary, i.e., FMLA and ADA. When an employee provides medical information to their supervisor, the supervisor shall disseminate the information to the Human Resources Department and only on "as needed" basis to other members of management. The Human Resources Department is the point of contact to receive medical information, to ensure confidentiality is maintained.

In addition to protecting their own confidential medical information, employees must also respect the privacy and confidentiality of their coworkers' medical information as well as their co-workers' family medical information. Employees are expected to use discretion and judgment when dealing with such information and are to refrain from passing along information, gossip, rumors, or anything else that may constitute an invasion of a coworker's privacy or breach of confidence. Employees should not speculate about medical conditions of other employees or their family members, and may not publicly discuss another person's medical information.

POLICY NO. 2.17: AMERICANS WITH DISABILITIES ACT

To ensure compliance with the Americans with Disabilities Act, the Town offers equal employment opportunity to qualified individuals and strictly prohibits discrimination against qualified individuals on the basis of disability.

The Town will provide a reasonable accommodation to the known physical or mental impairments of an otherwise qualified individual with a disability if such reasonable accommodation will enable the individual to perform the essential functions of the position at issue. The Town will not deny employment opportunities on the basis of the need to provide reasonable accommodation to the individual's physical or mental impairments, unless it would cause an undue hardship to the Town, or constitute a threat to the safety of the disabled person or other persons.

Generally, the individual with a disability must inform the Town that an accommodation is needed. The employee must make a request for accommodation in writing.

When the disability or the need for accommodation is **not** obvious, the Town may ask the individual for reasonable documentation about his/her disability and functional limitations.

In requesting documentation, the Town will specify what types of information it is seeking regarding the disability, its functional limitations, and the need for reasonable accommodation and will provide a copy of the job description for the position. The individual can be asked to sign a limited release allowing the employer to submit a list of specific questions to the health care or vocational professional.

Employees who have a complaint involving potential violations of the Americans with Disabilities Act, including but not limited to harassment, discrimination, or failure to provide a reasonable accommodation, must immediately report such complaint as outlined in the Town's Sexual and Other Unlawful Harassment Policy.

POLICY NO. 2.18: OUTSIDE EMPLOYMENT

Town employees must recognize that the Town is their primary employer. Town employees may engage in outside or self-employment if they receive prior written approval from their Department Head and/or Town Manager. Said approval must be filed with the Human Resources Department on the forms provided by the Human Resources Department. For purposes of this policy, outside or self-employment includes a job, activity, or enterprise (including self-employment) that constitutes a form of employment or business outside the responsibilities of employment with the Town.

Employees may not accept outside or self-employment that conflicts with the effective performance of the employee while on duty with the Town or conflicts in any way with the best interests of the Town. Town employees cannot contract with the Town for services.

An employee will not be covered by the Town's workers' compensation insurance while working for another employer or while self-employed except for law enforcement officers working within the official function. In addition, an employee on FMLA leave, sick leave, disability leave, workers' compensation leave, or an unpaid leave of absence, may not engage in outside or self-employment, as defined in this policy, unless expressly authorized in writing by the Town Manager.

POLICY NO. 2.19: MEDICAL EXAMINATIONS

The Town Manager, or a Department Head with notice to the Town Manager, may require a person selected for initial appointment or reinstatement to undergo a medical (mental and/or physical) examination by one or more physicians designated by the Town and at Town's expense. If a medical examination is required, employment will be contingent upon successful completion of the medical examination and determination by the Town that the person can perform the essential functions of the job with or without reasonable accommodation.

The Town Manager, or a Department Head, with notice to the Town Manager, may require an employee to undergo a medical examination by one or more physicians designated by the Town and at Town's expense, to decide the employee's fitness for continued employment, promotion,

or other personnel action only if such examination is job-related and consistent with business necessity. The employee may be placed on administrative leave with pay pending the medical examination results.

POLICY NO. 2.20: RESTRICTED USE OF CONFIDENTIAL INFORMATION

There are a number of federal and state laws which regulate the handling of confidential and personal information of citizens, customers, and employees. Employees must maintain the confidentiality of all documents, credit card information, and personal information including social security numbers. Any use or distribution of confidential information for anything other than Town purposes is strictly prohibited and is cause for immediate dismissal. If an employee receives a written request for information, he or she must immediately forward such request to the Town Secretary, who will process Public Information Act requests under Chapter 552 of the Texas Government Code.

POLICY NO. 2.21: ISSUANCE OF CLOTHING ARTICLES AND UNIFORMS

The Town will provide articles of clothing and uniforms to certain employees during their employment with the Town. All shirts, jackets, and outerwear paid for by the Town shall have the Town logo or approved department logo. Upon termination of employment, all clothing articles must be returned to the Town prior to receipt of their final paycheck. The quantity of clothing provided is determined by the Department Head. Employees are personally responsible for all articles issued to them. Should clothing become lost, misplaced, or stolen, the employee will reimburse the Town for the cost of replacement articles. Failure to return clothing may cause the dollar amount of said clothing to be deducted from the employee's final paycheck.

Employees in Town uniform or Town issued attire are not permitted to consume, purchase, or sell alcoholic beverages in public.

Except as may be authorized by the Police Department Standard Operating Procedures policy, Town uniforms or Town issued attire may not be worn while engaged in other employment activity.

POLICY NO. 2.22: EMPLOYEE IDENTIFICATION BADGES

The purpose of the Employee Identification Badge is two-fold. The role of the Town employees is to serve the public. The use of ID badges assists the public in identifying Town employees and results in a higher level of customer service. Additionally, wearing an identification badge promotes workplace safety. A standardized identification card also readily identifies Town's employees when they are working outside of their normal work environment.

All employees will be issued a standardized Town identification badge with their name and photo upon initial hire. Identification badges must be returned to the Human Resource

Department upon separation from the Town.

All employees are required to display their ID badge during work hours except for employees who are wearing a uniform or shirt that clearly identifies them as an employee of the Town AND includes the employee's name. If, due to the nature of the work being performed, it is deemed unsafe to wear a badge in a visible location, employees may conceal the badge during those times only.

ID badges may not be defaced, pierced or visually obstructed in any manner. Employees may affix approved stickers, pins and other items to the clear plastic badge holder so long as it does not obstruct the photo or name of the employee. ID badges may be worn with a clip or lanyard. Lanyards cannot display any commercial advertising.

Loss of an employee identification badge should be reported to the Human Resources Department immediately for replacement. If repeatedly lost, an employee may be subject to a \$5 charge for each replacement badge.

POLICY NO. 2.23: YOUR PERSONAL PROPERTY

All employees shall be solely responsible for their personal belongings brought onto Town property, except for personal equipment required in the performance of their job. The Town assumes no liability for such items. Further, there may not be an entitlement to any right to privacy of those personal items brought on to Town property.

POLICY NO. 2.24: YOUR PERSONAL AFFAIRS

Employees should arrange their personal affairs to minimize interference with individual or group work performance. This includes personal phone calls, and requests for absence from work the work place for personal, financial, medical, or other reasons.

POLICY NO. 2.25: HEALTH AND FITNESS

It shall be the continuing responsibility of each employee to maintain the standards of physical and mental health fitness required for performing his/her position. When the physical or mental health condition of an employee constitutes a hazard to persons or property or prevents the employee from effectively performing the assigned duties, the employee may be requested by the Department Head to submit to a health examination. Employees may also be required to submit to an examination provided through the Town's Employee Assistance Program and/or other providers qualified to determine an employee's fitness for duty, when requested by the Department Head and approved by the Human Resources Department. The employee will be paid for the time required for such examination which shall be conducted at no cost to the employee for the purpose of determining the employee's health conditions relative to Town employment. Correction or treatment of conditions diagnosed during this examination shall be

the responsibility of the employee. A Department Head may require an employee to take periodic special examinations to qualify for continued employment in his/her classification. The Department Head will not receive confidential medical information from the examination and will only receive the evaluator's assessment that the employee is fit for duty. Such assistance may include identifying outside training opportunities and/or providing on-the-job training, whenever possible, to fulfill this commitment. This assistance will be conducted in compliance with procedures established by the Human Resources Department.

POLICY NO. 2.26: PERSONNEL RECORDS

The Human Resources Department will exclusively maintain personnel records of each active employee. Records will also be maintained on inactive employees for not less than the period required by law. An employee's records are available for inspection in the Human Resources Department by the employee, any individual authorized by the employee, his/her immediate supervisor, Department Director or designee. The Human Resources Department will not release personnel records to individuals or agencies outside the Town unless it is required by law.

An employee at all times has a right to inspect any and all inclusions made a part of his/her personal records. Employees will be given a copy of any written record of a disciplinary or performance counseling that is added to their personnel file.

POLICY NO. 2.27: HIPAA LAW AS IT APPLIES TO EMPLOYEES

The Health Insurance Portability and Accountability Act of 1996 and its subsequent amendments are usually referred to by the acronym of HIPAA. It helps ensure continued medical coverage when employees change jobs. Most of all, HIPAA mandates that employee's medical information remain confidential.

Only the Department Head and the Human Resources Department are privy to employee's medical information and each will regard any medical diagnosis as highly confidential. An employee's medical records will be kept confidential and under the singular control of the Human Resources Department.

A key feature of the HIPAA law, frequently called the Privacy Act, is this guarantee of privacy regarding medical information. Improper disclosure is not only a violation of this policy, but can lead to criminal prosecution under federal law.

Under the HIPAA law, employees need to treat any medical information they may encounter on or about employees as confidential. Regardless of how the information comes to the attention of any employee, it should never be shared publicly or privately with anyone. The only exceptions are if the information constitutes a potential endangerment to that employee or another person.

POLICY NO. 2.28: DRESS AND APPEARANCE CODE

The Town desires to project a positive and professional image of all employees representing the Town. Some departments have specific dress and appearance codes that you will be required to follow. Employees may also be required by their respective department to wear certain safety gear.

All employees are expected to dress in a manner that is appropriate for their position and observe good habits of grooming and personal hygiene. Clothing should be in good repair, appropriately worn (nothing tight or revealing), and not have slogans, graphics, or language inappropriate for a professional image. Department heads are responsible for monitoring the attire of their employees and taking corrective action when necessary.

This policy applies to all employees while they are on duty, whether during their regular work shift or non regular work shift. The only exception to the dress policy is if an employee is attending an educational training class or seminar.

POLICY NO. 2.29: FRIENDS AND FAMILY AT WORK

The Town does not object to an occasional and infrequent visit by friends and family at work; provided there is only a minor disruption in the employee's work activity and does not adversely affect the work of other employees. Further;

- Visits are limited to locations accessible by the general public, but are not permitted at active, outdoor work locations.
- Visits are limited to no more than 15 minutes.
- Children are not allowed to roam freely about the workplace.
- Visitors are not allowed access to any equipment, vehicles, or employee assigned computers.

Department Heads may approve additional time for special occasions.

POLICY NO. 2.30: BREAKS

The time, location and duration of employee breaks are at the discretion of the Department Head. Breaks, if permitted, are considered 'time worked'.

POLICY NO. 2.31: USE OF TOWN LOGO OR TOWN BRANDING

The Town is owner of all rights, titles, and interest in certain designations comprising designs, trade names, trademarks, branding, and service marks including the names "The Town of Little Elm", "Town of Little Elm, Texas", logo types and seals incorporating one or more of the foregoing names and/or associated with the Town. As such, employees are prohibited from personal use of these items in any manner, including social media.

POLICY NO. 2.32: EMPLOYEE PRIVACY ON THE JOB

Employees should not have any expectation of privacy as it relates to their office, work space, desk, town vehicle, locker, purse, backpack, or carrying case. Inappropriate or illegal items should never be brought to the work place. The Town reserves the right to monitor all city owned communication systems. The Town reserves the right to monitor all correspondence conducted on a town owned computer or any other type of electronic device capable of transmitting data, voice, and/or video.

PERFORMANCE EVALUATIONS

POLICY NO. 3.01: PERFORMANCE EVALUATION SYSTEM

The Town uses a thorough performance evaluation system for assisting supervisors in communicating job expectations, measuring the employee's level of past performance, recognizing employee achievements and exemplary performance, and strengthening the supervisor-employee relationship. The performance evaluation system provides necessary information for management decisions including career development and training, assignments, advancements, transfers, disciplinary actions, retention, compensation, etc. The purpose of the performance evaluation system as outlined herein is to achieve optimum employee performance resulting in outstanding citizen service.

Schedule. Regular full and part-time employees hired will receive:

- A performance review before completing their probationary period as detailed in Policy No. 2.03 included herein (including probationary periods applicable to transfers and promotions); and
- Annual performance evaluation on or before October 1st of each year.

Employee Responsibilities. Employees are expected to be knowledgeable about their essential job functions and key result areas and maintain established performance standards and requirements as outlined. Employees are encouraged to address issues and concerns regarding their annual performance evaluation with their evaluating supervisor. If the employee is unable to resolve his or her issues and concerns with the evaluating supervisor, the employee may address them with the Department Head; if the Department Head is the evaluating supervisor, the employee may go to the Town Manager to address his or her concerns.

Evaluation Process. During the evaluation, all employee comments and evaluator comments should be discussed; a review of the employee's job description as well as the rating will be given to the employee. The employee and the evaluator will sign and date the evaluation form, and the employee will receive a copy of the evaluation form. The signed original evaluation form will be sent to the Human Resources Department for inclusion in the employee's personnel file.

Evaluations will be made by an employee's immediate supervisor. The evaluator will review a subordinate's performance evaluation with his or her Department Head or designee prior to giving the performance evaluation to the effected employee. Attached to the evaluation will be a copy of the employee's job description.

LEAVE POLICIES

POLICY NO. 4.01: VACATION LEAVE

Regular full-time employees accrue vacation leave as follows:

Years of Service	Monthly Accrual	Yearly Accrual
First thru 5 th year	6.67 hours	80 hours
6 th thru 10 th year	10 hours	120 hours
11 years and over	13.33 hours	160 hours

Fire Fighters who work in Fire Suppression accrue vacation as follows:

Years of Service	Monthly Accrual	Yearly Accrual
First thru 5 th year	10.0 hours	120 hours
6 th thru 10 th year	15.0 hours	180 hours
11 years and over	20.0 hours	240 hours

Vacation leave accrues from the hire date. Vacation leave may be taken after completion of the initial six months probationary period.

Earned vacation leave may be used as follows, with supervisory approval:

1. Employees are encouraged to use a substantial portion of vacation leave each year. No employee may accumulate more than three hundred and twenty (320) hours. Employees who fail to take vacation and who have reached maximum accumulation will lose all vacation accrued over the maximum on January 1st of the following calendar year. Extensions beyond the maximum accrual can only be approved in extraordinary circumstances by the Town Manager with written authorization on file with the Human Resources Department.
2. Any employee having an accumulation greater than the maximum as of January 1, 2010 must obtain validated documentation from the Human Resources Department of actual accumulated vacation leave, signed by the Town Manager and recorded in their personnel file. Said accumulation will be the maximum that employee will be allowed to accrue or be compensated.
3. Departments will schedule and approve leave considering their customers' needs, departmental operations, and employees' interests. The following requirements apply:
 - a. Vacation leave may be taken in one (1) hour increments.
 - b. Vacation leave shall not be advanced.
 - c. Vacation leave shall not be transferred from one employee to another.
4. Laterally transferred, promoted, or demoted employees shall retain accrued vacation leave.
5. Employees who have separated from employment with the Town will be paid for any accrued vacation leave, regardless of the reason for separation of employment.

6. Any employee who separates from the Town and is rehired is not eligible to use past service for determining the rate to accrue vacation leave.

POLICY NO. 4.02: PERSONAL DAYS

All regular full-time employees are eligible, as of January 1st of each year, to receive three, eight hour personal days per year. Personal days must be used in the same calendar year as earned. There is no accumulation of personal days. Employees hired after January 1, do not receive personal days until the following year.

POLICY NO. 4.03: SICK LEAVE

All regular full-time employees accrue sick leave at the rate of 6.67 hours per month except regular twenty-four hour shift employees who accrue sick leave at the rate of 10.0 hours per month.

Sick leave may be used in one (1) hour increments for personal illness and injury or routine health care appointments that cannot be reasonably scheduled outside work hours.

Sick leave may only be used for personal illness, temporary disability, pregnancy complications, health and wellness appointments, treatments, and procedures, as well as in-patient and out-patient hospital stays; and care of family members as described below. Employees on sick leave are expected to be in a health care facility, home, doctor's office, or pharmacy. Employees found to be elsewhere during what would be their regular work shift may be subject to revocation of sick leave and disciplinary action.

Employees may not take "no pay" status in lieu of sick leave without first exhausting all accrued leave.

Care of Family Members. Employees may also take accrued sick leave for the same reasons stated above for family members. For the purpose of using sick leave, an eligible family member shall be the employee's child, stepchild, parent, stepparent or spouse. A child is defined as a biological child, adopted or foster child, or stepchild, of an employee who is standing in *loco parentis* or legal ward of the employee.

Proof of Qualifying Absence. Department Heads or Town Manager may require satisfactory proof of qualifying absence any time the employee is away from work using sick leave. The Department Head or Town Manager may also require a statement from the attending physician of the employee's ability to resume his/her duties before permitting the employee to return to work, or a statement from the attending physician of the need for an employee to remain at home to attend to a sick child, spouse, or parent. A Department Head or Town Manager may disallow use of sick leave in the absence of satisfactory proof.

In addition, an absence of **more than**:

- Two consecutive work shifts for 8, 9, or 10 hour work shift personnel, or,
- One work shift for 12 or 24 hour shift personnel,

requires the absent employee to present a valid medical doctor's written excuse prior to returning to work.

Illness While on Vacation. Employees who become ill or are injured during vacation may request that the vacation leave be terminated and the illness or injury time be converted to sick leave.

Employees Separation/Termination Pay. Employees will be eligible to receive pay for unused sick leave upon voluntary resignation, retirement under TMRS, or voluntary termination as follows:

Years of Full-time Service	Payment Eligibility (percent of unused sick leave)
Under 5	0
5	50%
6	60%
7	70%
8	80%
9	90%
10 plus	100%

No employee will be paid for more than 720 hours of accrued sick leave upon separation.

POLICY NO. 4.04: HOLIDAYS

The Town provides paid holidays to probationary, regular full-time, and regular part-time (pro-rated) employees. Seasonal employees are extended the official holiday, but without pay. The following official holidays will be observed:

New Year's Day
 Martin Luther King, Jr. Day
 Memorial Day
 Independence Day
 Labor Day
 Thanksgiving Day
 Thanksgiving Friday
 Christmas Eve Day
 Christmas Day

As specifically provided in the Texas Local Government Code Chapter 142.0013(c); *“a fire fighter shall be granted the same number of vacation days and holidays, or days in lieu of vacation days or holidays, granted to other municipal employees, at least one of which shall be designated as September 11th.”* The Fire Chief and Town Manager will select which holiday will be replaced by September 11th.

Holidays. A holiday is a period of 8 hours. Holidays are considered time worked. Due to the requirements of providing 24/7 public services, not all employees are permitted to take time off on the official day of the Holiday or the observed day of the Holiday. In such cases, Holiday leave must be taken during the calendar year it is accrued otherwise it is lost. Department heads are responsible for scheduling Holiday leave.

Scheduling of Holiday. Holidays occurring on Saturday will be normally observed on the prior Friday and holidays occurring on Sunday normally will be observed on the following Monday except as approved by the Town Manager.

Regular Part-time Employees. Regular part-time employees are eligible for pro-rated holiday pay based on the hours worked.

Employees required to work a Holiday. Employees required to work on a holiday will be given an alternate 8 hours off with pay or will be paid 8 hours for the holiday at their regular rate of pay, in addition to the hours worked, at the employee's request. Employees on shifts other than 8 hour shifts who work a holiday will be paid for the regular shift worked plus 8 hours at regular pay per observance. Total holiday leave paid must equal and not exceed 72 hours annually beginning 2011.

Ineligibility for Holiday Pay. Employees on an unpaid leave status on the scheduled workday immediately preceding or following a scheduled holiday will not be paid for the holiday.

Other Religious Holidays. Employees may request an approved absence to celebrate a religious holiday that is not a scheduled Town holiday. If approved, the employee may be given time off without pay or may be authorized to use accrued vacation leave or an accrued personal day.

POLICY NO. 4.05: ADMINISTRATIVE LEAVE

Employees may receive paid administrative leave for official business or other work-related matters as designated by the Department Head or Town Manager. Other authorized purposes may include, but not limited to, investigative proceedings, jury duty, professional conferences, conventions, training activities, legislative proceedings, civic functions, official Town-sponsored events, or any other purpose deemed to be in the Town's best interest, as deemed by Town Manager.

Administrative leave without pay will be utilized when employees have: (a) exhausted all accrued paid leave, or (b) been placed on such leave by Department Heads. Employees in “leave without pay” status for 14 days or more will not accrue benefits nor will the Town pay for

benefit coverage. Employees, at their own expense, may pay for continuing employee benefit insurance coverage.

POLICY NO. 4.06: BEREAVEMENT LEAVE

The Town provides probationary and regular full-time employees paid time off, up to a maximum of 24 work hours per calendar year in the event of a death(s) of immediate family. For the purpose of authorizing bereavement leave "immediate family" is defined as current spouse, child*, parent*, brother*, sister*, parent-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, grandparent, grandchild, or grandparent-in-law. (*includes step relations)

An employee may be required to provide proof of death/funeral/family relationship in support of bereavement leave. Bereavement leave pay is paid at the employee's base rate at the time of absence. It does not include overtime or any special forms of compensation. Paid time off for bereavement leave is not counted as hours worked for purposes of determining overtime.

Employees who wish to take bereavement leave must notify their supervisor immediately. Employees may take additional time off as vacation or sick leave, if applicable, upon request and approval of the Department Head or Town Manager.

POLICY NO. 4.07: JURY DUTY

The Town provides paid leave to regular full-time employees and regular part-time employees required to serve on jury duty or requested to testify as a witness by the Town in a Town-related civil, criminal, legislative, or administrative proceeding. The employee must provide documentation of the requirement for jury duty, subpoena compliance, etc.

Employees required by summons to report for jury duty or who are impaneled as a juror or alternate, shall receive their regular pay during the time period directly related to jury duty (not to exceed 40 hours of jury duty pay per week).

Employees on jury duty leave should keep up with their job responsibilities if possible. An employee who is on jury duty typically must report for Town duty for the remainder of the day upon completion of court or jury service, or request approval for use of other available paid time off. Any payment for jury duty received by the employee may be retained or donated to a charitable cause.

POLICY NO. 4.08: COURT APPEARANCES AND OTHER LEGAL MATTERS

Court appearances for testimony, investigation, and court preparation as a result of official duties as a Town employee (e.g., police, fire, inspections, animal control, etc.) are compensated as actual hours worked. Any witness fees collected by the employee may be retained or donated to a charitable cause.

Employees will not be paid for time off to conduct personal or private legal business. Vacation or compensatory time may be used if approved by the Department Head.

POLICY NO. 4.09: FAMILY AND MEDICAL LEAVE ACT LEAVE

The Town provides leave to certain eligible employees in accordance with the Family and Medical Leave Act (FMLA). Under the FMLA, eligible employees may take up to 12 weeks of job-protected leave each year for specified family and medical reasons or 26 weeks of leave to care for an injured or ill service member. Details of eligibility and procedures that must be followed are contained in Appendix D, attached hereto.

POLICY NO. 4.10: MILITARY LEAVE

The Town complies with all state and federal laws relating to employees in reserve or active military service and does not discriminate against employees who serve in the military. Temporary employees who have brief or non-recurrent positions with the Town and who have no reasonable expectation that their employment with the Town will continue indefinitely or for a significant period of time are generally ineligible for extended paid military leave in excess of 15 days, reemployment rights, or any other military leave benefits under this policy.

This policy covers employees who serve in the uniformed services in a voluntary or involuntary basis, including active duty, active duty for training, initial active duty for training, inactive duty training, and full-time National Guard duty.

Notice to Town of Need for Leave. Employees must provide as much advance written or verbal notice to the Town as possible for all military duty (unless giving notice is impossible, unreasonable, or precluded by military necessity). Absent unusual circumstances, such notice must be given to the Town no later than 24 hours after the employee receives the military orders. To be eligible for paid military leave, employees must complete and submit the appropriate form from the Human Resources Department along with the official documents setting forth the purpose of the leave and, if known, its duration. Said form must be turned into the Department Director and the Human Resources Department as far in advance of the leave as possible.

Paid Leave for Training and Duty. Employees will be paid for military absences of up to a maximum of 15 work days per fiscal year. Shift employees will be transitioned to a 40 hour work week during military absences. This leave may be used when an employee is engaged in National Guard or U.S. armed forces reserve training or duty ordered or approved by proper military authority. The paid leave days may be consecutive or scattered throughout the year.

Employees who have exhausted all available paid military leave will be treated as employees in non-pay status. Should employees have accrued vacation leave, they may request any part of it through their supervisors. This will not affect their military leave status.

POLICY NO. 4.11: HAZARDOUS CONDITION LEAVE, INCLEMENT WEATHER/EMERGENCY CLOSING, AND CIVIL EMERGENCIES

Town services will be maintained during severe weather conditions and civil emergencies. As such, all employees are expected to report to work unless otherwise notified.

Non-essential employees unable to report to work due to poor road conditions, civil emergencies, or other severe weather-related problems will be granted up to 16 work hours of “Hazardous Condition Leave” per year, non-cumulative. If Hazardous Condition Leave exceeds 16 work hours, then employees may make up the time during the same work period, use accrued vacation leave, use accrued personal leave, or use accrued compensatory time.

Non-essential employees who report for their regular work shift, but are not permitted to work their entire work shift due to severe weather or civil emergency shall be compensated the remainder of their scheduled work shift as Hazardous Condition Leave.

Hazardous Condition Leave may only be granted by the Town Manager. Each Department Head is responsible for determining who the essential personnel are for the type of emergency expected.

POLICY NO. 4.12: UNAUTHORIZED LEAVE

Employees failing to report for duty or failure to remain at work as scheduled without proper notification, authorization, or excuse shall be considered to be on unauthorized leave of absence and shall not be in pay status for the time involved. Unauthorized leave of absence constitutes abandonment of duties and can result in dismissal.

POLICY NO. 4.13: TOWN-SPONSORED/TOWN-SANCTIONED EVENTS

The Town encourages employees to participate in community and charitable events. Participation in events will generally not be considered work hours or compensable time. The employee may be authorized to use vacation leave or personal day to participate in these events.

If deemed to benefit the Town, and as determined by the Town Manager, participation in Town-sponsored or Town-sanctioned events may be considered compensable time.

POLICY NO. 4.14: NEUTRAL ABSENCE CONTROL POLICY

Long-Term Absence. Any employee who is absent from work for more than 180 calendar days, for whatever reason, will be terminated. Brief appearances at work during an overall absence of 180 days will not prevent the Town from terminating an employee if determined to be in the Town’s best interest. Likewise, any employee who reports to work (*e.g.*, in a light duty capacity), but is unable to perform the duties of his or her actual position for a period of 180 days

will be terminated. However, in the event that an employee has a paid leave balance remaining at the end of 180 days, the Town may, upon request, extend his/her leave using any available paid leave balance up to a maximum paid absence of one year, or be terminated and paid for accrued leave balances.

This policy will be administered consistently with the Town's obligations under the Americans with Disabilities Act, including considering extending leave as a reasonable accommodation.

POLICY NO. 4.15 SICK LEAVE POOL

Purpose

The purpose of the Sick Leave Pool is to provide employees with a possibility of obtaining additional paid sick leave days to assist them financially when they are unable to work for an extended period of time due to a qualifying catastrophic illness or injury that caused the employee to exhaust all paid leave time benefits.

Policy

This policy establishes guidelines for the organization and administration of the Sick Leave Pool, hereinafter referred to as the "Pool", for the employees of the Town.

Definitions

For purposes of this policy, the following definitions will apply:

Qualifying Catastrophic Illness/Injury must meet one of the following:

- A severe condition that affects the mental or physical health of an employee to the extent that he/she is unable to perform his/her job nor is able to perform one or more normal life functions;
- Poses a threat to life; requires 'in-patient' or hospice care or extensive outpatient treatment or care; and requires the services of a state licensed physician for an extended period of time.

Employees who through willful misconduct, purposely self-inflicted, or injured on a job not connected to his/her employment with the Town, are NOT eligible for use of the Sick Leave Pool.

Extended period of time is defined as 30 calendar days of absence for a single illness or injury.

Licensed Physician as defined by the Texas Insurance Code and practices within the scope of his/her license.

Contributions to the Sick Leave Pool

Contributions to the Pool are strictly voluntary. Contributions can be made from excess sick leave that would be lost due to maximum carry over limits, at voluntary separation of service from the Town, or an annual contribution of between 8 and 24 hours can be contributed by active employees who have a minimum sick leave balance of one hundred and four (104) hours of accumulated sick leave. Annual contributions will not be needed as long as the Pool has a balance in excess of 3,000 hours.

Employees making contributions to the Pool may not stipulate who is to receive their contributions nor are contributions retractable. Employees are further prohibited from the sale or purchase of sick leave hours, or coercive action to donate sick leave hours, or grant favoritism or reward for the donation of sick leave hours.

Eligibility

Regular full time employees who have been employed with the Town for one year and meet the criteria listed in this policy are eligible to apply for sick leave from the Pool.

The employee must have exhausted all paid leave (including sick leave, vacation, holiday and comp time) due to his/her non-job related catastrophic injury or illness.

The employee must have had an absence of 30 calendar days to apply to the Pool.

The employee must provide a medical certification from a licensed physician, in a form acceptable to the Town, that the illness or injury will require the employee to remain absent from work. The Town reserves the right to request a second opinion (paid for by the Town).

Pool benefits are not available for absences due to an employee's family member; benefits are only available for the employee's own illness/injury.

The employee must not have been disciplined or written-up during the last 2 years for abuse of sick time. Other factors considered by the Town when granting or denying an application for sick pool benefits include but are not limited to the nature of the serious health condition giving rise to the request, the employee's length of service, disciplinary and attendance history (including prior utilization of sick leave); the likelihood that the employee will be able to return to his/her regular duties within a reasonable period of time; and available sick leave in the Pool.

While using time from the Pool, employees may not work another job (including self-employment). An employee who performs outside work will lose all remaining Pool time and will be subject to disciplinary action up to and including termination of employment.

Enrollment Period

The enrollment period will be January of each year. Forms for enrollment will be provided by the Human Resources Department.

Request for Use of Sick Leave

Requests must be submitted on the proper form and given to the Human Resources Department along with a medical certification signed by a licensed physician. The physician's statement must include the date the medical condition began, the probable duration, an estimate of time the employee will be unable to perform work of any kind, and any other information requested by the Town. The physician's statement must also indicate if the employee can work a reduced work schedule and list any restrictions. The Town may also require the employee to submit to a medical exam by a doctor chosen by the Town to determine eligibility for benefits under this policy. The employee must sign required medical releases/authorizations required by the Town for this purpose. If the employee is unable to fill out the necessary paperwork due to the critical nature of his/her illness/injury, the employee's department head may file the application on their behalf.

If an employee refuses to work an approved reduced work schedule, Pool time will be denied.

An updated medical certification will be required for each 30 days of sick leave granted.

Any unused balance of sick leave time granted to an employee will be returned to the Pool.

Approval Process

Application for sick pool leave is contingent upon the available balance in the sick pool at the time of application. Approval will be given in maximum increments of 30 days (240 hours). In no case will the employee be granted more than 90 work days (720 hours) per calendar year.

Once the request is received from the employee, a decision will typically be made within five working days and communicated to the requesting employee. The Town Manager is the approving authority for all requests for use of the Pool.

Recordkeeping

The Human Resource Department will maintain the Pool ledger. The ledger will reflect the balance of the sick leave pool along with the records of contributions and advances.

The original copies of request forms and medical certifications will be kept in the employee's medical file maintained in the Human Resources Department.

Miscellaneous

This policy is subject to the Town's Neutral Absence Control Policy, Section 4.13 which applies to all employees absent from work for more than 180 days.

Abuse of this policy will result in loss of any remaining sick pool time and will also result in disciplinary action, up to and including termination of employment.

PAY AND BENEFITS

POLICY NO. 5.01: PAY

The Town uses a step/grade pay plan that is generally updated by the Town Council on an annual basis. Each job position is assigned a pay grade for which that position fits, due to the requirements in the job description and salary demanded by that position in the marketplace. Positions with similar market pricing are placed in the same grade. Each grade is designated by letter in the alphabet (i.e. Grade A, B, C). Once a position is placed in a grade, it does not move from that grade until such time management decides to change the associated responsibilities of that position as specified in the job description, or the market dictates. The plan allows for ten (10) steps for each pay grade for all positions except for management and professional positions.

New employees are placed in a particular pay grade when hired. Generally, a new employee will be hired at step 1 of the pay grade the position is assigned. Some positions will require starting at a higher step, due to the Town's need for a person of higher level of experience and/or skills, as determined by the Town Manager. Annually, each employee must pass their annual performance evaluation before moving to the next step. The step increase is not contingent upon obtaining a particular score on the evaluation; however, employee must be performing at a satisfactory or above level. Those employees who are at Step 10 in the pay plan for more than one year and meeting the minimum qualifications for a step increase, will be eligible to receive an annual payment, lump sum, not to exceed 3% or the amount granted to other employees, whichever is less.

Employees will be paid on the scheduled pay days in accordance to their placement on the step/grade pay plan. No advance payment of salary will be made to any employee.

POLICY NO. 5.02: OVERTIME PAY

Hours Worked. Holiday leave, vacation leave, compensatory leave, and jury duty are considered hours worked. Personal days, administrative leave, sick leave, bereavement leave, and hazardous condition leave will not be considered hours worked. An employee must actually work more hours than permitted by the overtime threshold as established by the FLSA in order to earn overtime.

Exempt Employees. Employees who are exempt from the provisions of the Fair Labor Standards Act (FLSA) are not eligible and will not receive overtime pay.

Non-Exempt Employees. Non-exempt employees may be scheduled to work overtime, at the request of their supervisor. When possible, advance notification of mandatory overtime assignments will be provided. Overtime assignments will be distributed as equitably as practical to all non-exempt employees qualified to perform the required work. Refusal or other failure to work mandatory overtime may result in disciplinary action up to and including termination of employment. Overtime work is otherwise subject to the same attendance policies as straight time

work.

Overtime. All non-exempt employees must receive their supervisor's or Department Head's prior authorization before performing any overtime work. This means employees may not begin work prior to their scheduled workday, and may not continue working beyond the end of their scheduled workday, without prior authorization from the appropriate supervisor. Similarly, employees may not work through their lunch break without prior authorization from the appropriate supervisor. On the employee's time sheet, the appropriate supervisor must also approve any overtime before the time sheet is submitted for processing and payment. Non-exempt employees shall not remain on the work premises without authorization unless they are on duty or are scheduled to begin work within a short period of time. Non-exempt employees who work overtime without receiving proper authorization will likely be subject to disciplinary action, up to and including possible termination of employment.

Short periods of work at the end of the normal duty (e.g., less than one hour in duration) may be handled between the supervisor and the employee by flexing a subsequent shift schedule within the same overtime threshold to compensate for the time worked rather than by submitting requests for overtime payments.

If more than one hour of flextime is needed, supervisor shall note on employee's time sheet.

Overtime Rate. Overtime pay for non-exempt employees is at the rate of 1.5 times the employee's regular hourly rate of pay. A non-exempt employee's regular hourly rate includes all pay incentives, such as clothing allowance, longevity and certification pay. Shift personnel in the Fire and Police Departments are paid overtime based on the work period adopted by their Department under Section 207(k) of the Fair Labor Standards Act. (See Policy No. 2.01).

POLICY NO. 5.03: COMPENSATORY TIME

Compensatory time, in lieu of overtime pay (hours after an employee reaches their position's overtime threshold), shall be credited at the rate of 1.5 hours credit per one hour worked for non-exempt personnel. Official compensatory time records shall reflect the product of actual hours worked, multiplied by 1.5. All non-exempt employees shall be allowed to accumulate no more than 48 hours of compensatory time. Eligible employees may take compensatory time off within a reasonable period following their request. Compensatory time off must not unduly disrupt departmental operations and must have prior supervisory approval. In order to reduce the financial impact of compensatory time accruals, Department Heads may require the use of compensatory time.

Non-exempt employees shall be paid for accumulated, unused compensatory time upon termination of employment, regardless of the reason for termination.

Exempt employees do not accrue compensatory time. Exempt employees may be permitted, with supervisory approval, to use a temporary flex hour work schedule within the same pay period, on an hour for hour basis.

POLICY NO. 5.04: ON-CALL DUTY

The Town provides for after-hour service needs by allowing some departmental operations to designate certain non-exempt employees to be on-call. Employees designated to be on-call are expected to respond to departmental after-hour service needs as required by procedures established by their Department.

Return to work provisions. After regularly scheduled working hours, on-call employees are free to pursue personal activities, but must respond to a call back (via paging, phone, or radio) within designated guidelines set by their Department. Employees designated as on-call must be fit, both mentally and physically, to accomplish on-call services needed within the time frame required (See Policy No. 6.03: Drug and Alcohol Use). An employee is considered officially scheduled and designated as on-call only when approved by their supervisor in accordance with procedures established by their Department.

Compensation. On-call status is not considered time worked and is not compensable unless their departmental policy, as approved by the Town Manager, states otherwise.. On-call non-exempt employees called back to the workplace will be paid at their regular rate of pay for actual hours worked with a minimum of one hours pay after their regularly scheduled working hours or on a regular day off. Pay will be considered overtime if the employee has already recorded the hours required to meet the overtime threshold for their position. Time worked immediately after regularly scheduled working hours at the request or approval of the supervisor will not be considered call-back and is paid at the employee's regular rate of pay until the overtime threshold is reached. Continuing work on a call-back that extends beyond the one hour minimum and into a day off does not entitle the employee to additional premium pay. Travel time to and from a call-back is compensable, in accordance with departmental policy. On-call employees who do not return to the workplace, but who handle a workplace issue by phone or internet will be compensated based on a departmental policy, approved by the Town Manager. In all cases, employees must report their actual hours worked on their time sheets.

Exempt employees are not eligible for compensation under the provisions of this policy.

As a general rule, call-back response times should not exceed 30 minutes.

Departmental Policies. Each Department has its own internal procedures for handling on-call services. Departments may establish guidelines for varying levels of response to call-back situations depending upon the nature and importance of the services to be completed.

POLICY NO. 5.05: TEMPORARY PROMOTION PAY

Eligibility of temporary promotion pay increases requires that the employee must have worked, or be scheduled to work, a minimum of 30 calendar days in the new position. Pay increases will be effective at the start of the temporary promotion period.

Police and Fire personnel covered by *Texas Local Government Code, Chapter 141.033*, will be

paid in accordance with paragraph (b), to wit; *“A member of the fire or police department who is required to perform the duties of a particular classification is entitled to be paid the salary prescribed for that position during the time the member performs those duties.”* This however requires written confirmation of the higher classification assignment by the Department Head, immediately before or after the employee’s shift and is limited to only those hours wherein the actual duties unique to the higher classification are performed.

POLICY NO. 5.06: PAY AFTER PROMOTION

Employees promoted to a position in a higher pay grade, including temporary promotions, will be placed at a step that is nearest a minimum five percent pay increase.

POLICY NO. 5.07: PAY AFTER DEMOTION

Treatment of base pay due to demotions is as follows:

- For reassignment demotions, pay will be reduced a minimum of five percent and new pay must be in the range of the reassigned pay grade;
- Performance based and voluntary demotions will result in the employee’s base pay being reduced and the employee’s new salary will be determined by the Town Manager and the Department Head.

POLICY NO. 5.08: TRAVEL TIME

Travel to and from work is generally not compensable, unless specifically approved by the Town Manager. Travel time during regular work hours is compensable for all employees. Travel time which is outside of regular working hours is not compensable, unless the employee is on call.

POLICY NO. 5.09: LONGEVITY PAY

All regular full-time employees who have completed 12 full calendar months of service by September 30th of each year shall be eligible to receive a check in November of that year for longevity pay in the amount of \$60.00 for each year of full-time service completed as of September 30th of each year. Formula is based on the employee’s Anniversary Date.

POLICY NO. 5.10: RETIREMENT PAY AND BENEFITS

The Town is a member of the Texas Municipal Retirement System (TMRS) and participation in TMRS is mandatory for all full-time employees. The Town’s contribution is, at the time of the adoption of this policy, set at a 2 to 1 match of the employee’s 7% contribution. The Town’s match is subject to annual budget appropriation. The plan is administered by the Human Resources Department.

The Town participates in the Federal Social Security and Medicare System. All employees are required to participate.

POLICY NO. 5.11: HEALTH BENEFITS

Medical/Dental/Vision/Life Insurance. All full-time employees are eligible to participate in the Town's medical/dental/vision/life insurance plans. The cost to provide these benefits to the employee is currently paid by the Town, subject to annual budget considerations. Dependant coverage is available and the Town does share in the dependent coverage cost, subject to annual budget considerations. Benefits under this plan terminate on the last day of the month in which employment with the Town terminates.

Continuing or Converting Insurance Coverage. COBRA is a federal law that requires most employers who sponsor group health plans to offer employees and their families the opportunity to temporarily extend their group coverage at group rates in certain instances where coverage under the employer's group health plan would otherwise terminate. The employee is responsible for paying for the cost of any such continuation coverage, plus a small administration fee.

Under COBRA, employees may elect COBRA continuation coverage for up to 18 months after termination of employment (unless the employee is terminated due to gross misconduct), or if an employee's hours are reduced to such an extent that the employee no longer qualifies for participation in the group health plan. Under other circumstances, COBRA coverage is available for up to 36 months following a qualifying event. Employees must notify the Town within 60 days of the occurrence of the employee's legal separation or divorce and of a covered dependent ceasing to qualify as a dependent under the medical plan.

Detailed COBRA notices are given to employees when an employee becomes eligible for participation in the Town's group health plan and again when a qualifying event occurs. For more complete information on COBRA and your health plan, you should review your summary plan description or review a copy of the full health plan in the Human Resources Department.

POLICY NO. 5.12: WORKERS' COMPENSATION INSURANCE

Workers' Compensation Insurance is carried for employees of the Town to provide payment of medical expenses and for partial salary continuation in the event of a work-related accident or illness. The amount of benefits payable and the duration of payment depend on the nature of the injury or illness.

If an employee becomes ill or is injured on the job, the incident must be reported immediately to a supervisor to ensure proper medical treatment is obtained. Failure to follow this procedure may result in the appropriate workers' compensation report not being filed in accordance with the law, which may consequently jeopardize your right to benefits in connection with the injury or illness. The Town reserves the right to require an employee to see a medical professional of the Town's choice at the expense of the Town.

An employee who suffers a work-related injury and is unable to work may be eligible for salary supplementation, in addition to payments received from Workers' Compensation Insurance. The purpose of the salary supplementation is to provide the employee the same salary as if the employee was working full time; but in no event shall exceed ninety (90) calendar days. To be eligible for salary supplementation, the employee must provide the Human Resources Department proof of payments from Workers' Compensation insurance. After ninety (90) days, the employee may use accrued leave, such as sick and vacation leave, to supplement their salary while on leave due to a work-related injury. An employee may also be eligible to draw from the employee sick leave pool after other benefits are exhausted. Payments made by Workers Compensation insurance will be deducted from the employee's pay during that time, as an off set.

Employees who return to work on 'light duty', as authorized by their attending physician, will be eligible for salary supplementation, in addition to payments received from Workers' Compensation Insurance, not to exceed their base pay. Light duty assignment is subject to the same 90 calendar day limitation for salary supplementation.

When an employee returns to full duty, the employee must present a Return to Work certification by the attending physician that clearly indicates the employee is capable of performing all of the essential job functions of the position they hold.

POLICY NO. 5.13: TUITION REIMBURSEMENT

The Town offers tuition reimbursement to all regular full-time employees who have completed their initial probationary period and who wish to enroll in courses for academic study from an accredited institution such as a college, university, technical, or business school (not continuing education courses). College degrees received from colleges and universities will only be recognized if the institution is accredited with one of the six national institutional accrediting organizations in the United States. They are the New England Association of Schools and Colleges, the Middle States Association of Colleges and Schools, the North Central Association, the Northwest Commission on Colleges and Universities, the Southern Association of Colleges and Schools, and the Western Association of Schools and Colleges. It is the employee's responsibility to furnish documentation that the accreditation by one of the six regional accrediting organizations was in place at the time he or she enrolled in any course of study program.

Tuition reimbursement is offered for both undergraduate and graduate courses that are directly related to the employee's job, or is in preparation for promotion to an applicable position within the Town. Tuition reimbursement is not available to employees for course work necessary to qualify for the position presently occupied, unless the job standards are increased to include a degree requirement. In order to be eligible for reimbursement, the employee must submit a written request to the Town Manager prior to enrollment in any course of study that outlines the courses to be taken and the degree sought. Tuition reimbursement is limited to annual budgetary appropriation.

If the course is for credit, reimbursement will be based on the final grade received by the employee for the course, as follows:

<u>Grade</u>	<u>Percent of Tuition Reimbursed</u>
A	100%
B	80%
C	50%
Below C	none

If no grade is given, documentation that the course has been successfully completed is required in order to receive 50% of the tuition reimbursed. Requests for Tuition Reimbursement shall be submitted to the Department Head, and include receipts and a copy of the official grade(s) or proof of completion.

The Town will reimburse up to 100 percent of tuition and required fees not to exceed that which would be payable at the nearest state-supported college or university. A schedule of current tuition and fees will be maintained by the Town Manager.

If an employee who has received a tuition reimbursement terminates Town employment within 12 months from the date the course work is completed, the amount of tuition reimbursement received within the 12-month period prior to termination shall be repaid in a single payment to the Town, either by personal check or, with prior authorization, a deduction from the employee's final paycheck.

Employees who are participating in other educational support programs shall be eligible only for reimbursement of costs not paid by the other programs involved.

Tuition reimbursements that qualify an employee for new trade or business, even if an employee has no plans to enter that trade or business, will be included as gross income on the employee's W-2, as required by the Internal Revenue Service.

POLICY NO. 5.14: EDUCATION AND CERTIFICATION PAY

General Requirements. The Town may change an employee's pay rate based on the employee receiving a certification (s), and/or academic degree (s), for their position.

It is the policy of the Town to encourage its employees to participate in advanced training. Additional training is important to the employees and is an overall benefit to the operation of the Town. Levels of training and certification for that training should be recognized. It is the intent of this policy to formally establish criteria by which compensation for certificates may be given.

Total of all certification(s), academic degree(s) and professional registration shall not exceed \$250.00 per month.

Certification Pay. In order to receive compensation, a certificate must be received and used in

the employee's work responsibilities and must not be a minimum requirement for their position. Should an employee transfer to a department where the training becomes applicable, the employee may then be eligible for certification pay. Certification pay may also be forfeited if a transfer places the employee where training is not applicable.

Employees shall receive monthly certification payments as enumerated in an Appendix to the Town's Pay Plan. Certification pay will only begin upon presentation of the original document by the employee to the Human Resources Department. Should certification lapse, it is the employee's responsibility to immediately notify the Human Resources Department.

Certification Training Reimbursement Agreements. With approval of Department Head, the Town will pay for the cost of job related, certification training, and subject to annual budget appropriation. However, should an employee elect to voluntarily leave the employment of the Town within six months of receiving said training, the employee shall reimburse the Town for its cost if it exceeds \$1,000.

Academic Education Pay. Academic education pay will be granted to employees with the following degrees from an accredited college, provided it is not a requirement for their position, and it is subject to annual budget appropriation. College degrees received from colleges and universities will only be recognized if the institution is accredited with one of the six national institutional accrediting organizations in the United States. They are the New England Association of Schools and Colleges, the Middle States Association of Colleges and Schools, the North Central Association, the Northwest Commission on Colleges and Universities, the Southern Association of Colleges and Schools, and the Western Association of Schools and Colleges. Academic Education pay may be granted to employees with degrees from foreign countries provided that the Institutional Research Foundation verifies the authenticity of the degree (s) and establishes relevant equivalency to degrees awarded by accredited colleges and universities within the United States.

It is the employee's responsibility to furnish documentation that proper accreditation by one of the six regional accrediting organizations was in place at the time they received their degree. The Human Resources Department will notify the Department Head upon hire of the new employee in their department if the employee has not supplied appropriate documentation. Until documentation is supplied, this monthly addition is not to be added.

Associate Degree	\$50.00 per month
Bachelor Degree	\$100.00 per month
Master Degree	\$150.00 per month
(non cumulative)	

Second Language Certification Pay. Employees who receive the Texas Department of Licensing and Regulation's Licensed Court Interpreter certification, which tests both written and oral capability, will receive \$100.00 per month if employee is routinely called upon by the Municipal Court for this service. This certification will 'count' toward the maximum allowable dollars per month in the General Requirements paragraph above.

Second Language Incentive Pay. Employees who speak English and, who are able to speak Spanish at an intermediate equivalency level, and, who are available to provide assistance in on-duty situations where a Spanish language barrier arises, will be granted an additional \$30.00 per month. The intermediate equivalency level will be determined by a score of 6 or greater on the ALTA Language Services standardized speaking and listening Spanish exam. Employees can receive either this incentive pay, or Second Language Certification Pay, but not both.

POLICY NO. 5.15: DEFERRED COMPENSATION

The Town offers an optional IRS approved Section § 457 deferred compensation plan. Since the IRS strictly regulates an employee's contributions to and withdrawals from a deferred compensation account, the employee's funds are not accessible like a savings account. This program is a tax-sheltered retirement fund. For more information on deferred compensation, contact the Human Resources Department.

POLICY NO. 5.16: WAGE GARNISHMENT

When directed by court order, the Town will garnish an employee's wages with or without employee approval.

POLICY NO. 5.17: SECTION 125 CAFETERIA PLAN

Eligible employees may elect to receive a variety of benefits including accident or health plan reimbursement, medical expense reimbursement, dependent care assistance benefits, group term life insurance, or long term disability premium reimbursement as authorized under the Town's IRS approved Section 125 cafeteria program. Employees electing group health/dental/vision for dependents are automatically enrolled in the Section 125 program regardless of whether or not they are enrolled in a Flexible Spending Account.

POLICY NO. 5.18: PAY DAYS, TERMINATION PAY

Employees are paid every two weeks, generally on Friday, for work ending not more than seven days before that pay day. Each employee's pay check or pay check stub should identify all deductions made by the Town. The Town will deduct from each employee's pay Medicare, federal income taxes, retirement contributions, court ordered child support, and any other deductions required by law. If authorized in writing by the employee, the Town may deduct from an employee's pay medical and life insurance premiums, Section 125 Plan contributions, non-profit contributions, association dues, and other deductions approved by the Town Council. If there is a change in the employee's family status, address, or any other factor affecting their payroll withholding or other benefits, the employee shall notify the Human Resources Department within one week.

The employee's paycheck is payment from the Town to the employee for services the employee has rendered, less any applicable deductions. If the employee does not report paycheck errors promptly, the Town will treat the employee's silence as proof of the employee's agreement that all calculations are correct. If the employee does not understand how to figure their pay or how to read their check, the employee should seek help from Human Resources, so that it can be properly explained to the employee.

POLICY NO. 5.19: VEHICLE ALLOWANCE AND REIMBURSEMENT

An employee may be given a monthly allowance for consistently using such employee's own vehicle for Town business if the use is deemed necessary by the Town Manager and budgeted funds are so designated. Alternatively, an employee who is authorized to use their personal vehicle for Town business is eligible to receive expense reimbursement as outlined under Policy 2.12, Travel Policy.

POLICY NO. 5.20: FLEXIBLE SPENDING ACCOUNTS

Flexible Spending Accounts are tax-favored accounts that allow employees on a voluntary basis to set aside money pretax for eligible medical, dental and vision care costs for themselves and their dependents. Flexible Spending Accounts can also set aside money pretax for certain eligible dependent care costs. Flexible Spending Accounts (FSA's) are a benefit that allows an employee the opportunity to put some of his/her salary aside before taxes to pay for many common out-of-pocket expenses, including co-pay expenses. The result of decreased taxable earnings results in a decreased federal income tax burden.

The Town offers two different flexible spending accounts; one is for qualified medical expenses and the other is for dependent care expenses. Healthcare FSA's help you reduce healthcare costs and make budgeting easier. The other FSA, a Dependent Care Flexible Spending Account, pays for childcare or adult dependent care expenses that are necessary to allow you or your spouse to work. With a Dependent Care FSA, you can only be reimbursed up to the amount currently available in your account.

Use-it-or-lose-it refers to an IRS requirement that if you do not spend all the money you have elected into your HCFSAs or DCFSAs accounts, that money remaining in an FSA of the following year will be forfeited because it cannot be rolled over or refunded to you. Any money that you elect to set aside in a flexible spending account for a given Benefit Period may be used only for eligible expenses you incur for services received during that Benefit Period. IRS rules further require the employee to carefully keep written documentation of all expenses.

POLICY NO. 5.21: STATE OF TEXAS DECLARED EMERGENCY

Exempt employees assigned or deployed to work during a State of Texas declared emergency may be eligible to receive overtime pay for a period not to exceed 10 days.

POLICY NO. 5.22: PAY AND BENEFIT LIMITATIONS

All pay and benefits described within this employee manual are subject to and contingent upon an annual budget appropriation.

POLICY NO. 5.23: TEMPORARY ASSIGNMENT PAY

On occasion, an employee is asked to perform a job duty well beyond the scope of their job description and a job classified at a higher pay grade. With concurrence of the Town Manager in advance, that employee's pay can be increased by their Department Head for the hours of the temporary assignment. That temporary pay cannot exceed 5% or Step 1 of the higher pay grade, whichever is greater. Generally, this will only apply when an employee is filling in for another employee with a higher pay grade.

POLICY NO. 5.24: EMPLOYEE ASSISTANCE PROGRAM

All employees and their eligible dependents have access to trained counseling and support professionals to identify solutions and resources that help employees live and work well. Information on this benefit is available through the Human Resources Department.

CODE OF CONDUCT

POLICY NO. 6.01: STANDARDS OF CONDUCT

Below are examples of expectations for appropriate work performance and conduct. It is the employee's responsibility to meet all work-related expectations. If an employee does not meet these expectations, disciplinary action may be appropriate.

Some of the specific examples listed below may fit under more than one of the broader categories. This section provides guidelines only and is not intended to be an exhaustive or all-inclusive list.

- Each employee is responsible for performing his/her job in an efficient and safe manner.
- Each employee is responsible for conducting his/her self in a manner that is respectful of others and worthy of respect from their coworkers.
- Each employee is responsible for complying with the laws, regulations, and policies of the United States, State of Texas, the Town and his/her department.
- Each employee is responsible for utilizing Town time, tools, equipment, and vehicles in accordance with the Town and/or department guidelines.
- An employee may not use his/her official position for personal or financial gain or special privileges, except in the performance of his/her assigned duties.
- Each employee is responsible for complying with the attendance guidelines and work hours of his/her position.
- Each employee is responsible for maintaining acceptable work performance.
- Each employee is responsible for compliance with the policies and procedures set forth in the Employee Manual.
- Each employee is responsible for conducting him or herself, both during work hours and after work hours, in such a way to avoid damaging the Town's reputation or business.
- Each employee is required to give written statements of fact, when requested, regarding any internal investigation.

POLICY NO. 6.02: SEXUAL AND OTHER UNLAWFUL HARASSMENT

All Town employees are entitled to a workplace free of unlawful harassment by management, supervisors, co-workers, citizens, and vendors. Town employees are also prohibited from harassing co-workers, citizens, vendors, and all other third parties.

This policy also prohibits any form of workplace abuse, including but not limited to, persistent treatment that is humiliating, embarrassing, undignified, or bullying.

Sexual Harassment. One form of unlawful discrimination is sexual harassment. Unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature constitute sexual harassment when:

- Submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment, or
- Submission to or rejection of such conduct by an individual is used as a basis for employment decisions affecting such individual, or
- Such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive work environment.

Sexual harassment may include a range of subtle and not so subtle behaviors and may involve individuals of the same or different gender. Conduct prohibited by this policy includes, but is not limited to sexual advances; requests for sexual favors; sexual jokes and innuendo; verbal abuse of a sexual nature; commentary about an individual's body, sexual prowess, sexual preference, or sexual deficiencies; leering, whistling, or touching; insulting or obscene comments or gestures; display in the workplace of sexually suggestive objects or pictures; and other physical, verbal, or visual conduct of a sexual nature.

Other Prohibited Harassment. In addition to the Town's prohibition against sexual harassment, harassment on the basis of any other legally protected characteristic is also strictly prohibited. This means that verbal or physical conduct that singles out, denigrates, or shows hostility or aversion toward someone because of race, religion, color, national origin, age, disability, veteran status, gender, citizenship, or any other characteristic protected by law is also prohibited. Prohibited conduct includes, but is not limited to, epithets, slurs and negative stereotyping; threatening, intimidating, or hostile conduct; denigrating jokes and comments; and writings or pictures, that single out, denigrate, or show hostility or aversion toward someone on the basis of a protected characteristic. Conduct, comments, or innuendoes that may be perceived by others as offensive are wholly inappropriate and are strictly prohibited. This policy also prohibits sending, showing, sharing, or distributing in any form, inappropriate jokes, pictures, comics, stories, etc., including but not limited to via facsimile, e-mail, and/or the Internet. Harassment of any nature will not be tolerated.

Mandatory Reporting. The Town requires that employees report all perceived incidents of harassment, regardless of the offender's identity or position. Any employee who observes or otherwise learns of possible harassment in the workplace, or who feels that he or she has been subjected to conduct prohibited by this policy, must report it immediately to their Department Head, the Human Resources Department, the Town Manager, or any other Department Head.

Any supervisor, manager, or Department Head who becomes aware of possible conduct prohibited by this policy must immediately advise their Department Head and /or the Human Resources Department. A Complaint Form is available from the Human Resources Department.

Under this policy, an employee may report to and/or contact the Human Resources Department directly, without regard to the employee's normal chain of command. Voice messages or e-mails may be left at any time with the Human Resources Department or the Town Manager.

The Town encourages employees who believe they are being subjected to conduct prohibited by this policy and who feel comfortable doing so, to promptly advise the offender that their behavior is unwelcome and request that it be discontinued. Often this action will resolve the problem.

Investigation. All reports of prohibited conduct will be investigated promptly by management in as confidential a manner as possible. The investigation may include individual interviews with the parties involved and, where necessary, with individuals who may have other relevant knowledge. All employees are required to cooperate with the investigation.

Retaliation Prohibited. Retaliation against employees who make a good faith charge or report of prohibited conduct or who assist in a complaint investigation is prohibited. Acts of retaliation must be reported immediately as set out above.

Responsive Action. Misconduct involving harassment or retaliation will be dealt with appropriately. Discipline, up to and including dismissal, will be imposed upon any employee who is found to have engaged in conduct prohibited by this policy. Likewise, disciplinary action will be imposed in situations where claims of prohibited conduct were fabricated or exaggerated.

POLICY NO. 6.03: DRUG AND ALCOHOL USE POLICY

It is the desire of the Town to provide a drug-free, healthful, and safe workplace. To promote this goal, employees are required to report to work in appropriate mental and physical condition to perform their job in a satisfactory and safe manner.

Prohibition Against Alcohol and Illegal and Unauthorized Drugs. While on Town premises, while on duty, while conducting Town-related business or other activities off premises, while driving a Town-owned or leased vehicle, or while operating or using other Town-owned or leased property or equipment, no employee may use, possess, distribute, sell, or be under the influence of alcohol (except under the limited circumstances described below), inhalants, illegal drugs, including drugs which are legally obtainable, but which were not legally obtained, and prescribed or over-the-counter drugs which are not being used as prescribed or as intended by the manufacturer.

Prohibition Against Illegal and Unauthorized Drug-Related Paraphernalia. This policy also prohibits the use, possession, distribution, and sale of drug-related paraphernalia while on Town premises, while on duty, while conducting Town-related business or other activities off premises, while driving a Town-owned or leased vehicle, or while operating or using other Town-owned or leased property or equipment. Drug-related paraphernalia includes material and/or equipment designed for use in testing, packaging, storing, injecting, ingesting, inhaling or otherwise introducing illegal or unauthorized drugs into the body.

Permissive Use of Prescribed and Over-The-Counter Drugs. The legal use of prescribed and over-the-counter drugs is permitted while on Town premises, while on duty, while conducting Town-related business or other activities off premises, while driving a Town-owned

or leased vehicle, or while operating or using other Town-owned or leased property or equipment only if it does not impair an employee's ability to perform the essential functions of the job (or to operate a vehicle, property or other equipment) effectively and in a safe manner that does not endanger the employee, citizens or other individuals in the workplace. Examples of impairment include, but are not limited to, drowsiness, dizziness, confusion, or feeling shaky.

Fire and Police Department Employees. Certain Fire and Police Department employees may be required to be in possession of alcohol and/or drugs in carrying out their job duties. Such employees will be exempted from certain portions of this policy under certain limited conditions. Additional guidelines may be established by Police and Fire Department operating procedures.

Mandatory Disclosure by Employees. Employees taking prescription medication and/or over-the-counter medication must report such use to either their Department Head or to the Human Resources Department if there is a reasonable likelihood the medication will impair the employee's ability to perform the essential functions of their job (or operate a vehicle, property or other equipment, if applicable) effectively and in a safe manner that does not endanger the employee, citizens, or other individuals in the workplace. Examples of impairment include, but are not limited to, drowsiness, dizziness, confusion, or feeling shaky.

On-Call Employees. Employees scheduled to be on call are expected to be fit for duty upon reporting to work. Any employee scheduled to be on call and who is called out is governed by this policy. Sometimes, an employee who is not scheduled to be on call may nevertheless be called out. If this or any other situation occurs where the employee called out is under the influence of drugs and/or alcohol, such that reporting to work would result in a violation of this policy, the employee must immediately so advise the appropriate supervisor on duty. The employee will not be required to report to work.

Mandatory Reporting of Convictions. Employees must notify their immediate supervisor and the Human Resources Department, in writing, of any criminal drug conviction (including a plea of nolo contendere) or deferred adjudication, for a violation occurring off duty and/or in the workplace no later than five calendar days after the conviction.

Off-Duty Conduct. The Town may take disciplinary action, up to and including termination of employment, if an employee's off-duty use of or involvement with drugs or alcohol is damaging to the Town's reputation or business, is inconsistent with the employee's job duties, or when such off-duty use or involvement adversely affects the employee's job performance.

Rehabilitation/Treatment. It is the desire of the Town to extend a program of amnesty to those employees who voluntarily seek assistance for substance abuse problems. Prior to a suspected violation of the Drug/Alcohol policy or a request to be tested, any employee may avail himself/herself of the Employee Amnesty Program. In order to do so, the employee must do the following:

- Communicate to their immediate supervisor, their Department Head, or Human Resources that they are, or may be, suffering from drug, illegal inhalant, or alcohol abuse or addiction;
- Agree and commit in writing to undergo or participate in a program of counseling, treatment

- or therapy prescribed or recommended by the Employee Assistance Program (Program);
- Execute a release which will authorize any and all doctors, counselors, therapists or other care providers to provide to Human Resources, upon written request, a statement as to whether the employee is fulfilling all the requirements or obligations of their Program, whether the Program has been successfully completed, and whether the employee is released to continue work with the Town; and
- Agree in writing, upon successful completion of the Program, to submit to random or regularly scheduled drug screening, for a period of six months following completion of the Program. This agreement is a condition of continued employment.

So long as the employee is fulfilling all requirements and obligations of the Program, they will not be subject to discipline for violation of the Drug/Alcohol Policy, unless there is information evidencing subsequent violation of substance abuse policy.

An employee who seeks services by a treatment program other than the Town's Employee Assistance Program is encouraged to check with his or her medical carrier to determine the availability and level of coverage for such services. There are a number of drug-alcohol treatment programs available in the Metroplex, with cost dependent upon both the type and amount of care necessary. An employee who wants to know more about the Employee Assistance Program and its services may contact Human Resources or may call the Employee Assistance Program directly.

Policy Violations. Violations of this policy will generally lead to disciplinary action, up to and including immediate termination of employment and/or required participation in a substance abuse rehabilitation or treatment program. The Police and Fire Departments may have stricter disciplinary rules regarding violation of this policy. Employees with questions or concerns about substance dependency or abuse are encouraged to discuss these matters with their supervisor or the Human Resources Department to receive assistance or referrals to appropriate resources in the community.

DRUG & ALCOHOL TESTING

The purpose of testing employees and applicants is to reduce substance abuse in the workplace by requiring alcohol and drug testing of safety sensitive employees and those employees holding a Texas Commercial Drivers License (CDL).

Employees classified as being in a "Safety Sensitive" position means a position in which a drug impairment constitutes an immediate and direct threat to public health or safety, such as a position that requires the employee to carry firearms, perform life threatening procedures, work with confidential information or documents pertaining to criminal investigations, or confidential juvenile information, or work with controlled substances; a position in which a drug impairment constitutes an immediate and direct threat to the employee's health or safety; a position in which the employee is responsible for the well-being of another; or a position in which a momentary lapse in attention could result in injury or death to another person.

Types of Tests. Testing may include one or more of the following: urinalysis, hair testing, breathalyzer, or other generally-accepted testing procedure.

Testing of Applicants. All applicants to whom a conditional offer of employment has been made will be required to submit to testing for alcohol and illegal and unauthorized drugs. A positive test result, refusal to test, or attempts to alter or tamper with a sample or any other part of the test, will render the applicant ineligible for consideration of employment and future employment with the Town.

Testing of Employees. Employees shall be tested for alcohol and/or illegal and unauthorized drugs after a workplace injury requiring medical treatment in the judgment of their Department Head or immediate on duty supervisor if after normal hours, or a vehicle accident as defined by Policy No. 2.10. Employees shall also be tested if involved in a non-vehicle accident meeting the same criteria stated above. Employees holding safety-sensitive positions and/or holding a CDL license may also be tested at random for alcohol and/or illegal and unauthorized drugs. Mandatory drug testing will not be required for contact with poisonous substance, blood splatter, insect stings, heat exhaustion, and superficial cuts.

Police and Fire Department employees, as well as any other safety sensitive positions, are also subject to any applicable Departmental rules and regulations regarding illegal and unauthorized drug and alcohol testing.

For purposes of this policy, reasonable suspicion is a belief based on articulable observations (e.g., observation of alcohol or drug use, apparent physical state of impairment, incoherent mental state, changes in personal behavior that are otherwise unexplainable, deteriorating work performance that is not attributable to other factors, a work-related accident or injury, evidence of possession of substances or objects which appear to be illegal or unauthorized drugs or drug paraphernalia) sufficient to lead a supervisor to suspect that the employee is under the influence of illegal or unauthorized drugs or alcohol. "Reasonable Suspicion" may also be created when a supervisor or Human Resources receives a report from a source that is deemed credible that an employee is or has used illegal or unauthorized drugs. Supervisors who refer an employee for reasonable suspicion testing must document the specific factors that support reasonable suspicion testing (e.g., the who, what, when, where of the employee's behavior and other symptoms, statements from other employees or third parties, and other evidence supporting the reasonable suspicion testing).

Tests will be paid for by the Town. To the extent possible, testing will normally be done during the employee's normal work time.

Any employee who refuses to be tested, or who attempts to alter or tamper with a sample or any other part of the testing process, will be subject to disciplinary action up to and including termination of employment.

A positive test result is a violation of the Town's Drug and Alcohol Use Policy and may result in disciplinary action up to and including termination of employment. Any employee who is terminated for violation of the Town's Drug and Alcohol Use Policy is ineligible for future

employment with the Town.

The Town has additional obligations when testing for controlled substances and alcohol for those employees regulated by the U.S. Department of Transportation. Please see the Town's Drug and Alcohol Policy for DOT Employees for additional information.

Testing Procedures. All testing must normally be authorized in advance by both the employee's Department Head and the Human Resources Department. If the Department Head is unavailable within a reasonable period of time, the Human Resources Department may, in their sole discretion, authorize the testing of an employee. If the Human Resources Department is unavailable within a reasonable period of time, the Department Head may, in their sole discretion, authorize the testing of an employee. For reasonable suspicion testing, testing may not be authorized without the supervisor's documentation of the articulable factors which led him or her to suspect that the employee is under the influence of illegal or unauthorized drugs or alcohol. Testing should be arranged as soon as possible after the supervisor's articulable observations.

If an employee's conduct resulted in a work place accident, injury or "near miss," or reasonable suspicion exists to believe that the employee has violated the Town's Drug and Alcohol Use Policy, the employee will be provided with transportation to the testing facility. A supervisor or other designated Town representative will be required to stay with the employee during the testing process. The Town may, in its discretion, reassign the employee or put him or her on administrative leave until the test results are received.

The Town will make arrangements to have the employee transported home after the testing.

All substance abuse testing will be performed by an approved laboratory or healthcare provider chosen by the Town. All positive test results will be subject to confirmation testing.

Test results will be maintained in a confidential file separate and apart from the employee's personnel file. Any medical-related information will be confidential and accessible only by the Human Resources Department; supervisors and managers on a need to know basis, including those who have a need to know about necessary restrictions on the work or duties of an employee and any necessary accommodation; first aid and safety personnel when appropriate; government officials; insurance companies as may be necessary to provide health or life insurance to employees; by court order or as otherwise legally mandated; and as necessary to protect the interests of the Town.

POLICY NO. 6.04: WEAPONS BAN AND VIOLENCE PREVENTION POLICY

The Town strives to provide a safe and secure working environment for its employees. This policy is designed to help prevent incidents of violence from occurring in the workplace and to provide for the appropriate response when and if such incidents do occur.

Zero Tolerance. Harassment, intimidation, threats, threatening behavior, violent behavior or

acts of violence between employees or such action between an employee and another person that arises from or is in any manner connected to the employee's employment with the Town, whether the conduct occurs on duty or off duty, is prohibited.

Town's Response to Threats or Acts of Violence. The Town will attempt to respond appropriately to any person who threatens use of force or violence or threatens an unlawful act, exhibits threatening behavior, or engages in violent acts. The Town's response will normally be coordinated by the Human Resources Department, and where applicable, the Town's Police Department or other appropriate law enforcement agency. The Human Resources Department will evaluate the severity of the situation and the need for additional resources (*e.g.*, law enforcement, Emergency Medical Services) to minimize risk and further violence, and will work with the appropriate Department Head(s) in an effort to ensure that appropriate administrative actions are taken. If such conduct occurs on Town property, the offending person will typically be removed from the premises pending the outcome of an investigation. The Town may also suspend and/or terminate the employment relationship, reassign job duties, mandate counseling with a psychologist or other mental health care provider of the Town's choosing, initiate criminal prosecution of the person or persons involved, and/or other actions as determined by the Town to be appropriate under the circumstances.

All Weapons Banned. Unless specifically authorized by the Town Manager, no employee, other than a Town licensed peace officer, shall carry or possess a firearm or other weapon on Town property. The Town prohibits employees from carrying or using any weapons, concealed or otherwise, on Town property; except as specifically authorized by Section 52.061 of the Texas Labor Code. (attached as exhibit "E") Employees, other than licensed peace officers, are also prohibited from carrying a weapon while on duty or at any time while engaging in Town-related business. Prohibited weapons include firearms, clubs, explosive devices, knives with blades exceeding 5 ½ inches, switchblades, etc.

Mandatory Reporting. Each Town employee must immediately notify their supervisor, Department Head, the Human Resources Department and/or the Police Department of any act of violence or of any threat involving a Town employee that the employee has witnessed, received, or has been told that another person has witnessed or received. Even without an actual threat, each Town employee must also report any behavior that the employee regards as threatening or violent when that behavior is job-related or might be carried out on Town property, a Town-controlled site or Town job site, or when that behavior is in any manner connected to Town employment or activity. Each employee is responsible for making this report regardless of the relationship between the individual who initiated the threat or threatening behavior and the person or persons threatened or the target of the threatening behavior. A supervisor who is made aware of such a threat or other conduct must immediately notify their Department Head and the Human Resources Department.

Protective Orders. Employees who apply for or obtain a protective or restraining order which lists Town locations as being protected areas must immediately provide to the Human Resources Department and the Town's Police Department a copy of the petition and declarations used to seek the order, a copy of any temporary protective or restraining order which is granted, and a copy of any protective or restraining order which is made permanent. Town employees must

immediately advise their Department Head and the Human Resources Department of any protective or restraining order issued against them.

Confidentiality. To the extent possible, while accomplishing the purposes of this policy, the Town will respect the privacy of reporting employees and will treat information and reports confidentially. Such information will be released or distributed only to appropriate law enforcement personnel, Town management, and others on a need-to-know basis and as may otherwise be required by law.

Town Property. For purposes of this policy, Town property includes but is not limited to owned or leased vehicles, buildings and facilities, entrances, exits, break areas, parking lots and surrounding areas, recreation centers, swimming pools, and parks.

Documentation. When appropriate, threats and incidents of violence will be documented. Documentation will be maintained by the Human Resources Department and/or the Police Department.

Policy Violations. Violations of this policy may lead to disciplinary action, up to and including termination of employment. Policy violations may also result in arrest and prosecution.

POLICY NO. 6.05: TOBACCO POLICY

The use of tobacco products is not permitted in any building or vehicle of the Town. Smoking is permitted outside of buildings in designated areas, but not closer than 30' of any building entrance. No employee shall use tobacco products while making contact with the public.

POLICY NO. 6.06: POLITICAL ACTIVITY

Town employees will not be appointed or retained on the basis of their political support or activities. Town employees are encouraged to vote and to exercise other prerogatives of citizenship consistent with state and federal law and these policies. Town employees may not:

- Publicly endorse or campaign in any manner for any person seeking a Town public office except as provided by Texas Local Government Code, Chapter 180.001 and attached hereto as Appendix F.
- Use their position or office to coerce political support from employees or citizens.
- Use their official authority or influence to interfere with or affect the result of a campaign issue, an election or nomination for public office.
- Make, solicit or receive any contribution to the campaign funds of any candidate, directly or indirectly through an organization or association, for the Town Council or take any part in the management, affairs or political campaign of any such candidate; provided nothing herein shall infringe upon the constitutional rights of an employee to express their opinions and to cast their vote.
- Use working hours or Town property to be in any way concerned with soliciting or receiving any subscription, contribution or political service to circulate petitions or campaign literature

- on behalf of an election issue or candidate for public office in any jurisdiction.
- Contribute money, labor, time or other valuable thing to any person for Town election purposes.
- Hold an appointive or elective office of public trust where service would constitute a direct conflict of interest with Town employment. An employee who contemplates seeking public office shall consult with the Human Resources Department prior to the filing of an application for the purposes of determining whether a conflict would exist.
- All employees of the Town shall refrain from using their influence publicly in any way regarding any election where an issue or proposal involves only Town employees.

POLICY NO. 6.07: CONFLICT OF INTEREST

No employee of the Town may:

- Have any financial or other interest, directly or indirectly, in any proposed or existing contract, purchase, work, sale or service to, for, with or by the Town;
- Use Town employment, authority, or influence in any manner for their personal betterment, financial or otherwise;
- Have any financial interest, directly or indirectly, in the sale to the Town of any, materials, supplies or services;
- Have discussions or participate in decisions of any Town agency, board, commission or instrumentality if the employee has any personal economic interest or is employed, directly or indirectly, by the person or entity that is the subject of the discussion or decision, except as noted below;
- Accept other employment or engage in outside activities incompatible with the performance of duties and responsibilities as a Town employee or that might impair independent judgment in the performance of duties to the Town; or
- Accept monetary payment or provide services for compensation, directly or indirectly, to a person or organization requesting an approval, investigation, or determination from the Town.

The “financial or economic interest” contemplated in this policy requires that the employee receive an actual financial benefit from the transaction with the Town. An “actual financial benefit from the transaction” shall not include:

- An ownership in the entity transacting with the Town where the ownership interest is less than one percent (1%).
- Compensation of the employee, officer, or director of the entity transacting with the Town where such compensation is not affected by the entity’s transaction with the Town.
- An investment or ownership in a publicly-held company in an amount less than ten thousand dollars (\$10,000.00)

An employee who has a prohibited financial interest in any matter pending before the Town shall disclose such interest to the Human Resources Department. This section does not prohibit the Town from proceeding with any transaction where a conflict of interest may exist if upon full

disclosure the transaction is in the best interest of the Town and approved by the Town Manager and Town Council.

Violations of this policy may result in disciplinary action up to and including termination of employment. Employees should direct questions regarding the prohibitions imposed by this policy to the Human Resources Department, or the Town Manager's office.

POLICY NO. 6.08: BEHAVIORAL STANDARDS

It is important that every employee display behavior that is consistent with acceptable norms expected of public servants. Each employee that comes to work for the Town brings his/her own behavior patterns that may or may not align with those norms required by the Town, thus it is necessary to clearly state what behaviors are expected of all employees.

Customer Relations. - Employees will:

- Treat customers and citizens in a kind and professional manner.
- Maintain eye contact with the customer.
- Be courteous and friendly in speaking and in body language.

Customer Service. – Employees will:

- Commit to going above and beyond the customers expectation whenever possible.
- Take the initiative to resolve any issue when the customer's expectations are not being met.
- Take the time to find the correct employee to resolve a customer issue whenever another employee is unable to do so; and then confirm with the customer the 'hand-off' occurs promptly.
- Never say "That's not my job" or "I don't know".
- Use the HEAL method when dealing with irate customers – **H**ear them out, **E**mpathize, **A**pologize and **L**ean in to action to solve the problem.

General Etiquette. – Employees will:

- Go out of their way to help someone who appears to be in need of assistance.
- Not discuss internal issues with customers, citizens, or vendors.
- Not chew gum or other distracting behavior while in conversation with a customer.

Commitment to Coworkers. – Employees will:

- In verbal and nonverbal communications, will treat co-workers respectfully and professionally by listening and avoiding defensiveness.
- Respond promptly to any form of communication.
- Offer to assist coworkers and other departments when needed.
- Refrain from discipline or constructive criticism in public.
- Take responsibility for solving problems regardless of origin.
- Be mindful and respectful of coworker's time and schedules.

POLICY NO. 6.09 RESTRICTIONS ON SOLICITATION, ACCEPTANCE, AND DISTRIBUTION OF CONTRIBUTIONS

The Town recognizes the value of encouraging contributions for the use of Town Departments in order to defer the need to raise taxes and fees to provide necessary municipal services. Private contributions also allow individuals and organizations to take an active role in improving the quality of life and promoting wider enjoyment of community activities and resources. To promote consistent and best practices by all employees and departments, and to ensure compliance with applicable laws and accounting procedures, the following policy and guidelines related to the solicitation, acceptance, and distribution of donated monetary gifts and real or personal property for use by the Town and its Departments:

1. Solicitation of voluntary contributions shall not violate the Code of Ethics for employees as stated in Policy No. 1.01 of this Employee Personnel Manual. In addition, no solicitation shall state or imply that a donation will influence or affect how the party is treated by Town officers and employees.
2. All fundraising and solicitation efforts shall be consistent with the missions, goals, and mandates of the Town. Solicitation for business, commercial, or personal reasons by employees not directly related to Town operations is prohibited. All donated funds or property become public property upon acceptance and shall be used or expended for public purposes only.
3. All fundraising and solicitation efforts to support Town programs and projects shall be authorized by the Town Council after prior review and recommendation by the Town Manager. Council authorization may include continuing authorization or authorization for a one-time only project. This does not apply to animal adoption efforts.
4. Following Council authorization, a Department shall obtain written approval of the Finance Director regarding procedures for the fundraising project. Said approval shall include proper accounting protocols for fundraising revenues and expenditures to be coordinated through the office of the Finance Director. No Department shall be allowed to maintain a checking or savings account for fundraising activities that is separate from the Town accounting system.
5. Employees may solicit donations for qualified nonprofit organizations with written approval from their Department Head or the Town Manager. Said solicitations should not interfere with an employee's job responsibilities.

POLICY NO. 6.10: GIFTS POLICY

The Town strives to treat employees, citizens, and individuals conducting business with the Town in a fair and equitable manner. An employee (and his/her relatives and significant others) may not receive any income or other material gain from anyone outside the Town for services provided by the employee in the performance of his or her job with the Town.

Individual Town employees are prohibited from soliciting, accepting, or agreeing to accept any gift, gratuity, favor, benefit, or anything else of value from any person, organization, or other entity who has done business, is doing business, or seeks to do business, with the Town. However, an employee who accepts the following will not be in violation of this policy:

- An award publicly presented in recognition of public service.
- An occasional meal where public business is accepted.
- Tee-shirts, caps and other similar promotional material.
- Any gift which would have been offered or given to the employee even if the employee were not an employee of the Town.

Routine food coupons, frequent flier awards, discounts, and other promotional items awarded to employees carrying out Town business may be accepted by the employees and will not be considered a violation of this policy due to the administrative difficulty and cost associated with recapturing the discount or award for the Town.

If the item is non-routine, or of more than minimal value, the employee must check with their department head to see if the item should be returned, or in the alternative, turned over to the Town.

Employees may not give their supervisor or anyone else in management any gift or other item of more than minimal value. If offered, supervisors may not accept such gifts or other items. Giving and accepting cards, food items, (such as cakes and cookies) or token gifts for birthdays, Bosses Day, holiday celebrations, bereavement, or similar events is not a violation of this policy.

POLICY NO. 6.11: CITIZEN COMPLAINTS

Citizens have the right to file complaints against employees. State statutes provide a specific procedure related to police officers and fire fighters for filing this type of complaint. (*See Appendix G – Chapter 614.021-023 Texas Local Government Code and Policy No. 7.01 Employee Conduct*) This policy adopts a similar procedure for citizen complaints concerning any other employee.

Minor complaints will be processed through the affected department and their internal operating policies. In each instance, the complainant will be given the opportunity to hear back on the disposition of their complaint.

Major complaints will be processed through the Town Manager. The citizen making the complaint is requested to place their complaint in writing and delivered to the Town Manager. In such instance, the Town Manager will initiate an independent investigation. Results of the investigation will be given to the Department Head of the employee for further action if necessary. The Town Manager will notify the complainant of the disposition of their complaint.

POLICY NO. 6.12: CITIZEN NOTICE OF CLAIM

Citizens have the right to file claims against the Town for injuries or property damage that they may sustain. Examples would include a child injured at a park, a car hitting a pothole, or a vehicular accident involving an employee. Regardless of the circumstance, any employee who is notified in any manner of a citizen who wants to file a claim against the Town needs to obtain that person's contact information and no later than the next business day forward that information to the Human Resources Department. Employees should in no way express an opinion regarding the validity of the claim or who may be at fault.

POLICY NO. 6.13: EMPLOYEE SAFETY DEALING WITH THE PUBLIC

Employees can find themselves in confrontational settings when dealing with citizens which can result in citizen allegations of employee misconduct. As such, all employees should protect themselves whenever possible by either being accompanied by another employee, be equipped with audio recording equipment activated, or video & audio recording equipment activated when approached or being approached by a person or group of persons. This would not apply to fire and EMS personnel responding to an emergency call.

DISCIPLINE

POLICY NO. 7.01: EMPLOYEE CONDUCT AND WORK RULES/DISCIPLINARY ACTION

Grounds for Disciplinary Action. The Town of Little Elm is an at-will employer, i.e. all Town employees serve at the pleasure of the Town Manager (except for those charter officers who serve at the pleasure of the Town Council) and the Town may terminate any employee from service with or without cause. Subject only to any applicable state or federal laws, or specific provisions of a written employment contract approved by Town Council, the Town may discharge any employee with or without cause.

The Town may take disciplinary action, including immediate discharge, against an employee for:

- illegal, unethical, abusive, or unsafe acts;
- violation of Town rules, regulations, policies, or procedures;
- insubordination; inefficiency; poor work performance; neglect or abandonment of duties;
- failure to report overtime worked; working overtime not authorized;
- participation in prohibited political activity or solicitation;
- abuse of illness, injury, disability, or other benefits; tardiness or absence without leave;
- falsification of official documents or records;
- using or being under the influence of drugs or intoxicating beverages while on duty;
- improper use of alcohol or drugs, including positive drug or alcohol tests administered under these rules;
- refusal to undergo a properly ordered drug and/or alcohol test;
- waste, damage, or unauthorized use of Town property or supplies;
- unauthorized disclosure of official information not otherwise considered public information;
- unauthorized or improper use of official authority;
- violation of the provisions of the Town Charter,(attached as Exhibit “H”);
- discourtesy to the public or to fellow employees;
- refusal or neglect to pay just debts that reflects negatively upon the Town.
- untruthfulness and/or a failure to cooperate with administrative investigations.
- revocation of driver license that is required by the employee’s job duties.

Types of Disciplinary Action. Formal disciplinary action taken should be consistent with the nature of the deficiency or infraction involved and the record of employee. Formal disciplinary action includes written reprimand, suspension, and reduction in pay, demotion, and dismissal. Any of the foregoing types of formal disciplinary action may be invoked for a particular deficiency or infraction, depending upon the exact circumstances. An employee may be formally warned anytime that they may be subject to dismissal or otherwise disciplined for further unsatisfactory performance and/or conduct.

Review by the Human Resources Department. Any disciplinary action in excess of an oral warning must be reviewed by the Human Resources Department prior to it being served to the

employee. This applies to both probationary and non-probationary employees.

Written Reprimand. An employee may be reprimanded in writing. The written reprimand shall describe the deficiency or infraction involved and shall state the likely consequences for further unsatisfactory performance and/or conduct. The written reprimand shall be noted in the employee's official personnel file. After the expiration of five years, an employee may request that the Town remove documents relating to minor infractions of Town policy. "Minor infractions" means tardiness, or other similar minor violations. After consideration of all factors, including the severity and frequency, the Department Head can rescind the discipline and request that the Human Resources Department remove those documents from the personnel file.

Suspension. An employee may be suspended by their Department Head without pay for up to 30 calendar days in one (1) calendar year. A written notice of suspension that describes the deficiency or infraction involved and states the likely consequence of further unsatisfactory performance and/or conduct may be given to the employee. The suspension will be permanently noted in the employee's official personnel file.

Demotion. An employee may be demoted by their Department Head. A written notice of demotion should be given to the employee that describes the deficiency or infraction involved and states the likely consequences of further unsatisfactory performance and/or conduct. The demotion will be permanently noted in the employee's official personnel file, but the employee will not be disqualified from consideration for later advancement.

Notice and Appeal of Certain Disciplinary Actions.

Prior to disciplinary action against a law enforcement officer, peace officer or a fire fighter employed by the Town based upon receipt of an internal or external complaint, the complaint should be reduced to writing, signed, and provided to the employee. The specific procedure for handling of that complaint is detailed within each department's standard operating policy manual. Texas Government Code Chapter 614.021-023 specifies certain related procedures as it applies to peace officer and firefighter personnel; see Appendix D, attached hereto.

Prior to dismissal of any other Town employee, a written notice of the proposed disciplinary action describing the employee's alleged deficiency or infraction may be given to the employee subject to the disciplinary action.

In either of the above instances involving suspension, demotion or termination;

- A predetermination meeting should be held with the employee being disciplined, prior to the imposition of the discipline in order for the supervisor to hear the employee's side of the story.
- Formal disciplinary action taken under this Chapter may be appealed in writing directly to the Town Manager within five (5) working days following notice of the action.
- The action may be stayed, pending decision on the appeal, or may take effect anytime after issuance of the notice as determined by the Town Manager.
- The Town Manager shall have authority to approve, disapprove, modify, increase, or rescind any disciplinary actions taken or proposed. The decision of the Town Manager shall be final except as provided by the Town Charter, Section 4.02.

Felonies and Misdemeanors. Employees must immediately notify their supervisor and/or Department Head if they are arrested, charged, indicted, convicted, receive deferred adjudication, or plead nolo contendere to any misdemeanor or felony. Employees who do not drive as a part of their job duties with the Town are not required to report minor traffic violations. In most instances, the Town will conduct its own investigation and take appropriate action. An employee arrested, charged, or indicted for a felony or misdemeanor, or accused by information of official misconduct or other serious criminal violation may be placed on administrative leave (with or without pay) until the charge, indictment, or information is dismissed or fully adjudicated without trial, and if tried, until the trial and appeal (if any) are completed and all related administrative matters are concluded. Such a determination will typically be made by the Department Head and the Human Resources Department. An employee on administrative leave may, in the Town's sole discretion, be reinstated to the position held before being placed on administrative leave (if available), if the indictment or information is dismissed, the employee is acquitted, or the conviction is reversed on appeal.

Administrative Leave. During an investigation into alleged offenses or violations of Town policies, the Town may, in its sole discretion, place the employee on administrative leave. The leave may be with or without pay, and may be charged to available accrued leave if authorized by the Town Manager.

TERMINATION OF EMPLOYMENT AND REINSTATEMENT

POLICY NO. 8.01: SEPARATION OF EMPLOYMENT

The Town designates all employee separations as one of the following types:

Resignation. An employee who intends to resign is requested to notify their supervisor, Department Head, and the Human Resources Department in writing at least 2 weeks prior to the last day of work. Employees who fail to give a two-week notice are typically not eligible for rehire. The supervisor is responsible for immediately notifying the Human Resources Department.

Retirement. An employee who intends to retire must notify their Department Head, supervisor, and the Human Resources Department in writing 30 days prior to the date of retirement. This 30 day requirement is necessary to ensure that the required paperwork is timely submitted to Texas Municipal Retirement System (TMRS).

Dismissal/Termination. The Town may terminate an employee's employment as a result of unsatisfactory performance or conduct and/or violation of Town policies or procedures, including a new hire who fails probation. Town employees who are terminated, or who resign in lieu of termination are not eligible for rehire.

Dismissal may also occur for the following:

- **Job Abandonment.** If an employee fails to properly notify the Town of their absence from work or if an employee is absent without authorization and/or notification for three or more consecutive days, the Town will normally consider the employee to have abandoned their employment, and they will be terminated.
- **Unauthorized Leave.** Employees failing to report for duty or failure to remain at work as scheduled without proper notification, authorization, or excuse shall be considered to be on unauthorized leave of absence and shall not be in pay status for the time involved. Unauthorized leave of absence constitutes abandonment of duties which may lead to termination of employment.
- **Reductions-in-Force (Layoffs) / Reorganization.** An employee may be separated from Town service when it is deemed necessary by reason of shortage of funds or work, the abolition of the position, or other material change in the duties of the organization, or for other reasons which are outside the employee's control and which do not reflect discredit upon the service of the employee. The order of layoff shall be determined by the current operating needs of the Town, with consideration given to both an employee's length of service and past work performance.
- **Death.** If a Town employee dies, their estate will be paid all earned pay and payable benefits.

POLICY NO. 8.02: REINSTATEMENT

Employees, who were laid off, including former temporary employees separated upon completion of duties, may be recalled to work at any time, provided they remain qualified to perform the duties of the position. Reinstated employees are not entitled to any prior seniority or years of service.

Employees who left the Town service in good standing to enter active-duty or for active-duty training with the armed forces of the United States shall be eligible for reinstatement in accordance with applicable state and federal laws.

APPENDIX A

ORDINANCES ADOPTING & UPDATING MANUAL

ORDINANCE 999 ADOPTING EMPLOYEE POLICY MANUAL

AN ORDINANCE OF THE TOWN OF LITTLE ELM, TEXAS ADOPTING NEW PERSONNEL POLICIES AND REPEALING ALL PRIOR ORDINANCES, RESOLUTIONS, AND COUNCIL ACTIONS RELATED TO SAME; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town Council of the Town of Little Elm has previously adopted personnel policies; and,

WHEREAS, said policies were adopted at a time when the Town had substantially fewer employees; and,

WHEREAS, new personnel policies are needed to clearly articulate the standards expected of each employee, identify benefits and minimum work requirements, as well as promote the efficiency and productivity in management of Town employees; and,

WHEREAS, Town staff, with the assistance of legal counsel has drafted a new set of personnel policies to meet those requirements; and,

WHEREAS, the Town Council desires to repeal all prior adopted personnel policies and, adopt a new set of personnel policies for the benefit of the Town and its employees.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF LITTLE ELM, TEXAS:

Section 1. The Town Council hereby repeals all previously adopted personnel policies whether adopted by ordinance, resolution or by Council action; and formally adopts the personnel policies attached hereto.

Section 2. Future additions and modifications to the new personnel policies will be made by Town Council, either by resolution or ordinance. Said additions or modifications shall be placed in writing and distributed to all employees at the time of their adoption.

Section 3. Interpretations of these personnel policies are left to the discretion of the Town Manager.

PASSED, APPROVED, AND ADOPTED by the Town Council of the Town of Little Elm, Texas on this 16th day of February, 2010.

ORDINANCE 1093 UPDATING EMPLOYEE POLICY MANUAL

AN ORDINANCE OF THE TOWN OF LITTLE ELM, TEXAS UPDATING THE TOWN'S EMPLOYEE PERSONNEL POLICIES AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town Council of the Town of Little Elm has previously adopted a new employee personnel policy manual on February 16, 2010; and,

WHEREAS, updates to personnel policies are needed to clearly articulate the conduct and standards expected of each employee, identify benefits and minimum work requirements, as well as promote the efficiency and productivity in management of Town employees; and,

WHEREAS, Town staff, with the assistance of legal counsel has drafted an updated personnel policy manual to meet those requirements; and,

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF LITTLE ELM, TEXAS:

Section 1. The Town Council hereby formally adopts the updated employee personnel policy manual attached hereto.

Section 2. Future additions and modifications to the new personnel policies will be made by Town Council, by ordinance. Said additions or modifications shall be placed in writing and distributed to all employees at the time of their adoption.

Section 3. Interpretations of these personnel policies are left to the discretion of the Town Manager.

PASSED, APPROVED, AND ADOPTED by the Town Council of the Town of Little Elm, Texas on this 17th day of January, 2012.

APPENDIX B

**ETHICS POLICY ADOPTED BY TOWN COUNCIL
ORDINANCE NO. 1088**

AN ORDINANCE ESTABLISHING A TOWN OF LITTLE ELM CODE OF ETHICS ORDINANCE FOR ELECTED AND APPOINTED OFFICIALS AND TOWN EMPLOYEES; PROVIDING DEFINITIONS; PROVIDING A POLICY AND PURPOSE; DEFINING UNETHICAL ACTIVITY; REQUIRING DISCLOSURE OF INTEREST; PROVIDING PENALTIES FOR THE VIOLATION OF THIS ORDINANCE; ADOPTING THE STATE'S CONFLICT OF INTEREST STATUTE; PROVIDING FOR A CUMULATIVE LEGAL EFFECT; REPEALING CONFLICTING ORDINANCES; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town Council of the Town of Little Elm, Texas ("Town Council"), has determined that it in the best interest of the Town of Little Elm, Texas ("Town"), to require all public officials, officers and employees of the Town, and all members of Town-appointed boards, commissions and committees, to be independent, impartial and responsible only to the people of the Town; and

WHEREAS, the Town Council has determined that no Town officer, official or employee, including all members of boards, commissions and committees, should have any interest, direct or indirect, nor engage in any business transaction or professional activity, nor incur any obligation of any nature, which is in conflict with the proper discharge of his or her duties in the public interest; and

WHEREAS, the Town Council has determined that it is in the best interest and welfare of the Town to preserve the integrity and nonpartisan nature of Town government by adopting an code of ethics ordinance, which code of ethics shall be codified in the Town's Code of Ordinances and provide as follows.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF LITTLE ELM, TEXAS, THAT:

Section 1. Incorporation of Recitals. The above recitals are hereby found to be true and correct and incorporated herein for all purposes.

Section 2. This Ordinance shall hereinafter be referenced as the Little Elm Code of Ethics Ordinance and shall read as follows:

"CODE OF ETHICS

Section 1. DEFINITIONS

For the purposes of this Ordinance, the following words and phrases, when used in this Ordinance, shall have the meanings ascribed to them, except where the context clearly indicates

a different meaning:

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

Discretionary Authority - The power to exercise any judgment in a decision or action.

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

Employee- Any person employed by the Town, including those individuals employed on a part-time or seasonal basis, but such term shall not be extended to apply to any independent contractor.

Entity - A sole proprietorship, partnership, limited partnership, firm, corporation, professional corporation, holding company, joint stock company, receivership, trust or any other entity recognized by law through which business may be conducted.

Gift - Gift means a favor, hospitality or economic benefit, other than compensation.

Officer or Official- Any member of the Town Council and any Town-appointive member of a board, commission, authority or committee set up by ordinance, Town Charter, state law, or otherwise on a temporary or permanent basis, including all members of a board, commission, authority or committee which functions only in an advisory or study capacity and which has no discretionary, governmental, quasi-judicial or administrative authority.

Relative- A relative means any person related to an officer, official or employee within the first degree by consanguinity or affinity and shall include a spouse, father, mother, son, daughter, brother or sister.

Remote Interest - An interest of a person or entity, including an official, who or which would be affected in the same way as the general public. By way of example, the interest of a council member in the property tax rate, general Town fees, Town utility charges or a comprehensive zoning ordinance or other similar decision is a remote interest to the extent that the council member is affected in common with the general public.

Substantial Interest- An interest in another person or an entity if:

(a) The interest is ownership often percent (10%) or more of the voting stock, shares or equity of the entity of ownership of five thousand dollars (\$5,000.00) or more of the equity or market value of the entity;

(b) Funds received by the person from the other person or entity either during the previous twelve months or the previous calendar year equaled or exceeded five thousand dollars (\$5,000.00) in salary, bonuses, commissions or professional fees or twenty thousand dollars (\$20,000.00) in payment for goods, products or non-professional services, or ten percent (10%) of the person's gross income during that period, whichever is less;

(c) The person serves as a corporate officer or member of the board of directors or other governing board of the for-profit entity, other than a corporate entity owned or created by the Town Council; or

(d) The person is a creditor, debtor or guarantor of the other person or entity in an amount of five thousand dollars (\$5,000.00) or more.

Substantial Interest in Real Property - An interest in real property which is an equitable or legal ownership with a market value of five thousand dollars (\$5,000.00) or more.

Substantial Interest in Partnerships, Professional Corporations and Other Entities- If a Town officer, official or employee is a member of a partnership or professional corporation, or conducts business through another entity, a substantial interest of the partnership, professional corporation or entity shall be deemed to be a substantial interest of the Town officer, official or

employee if:

- (a) The partnership or professional corporation has fewer than twenty (20) partners or shareholders;
- (b) Regardless of the number of partners or shareholders, the officer, official or employee has an equity interest, share of draw equal to or greater than five percent (5%) of the capital or revenues of the partnership, professional corporation or other entity; or
- (c) With regard to the partnership, professional corporation or other entity's substantial interest in a particular client, the officer, official or employee has personally acted within the preceding twenty-four (24) months in a professional or fiduciary capacity for that client.

Section 2. POLICY AND PURPOSE

(a) It is hereby declared to be the policy of the Town that the proper operation of democratic government requires that:

- (1) Town officers, officials and employees, including all members of Town-appointed boards, commissions and committees, be independent, impartial and responsible only to the people of the Town;
- (2) Governmental decisions and policies be made using the proper procedures of the governmental structure;
- (3) No Town officer, official or employee, including all members of Town-appointed boards, commissions and committees, have any interest, direct or indirect, nor engage in any business transaction or professional activity nor incur any obligation of any nature which is in conflict with the proper discharge of his or her duties in the public interest;
- (4) Public office not be used for personal gain;
- (5) The Town Council be maintained as a nonpartisan body; and
- (6) Town officers, officials and employees fully comply with any federal and state statutes, laws and regulations, as amended, concerning conflicts of interest.

(b) In furtherance of this policy, the Town Council has hereby determined that it is advisable to enact this Code of Ethics for all Town officers, officials and employees, whether elected or appointed, advisory or administrative, including all members of Town-appointed boards, commissions and committees, to serve not only as a guide for official conduct of the Town's elected and appointed public servants, but also as a basis for discipline for those who refuse to abide by its terms and provisions.

Section 3. UNETHICAL ACTIVITY

No officer, official or employee of the Town, including all members of Town-appointed boards, commissions and committees, shall:

- (a) Accept any gift or economic benefit of more than fifty dollars (\$50.00) in value from any person or entity which gift or economic benefit might reasonably tend to influence such officer, official or employee in the discharge of official duties, or grant in the discharge of official duties any improper gift, economic benefit, service or thing of value; however, the provisions of this subsection shall not apply to any political contribution made pursuant to the Texas Election Code.
- (b) Use his or her official position to solicit or secure special privileges or exemptions for himself/herself or others.

- (c) Directly or indirectly disclose or use any information gained solely by reason of his or her official position for his or her own personal gain or benefit or for the private interest of others.
- (d) Transact any business on behalf of the Town in his or her official capacity with any business entity of which he or she is an officer, agent or member or in which he or she owns a substantial interest. If such a circumstance should arise, then in the case of an officer or official, he or she shall make known such interest and abstain from voting on the matter, or in the case of an employee, he or she shall turn the matter over to the employee's supervisor for reassignment, state the reasons for doing so and have nothing further to do with the matter involved.
- (e) Engage in any outside activities which will conflict with his or her assigned duties in the Town, or which his or her employment with the Town will give him or her an advantage over others engaged in a similar business, vocation or activity.
- (f) Engage in outside activities incompatible with the full and proper discharge of his or her duties and responsibilities with the Town, or which might impair his or her independent judgment in the performance of his or her public duties.
- (g) Receive any fee or compensation for his or her services as an officer, official or employee of the Town from any source other than the Town, except as may otherwise be provided by law. This shall not prohibit an officer, official or employee from performing the same or other services that he or she performs for the Town for a private organization if there is no conflict with his or her Town duties and responsibilities.
- (h) Represent, directly or indirectly, or appear on behalf of the private interests of others before any agency, board, commission, authority or committee of the Town, or accept any retainer or compensation that is contingent upon a specific action being taken by the Town or any of its agencies, boards, commissions, authorities or committees, unless such officer, official or employee of the Town has made full disclosure of such representation, retainer or compensation. For purposes of this section, the term "full disclosure" shall mean:
 - a. The filing of an affidavit with the Town Secretary describing such representation, retainer or compensation;
 - b. Disclosure, either orally or in writing, to the other members of the Town agency, board, commission, authority or committee;
 - c. Refraining from any other discussion of the matter with other members of the Town agency, board, commission, authority or committee; and
 - d. Refraining from voting on or participating in the consideration of such matter by the town agency, board, commission, authority or committee.
- (i) Use the prestige of his or her position on behalf of any political party or engage in any political activity which does not maintain the nonpartisan policy of the Town, except as provided by Texas Local Government Code, Chapter 180.001. Provided however, that all employees are encouraged to register and vote as they may choose in all local, state and national elections.
- (j) Knowingly perform or refuse to perform any act in order to deliberately hinder the execution and implementation of any Town ordinances, rules or regulations or the achievement of official Town programs;
- (k) Have a substantial interest, direct or indirect, in any contract with the Town or a substantial interest, direct or indirect, in the sale of the Town of any land, rights or interest in any land, materials, supplies or service;
- (1) Participate in a vote or decision on any matter in which the officer or official has a direct or indirect substantial interest or in which a relative of the officer or official has a direct or indirect

substantial interest;

(m) Grant any special consideration, treatment or advantage to any individual, business organization or group beyond that which is normally available to every other individual, business organization or group. This shall not prevent the granting of fringe benefits to Town employees as an element of their employment or as an added incentive to the securing or retention of employees;

(n) Knowingly disclose information deemed confidential by law; or

(o) Participate in any vote or decision relative to any amendment to the Town's comprehensive master plan or any change in the zoning classification of property if the officer, official, employee or a relative of the officer, official or employee has any interest in any property within 200 feet of the property which is the subject of the amendment to the Town's comprehensive master plan or on which the change in zoning classification is proposed. Further, any officer, official or employee who has any such interest in property shall be legally disqualified from participating in any vote or decision relative to the comprehensive master plan amendment or change in zoning classification.

Section 4. DISCLOSURE OF INTEREST

Any officer, official or employee of the Town, including all members of Town-appointed boards, commissions and committees, who has a prohibited or substantial interest in any matter pending before the Town shall disclose such interest to other members of the Town Council, committee, commission or board of which he or she is a member, and shall refrain from further discussion of the matter; shall not be physically present when the subject is discussed in open or executive session; and shall not vote on or participate further in any such matter.

Section 5. PENALTY

(a) Any Town officer, official or employee, including all members of Town-appointed boards, commissions and committees, knowingly violating any provision of this Code of Ethics shall be guilty of a misdemeanor, and upon conviction thereof, shall be punished by a fine as provided in 1.10 of Chapter 1 of the Town of Little Elm Code of Ordinances.

(b) The penalty prescribed herein shall not limit the power of the Town Council to discipline its members pursuant to applicable provisions of the Town Charter, this Ordinance, state statutes or other laws defining and prohibiting conflicts of interest.

(c) The penalty prescribed herein shall not limit the power of the Town Manager to discipline those employees under the Town Manager's supervision pursuant to applicable provisions of the Town Charter, this Ordinance, the adopted personnel policies of the Town, state statutes or other laws defining and prohibiting conflicts of interest.

Section 6. ADOPTION OF STATE STATUTE

Chapter 171 of the Texas Local Government Code, as amended, being the statute which regulates conflicts of interest of officers of municipalities in the State of Texas, it is hereby adopted and made a part of this Code of Ethics for all purposes, with the proviso that in case of a conflict between the provisions of this Code of Ethics and Chapter 171 of the Texas Local Government Code, the more restrictive provision shall govern.

Section 7. CUMULATIVE LEGAL EFFECT

In its legal effect, this Ordinance is cumulative of all provisions of the Town Charter, the Town of Little Elm Code of Ordinances or federal and state statutes, laws or regulations defining and prohibiting conflicts of interest."

Section 3. Penalty Provisions...Any person, firm or corporation violating this Ordinance, or any portion thereof, shall, upon conviction, be guilty of a misdemeanor and shall be fined not less than one dollar (\$1.00) nor more than five hundred dollars (\$500.00) for each violation; each day that such violation continues shall be considered a separate offense and punishable accordingly.

Section 4. Repeal of Conflicting Ordinances. This Ordinance, upon its enactment and effective date, shall repeal all conflicting ordinances relative to conflicts of interest.

Section 5. Severability. If any word, section, article, phrase, paragraph, sentence, clause or portion of this ordinance or application thereto to any person or circumstance is held to be invalid or unconstitutional by a court of competent jurisdiction, such holding shall not affect for any reason, the validity of the remaining portion of this ordinance; and the Town Council hereby declares it would have passed such portions of this Ordinance despite such invalidity, which remaining portions shall remain in full force and effect.

Section 6. Effective Date. This Ordinance shall be effective on February 1, 2012 and with publication in accordance with and as provided by law and the Town Charter.

PASSED AND APPROVED by the Town Council of the Town of Little Elm on this 15th day of November, 2011.

APPENDIX C*(Cross-reference Policy No. 2.01)***CHAPTER 142.0015 TEXAS LOCAL GOVERNMENT CODE**

Sec. 142.0015. HOURS OF LABOR AND VACATION OF MEMBERS OF FIRE AND POLICE DEPARTMENTS IN MUNICIPALITY WITH POPULATION OF MORE THAN 10,000. (a) This section applies only in a municipality with a population of more than 10,000.

(b) A fire fighter or a member of a fire department who provides emergency medical services, other than the fire chief or the assistant chief or an equivalent classification, and who is required or permitted to work more than the number of hours that bears the same ratio to 212 hours as the number of days in the work period bears to 28 days is considered to have worked overtime. The person is entitled to be compensated for the overtime as provided by Subsection (e).

(c) A member of a fire department who does not fight fires or provide emergency medical services, including a mechanic, clerk, investigator, inspector, fire marshal, fire alarm dispatcher, and maintenance worker, other than the fire chief or the assistant chief or an equivalent classification, and who is required or permitted to average more hours in a week than the number of hours in a normal work week of the majority of the employees of the municipality other than fire fighters, emergency medical service personnel, and police officers, is considered to have worked overtime. The person is entitled to be compensated for the overtime as provided by Subsection (e).

(d) In computing the hours worked in a work week or the average number of hours worked in a work week during a work cycle of a fire fighter or other member of a fire department covered by this section, all hours are counted during which the fire fighter or other member of a fire department is required to remain on call on the employer's premises or so close to the employer's premises that the person cannot use those hours effectively for that person's own purposes. Hours in which the fire fighter or other member of a fire department is required only to leave a telephone number at which that person may be reached or to remain accessible by radio or pager are not counted. In computing the hours in a work week or the average number of hours in a work week during a work cycle of a fire fighter or a member of a fire department who provides emergency medical services, vacation, sick time, holidays, time in lieu of holidays, or compensatory time may be excluded as hours worked.

(e) A fire fighter or other member of a fire department may be required or permitted to work overtime. A fire fighter or other member of a fire department, other than the fire chief or the assistant chief or an equivalent classification, who is required or permitted to work overtime as provided by Subsections (b) and (c) is entitled to be paid overtime for the excess hours worked without regard to the number of hours worked in any one week of the work cycle. Overtime hours are paid at a rate equal to 1-1/2 times the compensation paid to the fire fighter or member of the fire department for regular hours.

(f) Except as provided by Subsection (g) or (j), a police officer may not be required to work:

(1) more than 40 hours during a calendar week in a municipality that:

(A) has a population of more than one million;

(B) is not subject to Section 142.0017; and

(C) has not adopted Chapter 174; or

(2) in a municipality not described by Subdivision (1), more hours during a calendar week than the number of hours in the normal work week of the majority of the employees of the municipality other than fire fighters and police officers.

- (f-1) In determining whether a police officer is considered to have been required to work overtime for purposes of Subsection (f)(1), all hours are counted during which the police officer:
- (1) is required to remain available for immediate call to duty by continuously remaining in contact with a police department office by telephone or by radio;
 - (2) is taking any authorized leave, including attendance incentive leave, vacation leave, holiday leave, compensatory time off, jury duty, military leave, or leave because of a death in the family; and
 - (3) is considered to have worked under Subsection (h).
- (g) In the event of an emergency, a police officer may be required to work more hours than permitted by Subsection (f). An emergency is an unexpected happening or event or an unforeseen situation or crisis that calls for immediate action and requires the chief or head of the police department to order a police officer to work overtime.
- (h) An officer required to work overtime in an emergency is entitled to be compensated for the overtime at a rate equal to 1-1/2 times the compensation paid to the officer for regular hours unless the officer elects, with the approval of the governing body of the municipality, to accept compensatory time equal to 1-1/2 times the number of overtime hours. For purposes of this subsection, compensable hours of work include all hours during which a police officer is:
- (1) on duty on the premises of the municipality or at a prescribed workplace or required or permitted to work for the municipality, including pre-shift and post-shift activities that are:
 - (A) an integral part of the officer's principal activity; or
 - (B) closely related to the performance of the principal activity; and
 - (2) away from the premises of the municipality under conditions that are so circumscribed that the officer is restricted from effectively using the time for personal pursuits.
- (i) Bona fide meal periods are not counted as hours worked. For a bona fide meal period, which does not include coffee breaks or time for snacks, a police officer must be completely relieved from duty. Ordinarily, 30 minutes or more is long enough for a bona fide meal period. A period shorter than 30 minutes may be long enough for a bona fide meal period under special conditions. A police officer is not relieved from duty if the officer is required to perform any duties, whether active or inactive, during the meal period.
- (j) If a majority of police officers working for a municipality sign a written waiver of the prohibition in Subsection (f), the municipality may adopt a work schedule for police officers requiring a police officer to work more hours than permitted by Subsection (f). The officer is entitled to overtime pay if the officer works more hours during a calendar month than the number of hours in the normal work month of the majority of the employees of the municipality other than fire fighters and police officers.

Added by Acts 1989, 71st Leg., ch. 1, Sec. 24(a), eff. Aug. 28, 1989. Amended by Acts 1993, 73rd Leg., ch. 756, Sec. 1, eff. Sept. 1, 1993.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 80, Sec. 1, eff. May 14, 2007.

Acts 2007, 80th Leg., R.S., Ch. 229, Sec. 1, eff. September 1, 2007.

APPENDIX D*(Cross-reference Policy No. 4.09)***FAMILY AND MEDICAL LEAVE ACT LEAVE**

The Town provides leave to eligible employees in accordance with the Family and Medical Leave Act (FMLA). Under the FMLA, eligible employees may take up to 12 weeks of job-protected leave each year for specified family and medical reasons or 26 weeks of leave to care for an injured or ill service member.

1. FMLA Leave Runs Concurrently With Other Types of Leave. FMLA leave is typically unpaid unless the absence also qualifies for paid leave under another Town policy.

1.1 Sick Leave. If an employee has any available accrued sick leave, it must be used concurrently with any available FMLA leave, provided the employee's absence is covered by the Town's sick leave policy and the employee satisfies that policy's procedural requirements.

1.2 Vacation, Comp Time, Personal Leave & Holiday. If an FMLA-qualifying absence is not covered by the Town's sick leave policy, the following leave time will be applied and will run concurrently with any remaining FMLA leave: accrued vacation, comp time, personal leave and then holiday leave.

1.3 Disability & Workers' Comp Leave. If the employee is approved for workers' comp or short-term or long-term disability, the employee's absence from work is automatically approved for FMLA, provided he/she has met the FMLA's eligibility requirements. This means that workers' comp and short- and long-term disability absences will run concurrently with FMLA leave. Employees being paid either workers' comp salary benefits or short- or long-term disability benefits while on leave are not required to use accrued sick, personal, holiday, comp time or vacation leave while collecting workers' comp or disability benefits.

2. Employee Eligibility. To be eligible for FMLA leave, an employee must:

- Have worked for the Town for at least 12 months (need not necessarily be consecutive 12 months);
- Have worked for the Town at least 1,250 hours during the 12 months before the start of the leave; and

3. Qualifying Reasons for Leave. FMLA leave may only be taken for qualifying events and is limited to the time periods set out below.

3.1 Twelve Weeks of Leave. Eligible employees may take up to 12 weeks of FMLA leave in a single 12-month period (the Town uses a rolling 12-month period measured backward) for one or more of the following reasons:

- When the employee is unable to perform the functions of his/her job because of his/her own serious health condition;

- For the birth or placement of a child for adoption or foster care. FMLA leave for birth or placement for adoption or foster care must conclude within 12 months of the birth or placement. In addition, if an employee and the employee's spouse are both employed by the Town, both are jointly entitled to a combined total of 12 work weeks of family leave for the birth or placement of a child for adoption or foster care, or to care for a parent (but not a parent-in-law) who has a serious health condition;
- To care for a spouse, child, or parent with a serious health condition; or
- A qualifying exigency arising out of the fact that the employee's spouse, child, or parent is a covered military member on active duty (or has been notified of an impending call or order to active duty) in support of a contingency operation.

3.2 Twenty-Six Weeks of Leave. Eligible employees may take up to 26 weeks of FMLA leave in a single 12-month period to care for a covered service member (*i.e.*, the employee's spouse, child, parent, or next of kin) with a serious injury or illness incurred in the line of duty while on active duty in the Armed Forces. If an employee and the employee's spouse are both employed by the Town, both are jointly entitled to a combined total of 26 work weeks of leave during a single 12-month period.

3.3 Maximum Amount of Leave. The maximum amount of FMLA leave available is 12 weeks during a 12-month period or 26 weeks in a single 12-month period to care for an injured or ill service member even if there are multiple FMLA qualifying events.

4. Employee's Notification Responsibilities. Employees must give the Town sufficient information so that it can make a determination as to whether the employee's absence is FMLA-qualifying. If an employee fails to explain the reasons, leave may be denied. Employees must also indicate on their time records when an absence or tardy is or may be covered by FMLA. Any absence or illness that results in more than three days' absence must be reported to the FMLA Coordinator in the Town's Human Resources Department.

4.1 At Least 30 Days Notice Required for Foreseeable Leave. Employees must provide their Department Director or the Human Resources Department with at least 30 days' advance notice when the need for FMLA leave is foreseeable.

4.2 Notice as Soon as Practicable for Unforeseeable or Emergency Leave. If the need for FMLA leave is not foreseeable, employees must provide their Department Director or the Human Resources Department with as much advance notice as practicable, in accordance with their Department's normal call-in procedures. The employee must also provide an explanation as to why he/she was unable to provide at least 30 days' advance notice of the need for leave.

4.3 Content of Notice. Employees must provide the Town with at least verbal notice and explain the reasons for the needed leave sufficient to allow the Town to determine if

the absence is FMLA-qualifying, and the anticipated timing and duration of the leave, if known. If the employee has previously taken FMLA leave for the same reason, he/she must specifically reference the qualifying reason for leave or the need for FMLA leave. The Town may seek additional information from the employee, and the employee is obligated to respond to the Town's questions so the Town can determine if an absence is potentially FMLA-qualifying. The employee must notify the Town as soon as practicable if the dates of his/her scheduled leave change or are extended, or where initially unknown.

4.4 Compliance With Town's Call-In Procedures. Employees must comply with their Department's normal call-in procedures for reporting absences, tardiness and requesting leave, *e.g.*, contacting a specific supervisor by a certain time. Notice may be given by the employee's spokesperson only if the employee is physically unable to do so personally. Where an employee does not comply with the Town's and Department's normal call-in procedures and no unusual circumstances justify the failure to comply, FMLA-protected leave may be delayed or denied.

4.5 Consequences for Failing to Provide Required Notice. If the employee fails to timely explain the reasons for his/her need for leave, FMLA leave may be denied or delayed for up to 30 days. The employee may also be subject to disciplinary action in accordance with Town policy. Likewise, if an employee fails to respond to the Town's reasonable inquiries regarding a leave request, the employee may not be granted FMLA leave protection.

4.6 Scheduling Planned Medical Treatment. When an employee intends to take leave for planned medical treatment for him/herself or for his/her spouse, child or parent, the employee is ordinarily expected to consult with his/her supervisor and try to schedule the treatment so as not to disrupt unduly the Town's operations, subject to the approval of the treating health care provider. This should be done prior to the scheduling of treatment in order to work out a treatment schedule which best suits the needs of both the employee and the Town.

4.7 Periodic Check-In While on FMLA. Employees must check in periodically with their supervisor and with the Human Resources Department regarding their status and intent to return to work. If the employee discovers that the amount of leave originally anticipated is no longer necessary, the employee must provide the Town with reasonable notice (*i.e.*, within two business days) of the changed circumstances if foreseeable.

5. *Town's Responsibilities.*

5.1 Human Resources Department. The Human Resources Department is responsible for the verification, approval and notification of FMLA leave. The Human Resources Department may place an employee on FMLA leave if it determines that a qualifying event has occurred.

a. **Eligibility Notice.** The Human Resources Department will notify an employee of his/her eligibility to take FMLA within five business days (absent extenuating circumstances) of its receipt of the employee's request for FMLA leave (or from when the Town otherwise determines that an employee's absence may be FMLA-qualifying). Employee eligibility is determined (and notice will be provided) at the commencement of the first instance of leave for each FMLA-qualifying reason in the applicable 12-month period. Notification may be oral or in writing, but the Town will normally use FMLA Form #1 to provide the employee with Eligibility Notice. If an employee's eligibility status changes, the Human Resources Department will so notify the employee within five business days, absent extenuating circumstances.

b. **Rights & Responsibilities Notice.** The Human Resources Department will provide employees with a notice (FMLA Form #1) detailing the Town's specific expectations, the employee's obligations, and consequences to the employee of not meeting his/her obligations. The Human Resources Department will provide this notice each time it provides the Eligibility Notice described above. The required certification form will accompany this notice. If any of the specific information in the Rights & Responsibilities Notice changes, the Human Resources Department will notify the employee within five business days of its receipt of the employee's first notice of need for leave subsequent to any change.

c. **Designation Notice.** When the Human Resources Department has enough information to determine if an absence is FMLA-qualifying (*e.g.*, after receiving the employee's fully completed Certification), the Human Resources Department will notify the employee in writing (FMLA Form #2) as to whether the leave will or will not be designated as FMLA. This Designation Notice will be given to the employee within five business days, absent extenuating circumstances. If the information in the Designation Notice changes, the Human Resources Department will notify the employee within five business days of the Town's receipt of the employee's first notice of need for leave subsequent to any change.

d. **Certification Forms & Other Required Documentation.** The Human Resources Department is responsible for determining the completeness and authenticity of certification forms, fitness-for-duty/return to work certifications, and for review and coordination of all other FMLA documentation required by this policy.

5.2 Supervisors & Department Directors. So that the Human Resources Department can meet the notice deadlines required by the FMLA, supervisors must immediately notify both their Department Director and the Human Resources Department if they have reason to believe an employee's absence is due to an FMLA-covered reason. Supervisors must make this report even if the employee is using paid time off to cover the absence, *e.g.*, sick leave, comp time, vacation, holiday, workers' comp, short- or long-term disability, or a trade with another employee. Supervisors and Department Directors must report to Human Resources any time an employee misses work for more than three

days because of his/her own illness or injury or that of a spouse, child or parent. Supervisors, it is important to remember that under the FMLA, an employee requesting paid or unpaid leave for an absence covered by the FMLA is not required to expressly mention FMLA. If the employee states a reason that qualifies for FMLA leave, the employee will likely have met the FMLA's notice requirements. When an employee submits a leave/absence from indicating an FMLA absence, the form must be sent to the Human Resources Department immediately.

6. Medical Certifications and Other Required Documentation. In all instances in which the Town requests a certification from an employee, it is the employee's responsibility to provide the Human Resources Department with a complete and sufficient certification; failure to do so may result in the denial or delay of FMLA leave.

6.1 Certification. An employee must provide the Human Resources Department with a complete and sufficient medical certification supporting the need for FMLA leave due to a serious health condition affecting the employee (FMLA Form #3), his/her spouse, child or parent (FMLA Form #4), or due to the serious injury or illness of a covered service member (FMLA Form #5). The required medical certification forms are available from the Human Resources Department. The certification must set forth the beginning and expected ending dates of the leave. In the case of intermittent leave, the certification must also provide the dates and duration of the treatments necessitating the intermittent leave. The employee is responsible for any expenses associated with providing the Town with a required certification. The employee must turn in the required certification to the Human Resources Department within 15 days after it is requested, unless not practicable under the circumstances.

6.2 Second & Third Opinions. In some cases, the Town may require a second or third medical opinion (at the Town's expense). The Town will not require second or third opinions in the case of leave to care for a covered service member.

6.3 Recertification. Employees may be asked to periodically recertify the need for FMLA. The Town will not, however, require second or third opinions in the case of leave to care for a covered service member. The recertification must be provided within 15 days or as soon as practicable under the particular facts and circumstances. The employee is responsible for any expenses associated with providing the Town with any required recertification.

a. 30-day rule. The Town will request recertification no more than every 30 days and only in connection with an absence by the employee unless paragraphs b or c below applies.

b. More than 30 days. If the certification indicates that the minimum duration of the condition is more than 30 days, the Town will wait until that minimum duration expires before requiring a recertification, unless paragraph c below applies. If the minimum duration of a serious health condition extends beyond six months, the Town may nevertheless

request a recertification every six months in connection with an employee's absence.

c. Less than 30 days. The Town may request recertification in less than 30 days if the employee requests an extension of leave, circumstances described by the previous certification have changed significantly (*e.g.*, the duration or frequency of the absence, the nature or severity of the illness, complications, a pattern of unscheduled absences), or the Town receives information that casts doubt upon the employee's stated reason for the absence or the continuing validity of the certification.

d. Annual Medical Certifications. If a serious health condition lasts beyond a single leave year, the Town may require the employee to provide a new medical certification in each subsequent leave year.

6.4 Fitness-for-Duty/Return to Work Certification. Employees must submit a "fitness-for-duty" certification before they can return to work if FMLA leave is a result of the employee's own serious health condition. (The Town may provide an FMLA form for this purpose.) The fitness for duty/return to work certification must specifically address the employee's ability to perform his/her essential job functions set out in the Town's Designation Notice, but is limited to the particular health condition that caused the employee's need for FMLA leave. The employee is responsible for any expenses associated with providing the Town with a required fitness for duty/return to work certification and is not entitled to be paid for the time or travel costs spent in acquiring the certification. The Human Resources Department (or other DOL authorized person) may contact the employee's health care provider for purposes of clarifying and authenticating the fitness-for-duty/return to work certification; the Town will not delay the employee's return to work while such contact with the health care provider is being made. The Town will not require second or third opinions of fitness-for-duty certifications. An employee who fails to timely provide the Town with this certification will not be allowed to return to work; an employee who does not provide the required fitness-for-duty certification or request additional FMLA leave is no longer entitled to reinstatement and may be terminated.

While the Town will not require a fitness-for-duty certification to return to duty for each absence taken on intermittent or reduced leave schedule, it will require such a certification up to once every 30 days if reasonable safety concerns (*i.e.*, a reasonable belief of significant risk of harm to the employee or others) exist as to the employee's ability to perform his/her duties, based on the serious health condition for which the employee took leave.

6.5 Failure to Provide Certifications & Deficient Certifications. If an employee fails to provide a required certification within 15 days after the Town requests it, the Town may deny leave until the certification is provided. If the employee never produces the certification or recertification, the employee is not eligible for FMLA protections. If the certification is incomplete or insufficient, the Human Resources Department will

notify the employee, in writing, and advise the employee what additional information is required. The Town will provide the employee with seven additional days to cure any deficiency. If the deficiencies are not cured with the seven-day deadline, the Town may deny the taking of FMLA leave. The Human Resources Department (or other DOL authorized person) may contact the health care provider for purposes of clarification and authentication after giving the employee the opportunity to cure any deficiencies.

6.6 Documenting Family Relationships. If an employee elects to take FMLA leave in order to care for a qualifying family member or to care for a covered service member, the employee may be required to provide reasonable documentation confirming the family relationship.

7. Certifications for Qualified Exigency Leave.

7.1 Active Duty Orders. The first time an employee requests leave because of a qualifying exigency arising out of the active duty or call to active duty status of a covered military member, the employee must provide a copy of the covered military member's active duty orders or other documentation issued by the military which indicates that the covered military member is on active duty or call to active duty status in support of a contingency operation, and the dates of the active duty service.

7.2 Certification Form. The employee must complete and submit to the Human Resources Department the appropriate certification form (FMLA Form #6) in support of his/her need for leave. This form must usually be turned in within 15 days after the Town requests it.

7.3 Verification. If the qualifying exigency involves meeting with a third party, the Human Resources Department (or other DOL authorized person) may contact the individual or entity with whom the employee is meeting for purposes of verifying a meeting or appointment, and the nature of the meeting. The Town may also contact an appropriate unit of the Department of Defense to request verification of active duty or call to active duty status.

7.4 Denial or Delay of Leave. Exigency leave may be delayed or denied if the employee fails to turn in the required certification within 15 days. If the certification is incomplete or insufficient, the Human Resources Department will notify the employee, in writing, and advise the employee what additional information is required. The Town will provide the employee with seven additional days to cure any deficiency. If deficiencies are not cured with the seven-day deadline, the Town may deny the taking of FMLA leave.

8. Intermittent & Reduced Leave Schedule. An eligible employee may take FMLA leave on an intermittent or reduced schedule basis only if medically necessary, because of a qualifying exigency, for planned medical treatment, or as otherwise approved by the Department Director.

8.1 Notice. The employee must inform the Town of the reasons why the intermittent or reduced leave schedule is necessary and of the schedule for treatment if necessary.

8.2 Scheduling Planned Medical Treatment. When an employee intends to take leave for planned medical treatment for him/herself or for his/her spouse, child or parent, the employee is ordinarily expected to consult with his/her supervisor and try to schedule the treatment so as not to disrupt unduly the Town's operations, subject to the approval of the treating health care provider. This should be done prior to the scheduling of treatment in order to work out a treatment schedule which best suits the needs of the both the employee and the Town.

8.3 Temporary Transfer. The Town may temporarily transfer the employee to an alternative position (with equivalent pay and benefits, but not necessarily equivalent duties) in order to better accommodate an employee's intermittent or reduced leave schedule.

8.4 Minimum Increments. Intermittent leave will be counted in increments no greater than the shortest period of time used by the Town to account for use of other types of leave, up to a maximum increment of one hour.

8.5 Exempt Employees. Exempt employees using unpaid intermittent or reduced schedule FMLA leave may be docked for absences of less than a day without jeopardizing their exempt status under the Fair Labor Standards Act (FLSA). This special exception to the "salary basis" requirement for the FLSA's exemptions extends only to an eligible employee's use of leave required by the FMLA.

9. Benefits During FMLA Leave.

9.1 Group Health Insurance. During any period of FMLA leave, the Town will continue to pay its portion, if any, of any group health insurance coverage for the employee on the same terms as if the employee had continued to work. Where applicable, the employee must timely pay his or her share of health insurance premiums while on FMLA leave. The Town will advise the employee of the terms and conditions for making such payments. Failure to pay premiums in a timely manner will result in cancellation of group health coverage. The Town may recover premiums it paid to maintain health coverage for an employee who fails to return to work from FMLA leave, unless the employee is unable to return due to a serious health condition, the serious injury or illness of a covered service member, or another reason beyond the employee's control. Medical certification is required under such circumstances.

9.2 Other Benefits. The employee's use of FMLA leave will not result in the loss of any employment benefit that accrued prior to the start of the employee's leave, and seniority will not be affected. However, benefit accruals, such as vacation and sick leave, will be suspended during any unpaid leave.

9.3 Holidays. When an employee takes a full work week of FMLA leave and a holiday occurs within the week, the week is counted as a full week of FMLA leave. If, however, an employee uses FMLA in increments of less than a week, the intervening holiday does not count against the employee's FMLA entitlement unless the employee was otherwise scheduled and expected to work on the holiday. Employees on FMLA leave are not normally paid for holidays.

9.4 TMRS. Employee contributions to TMRS may be made on a voluntary basis through a special arrangement with the Town while an employee is in a leave without pay status. It is the employee's responsibility to initiate such an arrangement by timely contacting the Town's Human Resources Department and completing the necessary paperwork.

10. Job Restoration After FMLA Leave. Upon return from FMLA leave, an employee will normally be restored to his/her original job or to an equivalent job with equivalent pay, benefits, and other terms and conditions. An employee, however, has no greater right to reinstatement than if he/she had been continuously employed during the period of FMLA leave. Further, the Town may delay restoration to employees who fail to timely provide a fitness-for-duty certification to return to work.

10.1 Key Employees. Under certain circumstances the Town is not required to reinstate "key" employees. Certain highly compensated key employees may be denied reinstatement when necessary to prevent "substantial and grievous economic injury" to the Town's operations. A "key" employee is a salaried eligible employee who is among the highest paid 10 percent of employees within 75 miles of the worksite. An employee will be notified of his/her status as a key employee, when applicable, after requesting FMLA leave.

11. Other Employment During FMLA Prohibited. Under no circumstances may an employee on FMLA leave, sick leave, disability leave, or workers' compensation leave engage in outside employment unless expressly authorized in writing in advance by the Department Director and Town Manager.

12. Fraud. An employee who fraudulently obtains FMLA leave is not protected by the FMLA's job restoration or maintenance of health benefits provisions. Further, an employee who commits fraud will likely be terminated from Town employment.

13. FMLA Statute and DOL Regulations. More detailed provisions and definitions of some of the terms used in this policy are set out in the Act and in the DOL's regulations. This policy is intended to explain benefits available to eligible employees under the FMLA. It is not intended to create any rights to leave beyond those created by the FMLA. If additional information is needed on the FMLA, please contact the Human Resources Department. The Town will refer to the Act and the applicable DOL regulations in carrying out this policy, as well as any relevant court interpretations and decisions. This policy does not affect any federal or state law prohibiting discrimination or supersede any state or local law or collective bargaining

agreement, which provides greater family or medical leave rights. When an employee gives notice of the need for FMLA leave, the employee will be given additional information as to his/her rights and responsibilities under the FMLA. In addition, employees may contact the nearest office of the U.S. Department of Labor's Wage & Hour Division or the Department of Labor's website for more information.

14. Mandatory Reporting of Improper Handling of FMLA. Employees must immediately report, in writing, to their Department Director or the Human Resources Department, the following so that the Town can investigate and respond appropriately:

- Any interference with, restraint or denial of the employee's right to take FMLA or any rights protected by the FMLA or this policy.
- Any discrimination or perceived acts of discrimination against the employee for any right protected by the FMLA or this policy.
- Any refusal by a supervisor to authorize FMLA leave, or attempt to discourage an employee from taking FMLA leave.
- Any attempt to avoid the Town's FMLA responsibilities.
- Discrimination or retaliation against an employee for exercising or attempting to exercise FMLA rights.
- Discrimination or retaliation against an employee for opposing or complaining about any unlawful practice under the Act or this policy

15. Definitions. More detailed definitions of some of the terms used in this policy are set out in the Act and in the DOL's regulations.

15.1 12-Month Period for Covered Service Members - The 12-month leave period for calculating leave to care for a covered service member with a serious injury or illness is the 12-month period measured forward from the date an employee's first FMLA leave to care for the covered service member begins. During this 12-month period, the maximum FMLA leave an employee may take – for any qualifying reason – is limited to a combined total of 26 weeks.

15.2 12-Month Period for All Other FMLA Leave - To determine eligibility for all other leave, the Town uses a rolling 12-month period measured backward from the date of any FMLA leave.

15.3 Health Care Provider (HCP) – Means a doctor of medicine or osteopathy who is authorized to practice medicine or surgery (as appropriate) by the State in which the doctor practices; or any other person determined by the Secretary of Labor to be capable of providing health care services.

15.4 Next of Kin of a Covered Service Member – Means the nearest blood relative other than the covered service member's spouse, parent, or child in the priority established by the DOL.

15.5 Incapacity– Means the inability to work, attend school, or perform other regular

daily activities.

15.6 Serious Health Condition - For purposes of this policy, a "serious health condition" means an illness, injury, impairment, or physical or mental condition that involves:

15.6.1. Inpatient care – an overnight stay in a hospital, hospice, or residential medical care facility, including any period of incapacity or any subsequent treatment in connection with such inpatient care; or

15.6.2. Continuing treatment by a health care provider (HCP) - includes one or more of the following:

- a. Incapacity & Treatment** - a period of incapacity of more than three consecutive, full calendar days, and any subsequent treatment or period of incapacity relating to the same condition that also involves treatment: (i) two or more times (within 30 days of the first day of incapacity, unless extenuating circumstances exist), by a HCP or under direct supervision of, under orders of, or on referral by, a HCP, or (ii) by a HCP on at least one occasion which results in a regimen of continuing treatment under supervision of the HCP. The first (or only) in-person treatment visit must take place within 7 days of the first day of incapacity.
- b. Pregnancy & Prenatal care** - any period of incapacity due to pregnancy, or for prenatal care;
- c. Chronic Conditions** - any period of incapacity or treatment for such incapacity due to a chronic serious health condition which (i) requires periodic visits (at least twice a year) for treatment by, or under the direct supervision of a HCP, or (ii) continues over an extended period of time (including recurring episodes of a single underlying condition); and (iii) may cause episodic rather than a continuing period of incapacity (*e.g.*, asthma, diabetes, epilepsy, etc.);
- d. Permanent or Long-Term Conditions** - a period of incapacity which is permanent or long-term due to a condition for which treatment may not be effective (*e.g.*, Alzheimer's, a severe stroke, or the terminal stages of a disease);
- e. Conditions Requiring Multiple Treatments** - any period of absence to receive multiple treatments (including any period of recovery there from) by, or under the supervision of, under orders of, or on referral by, a HCP either for restorative surgery after an accident or other injury, or for a condition that would likely result in a period of incapacity of more than three consecutive, full calendar days in the

absence of medical intervention or treatment (*e.g.*, chemo or radiation for cancer, physical therapy for severe arthritis, or dialysis for kidney disease).

Unless complications arise, the common cold, the flu, earaches, upset stomach, minor ulcers; headaches (other than migraines), routine dental or orthodontia problems, and periodontal disease are not serious health conditions. In addition, routine physicals, eye examinations, and dental examinations are not considered treatment.

15.7 Qualifying Exigency – this term includes issues arising from short-term deployments of seven or less calendar days prior to the date of the deployment; military events and related activities such as official ceremonies and programs sponsored by the military and to attend family support or assistance programs and informational briefings; childcare and school activities; financial and legal arrangements; counseling; rest and recuperations; post-deployment activities; and additional activities arising out of the covered military member's active duty or call to active duty status if the employee and the Town agree that such leave qualifies as an exigency, and agree to both the timing and duration of the leave.

APPENDIX E

S.B. No. 321

AN ACT

relating to an employee's transportation and storage of certain firearms or ammunition while on certain property owned or controlled by the employee's employer.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 52, Labor Code, is amended by adding Subchapter G to read as follows:

SUBCHAPTER G. RESTRICTIONS ON PROHIBITING EMPLOYEE TRANSPORTATION OR STORAGE OF CERTAIN FIREARMS OR AMMUNITION

Sec. 52.061. **RESTRICTION ON PROHIBITING EMPLOYEE ACCESS TO OR STORAGE OF FIREARM OR AMMUNITION.** A public or private employer may not prohibit an employee who holds a license to carry a concealed handgun under Subchapter H, Chapter 411, Government Code, who otherwise lawfully possesses a firearm, or who lawfully possesses ammunition from transporting or storing a firearm or ammunition the employee is authorized by law to possess in a locked, privately owned motor vehicle in a parking lot, parking garage, or other parking area the employer provides for employees.

Sec. 52.062. **EXCEPTIONS.**

(a) Section 52.061 does not:

(1) authorize a person who holds a license to carry a concealed handgun under Subchapter H, Chapter 411, Government Code, who otherwise lawfully possesses a firearm, or who lawfully possesses ammunition to possess a firearm or ammunition on any property where the possession of a firearm or ammunition is prohibited by state or federal law; or

(2) apply to:

(A) a vehicle owned or leased by a public or private employer and used by an employee in the course and scope of the employee's employment, unless the employee is required to transport or store a firearm in the official discharge of the employee's duties;

(B) a school district;

(C) an open-enrollment charter school, as defined by Section 5.001, Education Code;

(D) a private school, as defined by Section 22.081, Education Code;

(E) property owned or controlled by a person, other than the employer, that is subject to a valid, unexpired oil, gas, or other mineral lease that contains a provision prohibiting the possession of firearms on the property; or

(F) property owned or leased by a chemical manufacturer or oil and gas refiner with an air authorization under Chapter 382, Health and Safety Code, and on which the primary business conducted is the manufacture, use, storage, or transportation of hazardous, combustible, or explosive materials, except in regard to an employee who holds a license to carry a concealed handgun under Subchapter H, Chapter 411, Government Code, and who stores a firearm or ammunition the employee is authorized by law to possess in a locked, privately owned motor vehicle in a parking lot, parking garage, or other parking area the employer provides for employees that is outside of a secured and restricted area:

(i) that contains the physical plant;

(ii) that is not open to the public; and

(iii) the ingress into which is constantly monitored by security personnel.

(b) Section 52.061 does not prohibit an employer from prohibiting an employee who holds a license to carry a concealed handgun under Subchapter H, Chapter 411, Government Code, or who otherwise lawfully possesses a firearm, from possessing a firearm the employee is otherwise authorized by law to possess on the premises of the employer's business. In this subsection, "premises" has the meaning assigned by Section 46.035(f)(3), Penal Code.

Sec. 52.063. **IMMUNITY FROM CIVIL LIABILITY.**

(a) Except in cases of gross negligence, a public or private employer, or the employer's principal, officer, director, employee, or agent, is not liable in a civil action for personal injury, death, property damage, or any other damages resulting from or arising out of an occurrence involving a firearm or ammunition that the employer is required to allow on the employer's property under this subchapter.

(b) The presence of a firearm or ammunition on an employer's property under the authority of this subchapter does not by itself constitute a failure by the employer to provide a safe workplace.

(c) For purposes of this section, a public or private employer, or the employer's principal, officer, director, employee, or agent, does not have a duty:

(1) to patrol, inspect, or secure:

(A) any parking lot, parking garage, or other parking area the employer provides for employees; or

- (B) any privately owned motor vehicle located in a parking lot, parking garage, or other parking area described by Paragraph (A); or
- (2) to investigate, confirm, or determine an employee's compliance with laws related to the ownership or possession of a firearm or ammunition or the transportation and storage of a firearm or ammunition.

Sec. 52.064. CONSTRUCTION OF PROVISION RELATING TO IMMUNITY FROM CIVIL LIABILITY. Section 52.063 does not limit or alter the personal liability of:

- (1) an individual who causes harm or injury by using a firearm or ammunition;
- (2) an individual who aids, assists, or encourages another individual to cause harm or injury by using a firearm or ammunition; or
- (3) an employee who transports or stores a firearm or ammunition on the property of the employee's employer but who fails to comply with the requirements of Section 52.061.

SECTION 2. Section 411.203, Government Code, is amended to read as follows:

Sec. 411.203. RIGHTS OF EMPLOYERS. This subchapter does not prevent or otherwise limit the right of a public or private employer to prohibit persons who are licensed under this subchapter from carrying a concealed handgun on the premises of the business. In this section, "premises" has the meaning assigned by Section 46.035(f)(3), Penal Code.

SECTION 3. The change in law made by this Act applies only to a cause of action that accrues on or after the effective date of this Act. A cause of action that accrues before that date is governed by the law as it existed immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 4. This Act takes effect September 1, 2011.

APPENDIX F
(Cross-reference Policy No. 6.06)
CHAPTER 180.001 TEXAS LOCAL GOVERNMENT CODE

Section 180.001,

(a) An individual commits an offense if the individual coerces a police officer or a fire fighter to participate or to refrain from participating in a political campaign.

(b) An offense under this section is a misdemeanor and is punishable by a fine of not less than \$500 or more than \$2,000, confinement in the county jail for not more than two years, or both a fine and confinement.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

APPENDIX G
(Cross-reference Policy No. 6.11)
CHAPTER 614.021-023 TEXAS GOVERNMENT CODE

Sec. 614.021. APPLICABILITY OF SUBCHAPTER. (a) Except as provided by Subsection (b), this subchapter applies only to a complaint against:

- (1) a law enforcement officer of the State of Texas, including an officer of the Department of Public Safety or of the Texas Alcoholic Beverage Commission;
- (2) a fire fighter who is employed by this state or a political subdivision of this state;
- (3) a peace officer under Article 2.12, Code of Criminal Procedure, or other law who is appointed or employed by a political subdivision of this state; or
- (4) a detention officer or county jailer who is appointed or employed by a political subdivision of this state.

(b) This subchapter does not apply to a peace officer or fire fighter appointed or employed by a political subdivision that is covered by a meet and confer or collective bargaining agreement under Chapter 143 or 174, Local Government Code, if that agreement includes provisions relating to the investigation of, and disciplinary action resulting from, a complaint against a peace officer or fire fighter, as applicable.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Amended by: Acts 2005, 79th Leg., Ch. 507, Sec. 1, eff. September 1, 2005.

Sec. 614.022. COMPLAINT TO BE IN WRITING AND SIGNED BY COMPLAINANT. To be considered by the head of a state agency or by the head of a fire department or local law enforcement agency, the complaint must be:

- (1) in writing; and, (2) signed by the person making the complaint.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Amended by: Acts 2005, 79th Leg., Ch. 507, Sec. 1, eff. September 1, 2005.

Sec. 614.023. COPY OF COMPLAINT TO BE GIVEN TO OFFICER OR EMPLOYEE. (a) A copy of a signed complaint against a law enforcement officer of this state or a fire fighter, detention officer, county jailer, or peace officer appointed or employed by a political subdivision of this state shall be given to the officer or employee within a reasonable time after the complaint is filed.

(b) Disciplinary action may not be taken against the officer or employee unless a copy of the signed complaint is given to the officer or employee.

(c) In addition to the requirement of Subsection (b), the officer or employee may not be indefinitely suspended or terminated from employment based on the subject matter of the complaint unless:

- (1) the complaint is investigated; and
- (2) there is evidence to prove the allegation of misconduct.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Amended by: Acts 2005, 79th Leg., Ch. 507, Sec. 1, eff. September 1, 2005.

APPENDIX H

TOWN CHARTER

CHAPTER ONE

INCORPORATION AND BOUNDARIES

SECTION 1.01 INCORPORATION

All inhabitants of the Town of Little Elm, Denton County, Texas, as the boundaries and limits of said Town have heretofore been established and now exist, or may hereafter be established, shall constitute a municipal body politic incorporated under and known by the name "Town of Little Elm" with such powers, rights, duties, privileges, and immunities as are herein provided.

SECTION 1.02 BOUNDARIES AND LIMITS

The boundaries and limits of the Town of Little Elm shall be those as established and described in ordinances duly passed by the Town Council of the Town of Little Elm in accordance with state law. The Town Secretary shall at all times keep a correct and complete description and official map of the Town's boundaries on file, with recent annexations and disannexations being shown on said map.

SECTION 1.03 ANNEXATIONS AND DISANNEXATIONS

The Town may from time to time alter its boundaries by annexing or disannexing territory in any size or shape desired in any manner provided by state law, with or without consent of the owners of such territory or the inhabitants thereof. Any additional territory annexed to the Town shall be a part of the Town for all purposes, and the property situated therein shall bear its pro rata part of the taxes levied by the Town as provided by state law. The inhabitants thereof shall be entitled to all rights and privileges of all citizens and shall be bound by the acts, ordinances, and resolutions of the Town. Whenever, in the opinion of the Town Council, there exists within the corporate limits of the Town any territory, either inhabited or uninhabited, not suitable or necessary for Town purposes, or upon a petition signed by a majority of the qualified voters residing in said inhabited territory, the Council may, upon a public hearing and by ordinance duly passed, discontinue said territory as part of the Town. The Town shall comply with all applicable procedural rules and notice requirements set forth in state law.

CHAPTER TWO

FORM OF GOVERNMENT AND POWERS

SECTION 2.01 FORM OF GOVERNMENT

Municipal government for the Town of Little Elm shall be a "council-manager government." Except as otherwise provided by this Charter and the Constitution and laws of the State of Texas, all powers conferred on the Town shall be exercised by a Town Council to be composed of a Mayor and six (6) Council Members in places 1, 2, 3, 4, 5 and 6 elected by qualified voters for a term of three (3) years, with the exception of Council Members in places 2, 3, 4 and 5, which shall be elected by the qualified voters of each of the respective Council districts as provided for in Chapter 3. The Mayor and Council Members in places 1 and 6 shall be elected by the qualified voters of the Town at-large.

SECTION 2.02 POWERS OF THE TOWN

The Town of Little Elm shall be a Home Rule Town under the Constitution and laws of the State of Texas and shall have all powers, functions, rights, privileges and immunities of every kind and nature granted to a Home Rule Town under Article XI, Section 5, of the Constitution of the State of Texas, known as the Home Rule Amendment, and all other laws passed by the Legislature of the State of Texas relating thereto, or which may hereafter be passed by said Legislature in relation to such matters including, but not limited to, the following powers:

- 1) To assess, levy, and collect taxes for general and special purposes on all lawful subjects of taxation.
- 2) To fix and regulate the rates of gas, water, electricity, and other utilities, and to regulate and fix the fares, tolls, and charges of local telephones and exchanges, public carriers and motor vehicles where they are transporting passengers, freight or baggage,

and generally to fix and regulate the rates, tolls, or charges and the kind of service of all public utilities of every kind, unless otherwise required by state law.

- 3) To sue and be sued, to contract and be contracted with, to buy, sell, lease, mortgage, hold, manage, and control such property as its interests require.
- 4) To make and enforce all police, health, sanitary and other regulations, and pass such ordinances as may be expedient for maintaining and promoting the peace, good government and welfare of the Town, for the performance of the functions thereof, for the order and security of its inhabitants, and to protect the peace, lives, health, and property of such inhabitants, and to provide suitable penalties for the violation of any ordinance enacted by the Town.
- 5) To borrow money on the faith and credit of the Town by the issue or sale of bonds, warrants, certificates of obligation, notes or other securities authorized by the laws of the State of Texas.
- 6) To acquire, by purchase, gift or devise, or by the exercise of the right of condemnation, and own, in fee simple or otherwise, either public or private property located inside or outside of the corporate limits of the Town, for the extension, improvement and enlargement of its waterworks system, including riparian rights, water supply reservoirs, stand pipes, watersheds, dams, the laying, building, maintenance and construction of water mains, rights-of-way in connection therewith, and the laying, erection, establishment or maintenance of any necessary appurtenance or facilities which will furnish to the inhabitants of the Town an abundant supply of wholesome water; for sewerage plants and systems; right-of-way for water and sewer lines; parks, playgrounds, fire stations, police stations, incinerators or other garbage disposal plants; streets, boulevards, and alleys or other public ways; municipal buildings, garages and parking facilities, or any rights-of-way needed in connection with any property used for any purpose hereinabove named; for the straightening or improving of the channel of any stream, branch or drain or for any other municipal purpose.
- 7) To institute and prosecute suits without giving security therefore, and appeal from judgments of the courts without giving supersedeas or cost bonds, other bonds or security whatever.
- 8) To have the exclusive right to erect, own, maintain and operate a waterworks and sanitary system for the use of said Town and its inhabitants and to regulate the same, including the right to prescribe rates for water and sanitary sewer services, and to make such rules and regulations as the Town Council may deem expedient, including the power to extend water and sanitary sewer lines and assess a portion or all of the cost therefore and affix a lien against the property and the owner thereof, and do anything whatsoever necessary to operate and maintain said waterworks and to compel the owners of all property and the agents of such owners to pay all charges for water and sanitary sewer services furnished.
- 9) To acquire property within or without its boundaries or within boundaries of other municipalities for any public purpose, in fee simple or lesser interest or estate, by purchase, gift, devise, lease or condemnation when necessary or desirable to carry out any of the powers conferred upon it by this Charter or by the Constitution and the laws of the State of Texas.
- 10) To lay out, open, close, establish, alter, widen, lower, extend, grade, supervise, maintain, and improve streets, alleys, and parks, and to regulate the use thereof and require removal of all obstructions or encroachments of every nature and character upon said public streets, sidewalks or other public property.
- 11) To create offices, determine the method for selection of officers, and prescribe the qualifications, duties, and tenure of office for officers.
- 12) To appropriate the money of the Town for all lawful purposes to create, provide for, construct, regulate and maintain public works, public improvements of any nature, economic development and to furnish municipal services as may be provided by resolution or ordinance of the Town Council, or as required by law.

SECTION 2.03 POWERS – GENERAL

The enumeration of particular powers in the Charter shall not be held or deemed to be exclusive, but in addition to the powers enumerated herein, implied thereby or appropriate to the exercise thereof, the Town shall have and may exercise all other powers that exist now or may be granted to municipalities by the Constitution and laws of the State of Texas, together with all of the implied powers necessary to carry into execution such powers.

CHAPTER THREE TOWN COUNCIL

SECTION 3.01 MAYOR

The person elected Mayor shall be the presiding officer of all meetings of the Town Council. The Mayor shall be the official head of the Town government and be able to vote on all matters coming before the Council.

SECTION 3.02 QUALIFICATIONS

Each candidate for election to the Town Council or office of Mayor shall be a qualified voter of the Town, shall be not less than twenty-one (21) years of age, shall have resided in the Town not less than twelve (12) months immediately preceding election day, shall meet the requirements of the Texas Election Code, and shall not, after notice of any delinquency, be in arrears in the payment of any taxes or other

liabilities due the Town. Each Council Member and the Mayor must continually reside within the Town during such officer's term of office, and any removal of the officer's residence from the Town during his or her term of office shall constitute a vacation of his or her office, and such vacancy shall be filled as provided in Section 3.05.

Candidates for Mayor and Council Members in Place 1 and Place 6 may be residents of any portion of the Town. Council Members for Place 2, 3, 4 and 5 must reside in, and be elected from the district for which the specific place applies. The Town Council, by ordinance, shall establish the district boundaries for Place 2, 3, 4 and 5. The district boundaries shall be equal in population as practical and reviewed and updated by the Town Council every four (4) years.

SECTION 3.03 LIMITATION ON SUCCESSIVE TERMS

No person shall serve as Mayor for more than two (2) successive terms, and no person shall serve as Council Member for more than two (2) successive terms. A term of office shall be for a period of three (3) years or any portion thereof.

SECTION 3.04 COMPENSATION

Members of the Town Council shall be entitled to reimbursement of all necessary and reasonable expenses incurred in the performance of their official Town Council duties as may be authorized by the Town Council. The Mayor and each Council Member shall receive compensation in the amount of \$25.00 for each regular or special meeting of the Town Council attended.

SECTION 3.05 VACANCIES IN THE TOWN COUNCIL; FILLING OF VACANCIES

The office of a Council Member or office of the Mayor shall become vacant upon the official's death, resignation, or removal from office in any manner authorized by law, removal of the official's residence from the Town of Little Elm or forfeiture of the official's office.

A Council Member or the Mayor shall forfeit his or her office if the official lacks at any time during the official's term of office any qualification for the office prescribed by this Charter or by State law, or if the official violates any express prohibition of this section or any other provision of this Charter, or if the official fails to attend three (3) consecutive regular Town Council meetings without being excused by the Town Council. The Town Council shall be the final judge in matters involving forfeiture of office by a Council Member or the Mayor.

If there is a vacancy in the office of Mayor or Council Member, such vacancy shall be filled by special election within one hundred twenty (120) days after such vacancy occurs, in accordance with the Texas Constitution, and the Texas Election Code, as amended.

SECTION 3.06 MEETINGS; QUORUM

Regular meetings of the Town Council shall be held at such times as may be prescribed from time to time by resolution of the Town Council. Special meetings shall be called by the Town Secretary upon the written request of the Mayor, the Town Manager or two (2) Members of the Town Council. Notice of any regular or special meetings of the Town Council shall state the subject to be considered at the meeting. All official meetings of the Council and of all committees thereof shall be open to the public except as provided by state law. Those meetings involving an attorney and client relationship, and other matters that state law has provided may be discussed in closed session, need not be open to the public. Four (4) Members of the Town Council shall constitute a quorum for the purpose of transaction of business. No action of the Town Council, except as specifically provided in this Charter, shall be valid or binding unless adopted by the affirmative vote of a majority of the Town Council present and qualified to act. The Town Council shall determine its own rules of procedure, may punish its Members for misconduct, and may compel the attendance of absent Members. Should any number of Members of the Town Council be recalled pursuant to Chapter 13 of this Charter, and are no longer qualified to act, a majority of the remaining Members of the Town Council shall constitute a quorum for the purpose of transaction of business.

SECTION 3.07 ABSTENTION

Should any person on the Town Council choose to abstain from voting on any question before the Town Council, where no conflict of interest exists, the person's vote shall have the same effect as a negative vote.

SECTION 3.08 MAYOR PRO TEM

The Town Council shall elect one of its Members as Mayor Pro Tern, who shall perform the duties of Mayor in the case of the absence or inability of the Mayor to perform the duties of the Mayor's office, and who shall, during that time, be vested with all the powers belonging to the Mayor.

CHAPTER FOUR TOWN MANAGER

SECTION 4.01 TOWN MANAGER - QUALIFICATIONS, APPOINTMENT AND REMOVAL; DUTIES; COMPENSATION

The Town Manager shall be the chief administrative and executive officer of the Town. The Town Manager is appointed by and serves at the will of the Town Council. The Town Manager shall be appointed solely on the basis of the Town Manager's administrative ability, experience, and training. The Town Manager shall administer the business of the Town, and the Town Council shall ensure that such administration is efficient. The Town Council may by ordinance delegate to the Town Manager any additional powers or duties it considers proper for the efficient administration of Town affairs. The Town Manager shall execute a bond conditioned that the Town Manager will faithfully perform the duties of Town Manager. The amount of such bond shall be as prescribed by ordinance adopted by the Town Council. The Town Council shall be authorized to enter into a Contract of Employment with the Town Manager and to prescribe such compensation therein as it may fit. The action of the Town Council in suspending or removing the Town Manager shall be final, it being the intention of this Charter to vest all authority and responsibility for such suspension or removal in the Town Council.

SECTION 4.02 TOWN MANAGER - DIRECTION AND SUPERVISION OF EMPLOYEES, NONINTERFERENCE BY COUNCIL; APPOINTMENTS AND REMOVALS OF DEPARTMENT HEADS

Except for the purpose of inquiries and investigations as provided by this Charter or otherwise by law, the Town Council or its Members shall deal with Town officers and employees who are subject to the direction and supervision of the Town Manager solely through the Town Manager, and no Member of the Town Council shall give orders to any subordinate of the Town Manager, either publicly or privately. Neither the Town Council nor any of its Members shall direct or request the appointment of any person to, or his or her removal from, office by the Town Manager or by any of the Town Manager's subordinates. Except as otherwise provided for in this Charter, the Town Manager shall be responsible for, and have the power to appoint, suspend, and/or remove all or any one of the directors of the departments of the Town with the concurrence of the Town Council.

SECTION 4.03 TOWN MANAGER - SPECIFIC POWERS AND DUTIES

The Town Manager shall be responsible to the Town Council for the proper administration of the affairs of the Town and shall have the power and duty to:

- 1) Exercise control over all departments and subdivisions thereof created by this Charter or by ordinance.
- 2) Prepare and recommend items for inclusion in the official agenda of all Town Council meetings and meetings of the Boards and Commissions as established by this Charter or ordinance.
- 3) Prepare and submit to the Town Council the annual budget and capital program, and administer the budget as adopted by the Town Council.
- 4) Be responsible for the proper administration of all Town affairs placed in his or her hands.
- 5) See that all terms and conditions imposed in favor of the Town or its inhabitants in any public utility franchise are faithfully kept and performed.
- 6) See that all laws and ordinances are enforced.
- 7) Keep the Town Council at all times fully advised as to the financial condition and needs of the Town, and prepare and submit to the Town Council an annual report on the finances and administrative activities of the Town.
- 8) Appoint, suspend, and/or remove employees not otherwise provided for in this Charter. Appointments made by the Town Manager shall be on the basis of executive and administrative experience and ability, and of training fitness and efficiency of such appointees in the work which they are to administer.
- 9) Attend all Town Council meetings and take part in the discussion of any Town business.
- 10) Recommend to the Town Council for adoption such measures as the Town Manager may deem necessary or expedient; to execute deeds, deeds of trust, easements, releases, contracts, and all other legal instruments on behalf of the Town when authorized by ordinance or resolution of the Town Council.
- 11) Perform such other duties as are specified in this Charter, or as may be required by the Town Council by ordinance or resolution, not inconsistent with this Charter.

CHAPTER FIVE TOWN SECRETARY

SECTION 5.01 APPOINTMENT; REMOVAL; COMPENSATION

The Town Council shall appoint, suspend, and/or remove the Town Secretary. The Town Secretary shall receive such compensation as shall be fixed by the Town Council.

SECTION 5.02 DUTIES OF THE TOWN SECRETARY The Town Secretary shall:

- 1) Attend all meetings of the Town Council and keep accurate records of all actions taken by the Council;
- 2) Maintain the official records and files of the Town;
- 3) Administer oaths as required by law;
- 4) Attest contracts, assessment certificates, ordinances, resolutions, and other legal instruments when executed by the authorized officers of the Town;
- 5) Serve as the election official for all Town elections;
- 6) Hold and maintain the Town Seal and affix it to all appropriate documents as required;
- 7) Perform such other duties as may be required by the Town Council, this Charter, or the laws of the State of Texas.

CHAPTER SIX MUNICIPAL COURT

SECTION 6.01 CREATION

The Town Council shall, by ordinance, create and provide for a Municipal Court to be known as the Municipal Court of the Town of Little Elm, Texas, and may appoint one or more Municipal Judges to serve in such Court. The Court shall have all the powers and duties as are now or as may hereafter be prescribed by the laws of the State of Texas in connection with the trial of misdemeanor offenses within its jurisdiction.

SECTION 6.02 MUNICIPAL COURT JUDGE

The Judge of the Municipal Court, and all alternates, shall be competent, duly qualified, and licensed attorneys in the State of Texas. The Judge of the Municipal Court shall be appointed to a term of two (2) years and may be appointed to additional and consecutive terms at the will and pleasure of the Town Council. The Judge shall receive such compensation as may be determined by the Town Council. This compensation shall be fixed, and be commensurate with the duties performed by the Judge.

SECTION 6.03 CLERK OF THE COURT

There shall be a Clerk of the Municipal Court appointed by the Town Manager. The Clerk of the Court and any Deputies appointed by the Town Manager shall have the power to administer oaths and affidavits, make certificates, affix the seal of said Court as necessary and as required by law, and in general, do and perform any and all acts usual and necessary to be performed by clerks and deputy clerks of municipal courts of the State of Texas.

SECTION 6.04 JURISDICTION, POWER, AND FINES

The Municipal Court shall have jurisdiction:

- 1) Over the forfeiture and collection of bonds given in proceedings therein, and to order the forfeiture of cash acceptance bonds upon the failure of the defendant
- 2) to appear, and to accept the same in lieu of a fine;
- 3) Concurrent with the appropriate state Court on all criminal cases arising under the criminal laws of the state where the offense is committed within the Town limits and the penalty does not exceed that which is established for Municipal Courts by state law;
- 4) Over all criminal cases arising under the ordinances of the Town within the Town limits and outside the Town limits to the extent authorized by state law;
- 5) Punish for contempt, admit to bail, and forfeit bonds under such circumstances and as provided by law;
- 6) Enforce all process of the Courts in accordance with state law and Town ordinances, punish witnesses for failing to obey subpoenas, and compel their attendance by process of attachment.

SECTION 6.05 COST, FINES, AND PENALTIES

All cost, fines, and penalties imposed by the Municipal Court shall be paid into the Town Treasury for the use and benefit of the Town, as may be consistent with present and future state laws.

CHAPTER SEVEN TOWN ATTORNEY

SECTION 7.01 APPOINTMENT

The Town Council shall appoint a competent licensed attorney, practicing law in the State of Texas, of recognized ability who shall be known as the Town Attorney. The Town Attorney serves at the pleasure of the Town Council and may be removed, without cause, by an affirmative vote of a majority of the full membership of the Town Council.

SECTION 7.02 COMPENSATION

The Town Attorney shall receive for his or her services such compensation as may be fixed by the Town Council at the time of the Town Attorney's appointment, and from time to time by appropriate resolution.

SECTION 7.03 DUTIES OF TOWN ATTORNEY

The Town Attorney shall be the legal adviser of, and attorney for, all of the offices and departments of the Town, and shall represent the Town in all litigation and legal proceedings, provided however, that the Town Council may retain special counsel at any time it deems appropriate and necessary. The Town Attorney shall perform other duties prescribed by the Charter, by ordinance or resolution of the Town Council.

CHAPTER EIGHT TOWN DEPARTMENTS AND FISCAL MATTERS

SECTION 8.01 ADMINISTRATIVE DEPARTMENTS

There shall be such administrative departments as are established by this Charter and as may be established by ordinance and, except as otherwise provided in this Charter, such administrative departments shall be under the direction and supervision of the Town Manager. The Town Council may discontinue, re-designate, or combine any of the department and/or administrative offices of the Town. The head of each department shall be a director who shall be appointed by the Town Manager with the concurrence of the Council, and such director shall have supervision and control over that director's department. The same individual may head two (2) or more departments, and the Town Manager may head one (1) or more departments.

SECTION 8.02 POLICE AND FIRE DEPARTMENTS

There is hereby created a Police Department of the Town of Little Elm, at the head of which shall be the Chief of Police. There is hereby created a Fire Department of the Town of Little Elm, at the head of which shall be a Fire Chief. The head of each department shall be a director who shall be appointed by the Town Manager with the concurrence of the Council, and such director shall have supervision and control over the director's department. The duties of the Chief of Police and Fire Chief and the other officers and personnel of such departments shall be as provided by ordinance.

SECTION 8.03 TAX ADMINISTRATION

- A. There shall be a department of taxation to assess and collect taxes, the director of which shall be the Town Tax Assessor and Collector who shall be appointed by the Town Manager with concurrence of the Town Council. The Tax Assessor and Collector shall provide a bond with such sureties and in such amount as the Council may require, and the premiums on such bond shall be paid by the Town. The Town Council may provide for such services by contract.
- B. The Town Council shall have the power, and is hereby authorized to levy, assess, and collect annual taxes not to exceed the maximum limit set by the Constitution and laws of the State of Texas, as they now exist or as they may be amended, on each one hundred dollars (\$100.00) assessed valuation of all property having a location within the corporate limits of the Town and not exempt from taxation by the Constitution and laws of the State of Texas.
- C. All taxes due the Town shall be payable at the office of the Town Assessor and Collector and may be paid at any time after the tax rolls for the year have been completed and approved, which completion and approval shall be not later than October 1. Taxes shall be paid before February 1 of each year succeeding the year for which the taxes are levied, and all such taxes not paid prior to such date shall be deemed delinquent and shall be subject to such penalty and interest as may be provided by law. Failure to levy and assess taxes through omission in preparation of the approved tax rolls shall not relieve the person, firm or corporation so omitted from the obligation to pay such current or past due taxes shown to be payable by recheck of the rolls and receipts for the years in questions, unless otherwise provided by law.

- D. All property having its location in the Town on the first day of January of each year shall stand charged with a lien in favor of the Town from said date for the taxes due thereon. The lien provided hereby shall be superior to all other liens except other tax liens, regardless of when such other liens were created. All persons purchasing any of said property on or after the first day of January in any year shall take the same subject to the lien herein provided. In addition to the lien herein provided on the first day of January of any year, the owner of property subject to taxation by the Town shall be personally liable for the taxes due thereon for such year. The Town 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 such suit where it appears that the description of any property in the Town assessment rolls is insufficient to identify such property, the Town 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 and/or for personal judgment against the owner for such taxes as such ownership and property appears on the approved tax rolls furnished by the Denton Central Appraisal District.

SECTION 8.04 FINANCE DEPARTMENT

There shall be a Department of Finance, the director of which shall be appointed by the Town Manager with concurrence of the Town Council. The head of the Department of Finance shall be known as the Finance Director who shall also be the Town Treasurer. The Finance Director shall provide a bond with such surety and in such amount as the Council may require and the premiums on such bond shall be paid by the Town. The Finance Director shall have knowledge of municipal accounting and taxation and shall have experience in budgeting and financial control. The Finance Director shall have the custody of all public monies, funds, notes, bonds, and other securities belonging to the Town. The Finance Director, under the direction of the Town Manager, shall oversee the financial operations and procedures that are implemented in each of the Town's departments. The Finance Director shall make payments out of Town funds upon order of the Town Council or other authorized Town Officer as provided herein. The Finance Director shall render a full and accurate statement to the Town Manager and the Town Council of his or her receipts and payments at such times as the Town Manager or Town Council may require. The Finance Director shall perform other such acts and duties as the Town Council may prescribe.

SECTION 8.05 FISCAL YEAR

The fiscal year of the Town shall begin on the first day of October and end on the following September 30th, but the fiscal year may be changed by the Town Council by ordinance.

SECTION 8.06 ANNUAL BUDGET

It shall be the duty of the Town Manager to submit an annual budget not later than thirty (30) days prior to the end of the current fiscal year to the Town Council for its review, consideration and revision. The Town Council shall call a public hearing or hearings on the budget. The Town Council may adopt a budget with or without amendments. The Town Council may increase or decrease amounts or programs and may delete any programs or amounts except expenditures required by law or for a debt service, provided that no amendment shall increase the authorized expenditures to an amount greater than the total of the estimated-income for the current fiscal year plus funds available from prior years. At the close of each fiscal year, the unencumbered balance of each appropriation shall revert to the fund from which it was appropriated and shall be subject to future appropriations, but appropriations may be made in furtherance of improvements or other objects of work of the Town which will not be completed within the current year.

SECTION 8.07 FAILURE TO ADOPT ANNUAL BUDGET

If the Town Council fails to adopt the budget by the 15th of September, the amounts appropriated for the current fiscal year shall be deemed adopted for the ensuing fiscal year on a month to month basis with all items in it prorated accordingly until such time as the Town Council adopts a budget for the ensuing fiscal year. The property tax levy will be set to equal the total current fiscal year tax receipts, unless the ensuing fiscal year budget is approved by September 15th of the current fiscal year.

SECTION 8.08 BONDS AND OTHER EVIDENCES OF INDEBTEDNESS

The Town shall have the right and power to borrow money on the credit of the Town for public purposes by whatsoever method it may deem to be in the public interest. The Town shall further have the power to borrow money on the credit of the Town and to issue general obligation bonds and other evidences of indebtedness for permanent public improvements or for any other public purpose not prohibited by the Constitution and laws of the State of Texas and to issue refunding bonds to refund outstanding bonds and other evidences of indebtedness of the Town previously issued. All such bonds shall be issued in conformity with the laws of the State of Texas. The Town shall further have the power to borrow money for the purpose of constructing, acquiring, improving, extending or repairing or public utilities, recreational facilities or any other self-liquidating municipal functions not prohibited by the Constitution and laws of the State of Texas, and to issue revenue bonds to evidence the obligations created thereby. Such bonds shall be a charge upon and payable from the properties, or interest therein pledged, or the income therefrom, or both. The holders of the revenue bonds of the Town shall never have the right to demand payment thereof out of monies raised or to be raised

by taxation. All such bonds shall be issued in conformity with the laws of the State of Texas. The Town shall have the power to borrow money for public improvements or any public purpose in any other manner provided by law, including certificates of obligation as authorized by Chapter 271 of the Texas Local Government Code or other applicable laws. All bonds and evidences of indebtedness of the Town having been approved by the Attorney General and registered by the Comptroller of Public Accounts shall thereafter be incontestable in any court or other forum for any reason, and shall be valid and binding obligations of the Town in accordance with their terms for all purposes.

SECTION 8.09 PURCHASING

- A. The Town Council may by ordinance give the Town Manager general authority to contract for expenditures without further approval of the Town Council for all budgeted items not exceeding limits set by the Town Council within the ordinance.
- B. All contracts for expenditures or purchases involving more than the limits must be expressly approved in advance by the Town Council. All contracts or purchases involving more than the limits set by the Town Council shall be awarded by the Town Council, in accordance with state law.
- C. Emergency contracts as authorized by law and this Charter may be negotiated by the Town Council or Town Manager if given authority by the Town Council, without competitive bidding, and in accordance with state law. Such emergency shall be declared by the Town Manager and approved by the Town Council, or may be declared by the Town Council.

CHAPTER NINE BOARDS AND COMMISSIONS

SECTION 9.01 PLANNING AND ZONING COMMISSION

The Town Council shall create a Planning and Zoning Commission of the Town of Little Elm and shall appoint five (5) members and four (4) alternate members, each member of the Planning and Zoning Commission shall be a citizen of Town of Little Elm. Members shall be appointed for three (3) year staggered terms; provided, however, that members of the Planning and Zoning Commission serve at the pleasure of the Town Council and may be removed, without cause, by an affirmative vote of the majority of the full membership of the Town Council. Such appointees shall serve without compensation and may not hold any elective office of the State of Texas or any other political subdivision thereof during their terms. A vacancy in an unexpired term shall be filled by the Town Council for the remainder of the term. The majority of the appointed members shall constitute a quorum, and decisions may only be made with the affirmative vote of a majority of these members present and voting. The Planning and Zoning Commission shall select from any of its members a Chairman and Vice Chairman.

SECTION 9.02 BOARD OF ADJUSTMENTS

The Town Council shall appoint a Board of Adjustments comprising of five (5) regular members and four (4) alternate members for two (2) year staggered terms, all Members of which shall be citizens of the Town of Little Elm. The Board of Adjustments shall be governed by Chapter 211, Texas Local Government Code, or other applicable laws, and have such additional duties as maybe prescribed by ordinance or applicable state law. A vacancy on the board shall be filled by Town Council for the unexpired term.

SECTION 9.03 OTHER BOARDS AND COMMISSIONS

The Town Council shall have the power and is hereby authorized to create, abolish, establish, and appoint such other Town and corporate boards, commissions and committees, which shall be composed of the citizens of the Town of Little Elm except as otherwise required by law, as the Town Council deems necessary to carry out the functions of the Town, and to prescribe the purpose, functions, and tenure of each board, commission, or committee.

CHAPTER TEN ORDINANCES

SECTION 10.01 PROCEDURE FOR PASSING ORDINANCES AND RESOLUTIONS

The Town Council shall evidence its official actions by written ordinances, resolutions, or oral motions. The style of all ordinances shall be: "Be it ordained by the Town Council of The Town of Little Elm, Texas" and the style of all resolutions

shall be "Be it resolved by the Town Council of the Town of Little Elm, Texas." Each proposed ordinance shall not be amended or repealed except by adoption of another ordinance. All ordinances and resolutions passed by the Town Council shall become effective immediately from and after passage except where publication of a caption is required or where the ordinance, state law, or other provisions of this Charter provide otherwise, in which case the effective date shall be as prescribed in the ordinances.

SECTION 10.02 PUBLICATION OF ORDINANCES

The descriptive caption or title of each ordinance containing a penalty shall be published at least once in the official newspaper of the Town, unless otherwise provided by state law or this Charter.

SECTION 10.03 CODE OF ORDINANCES

The Town Council shall have the power to cause the ordinances of the Town to be printed, in code form, and shall have the same arranged and digested as often as the Town Council may deem advisable, provided that failure to print the ordinances as herein provided shall not affect the validity of the same.

SECTION 10.04 ORDINANCES AND RESOLUTIONS NOW IN EFFECT

All ordinances, portions thereof, resolutions, contracts, bonds, obligations, rules and regulations now in force under the Town government of the Town of Little Elm, and not in conflict with the provisions of this Charter, shall remain in force under this Charter until altered, amended, or repealed by the Town Council in the manner required by law.

CHAPTER ELEVEN ELECTIONS

SECTION 11.01 TOWN ELECTIONS

Beginning on the 1st Saturday in May 2002, each qualified voter shall be entitled to vote for the offices of Council Members for Places 1, 2, 4 and 6. The Council Members elected in single member district places 2 and 4 shall serve for an initial term of two (2) years, or until the regular election in May 2004. The Council Members elected in at-large places 1 and 6 shall serve for a term of three (3) years. The Mayor and Council Members in single member district Places 3 and 5 will be elected in May, 2003, for a term of three (3) years. Thereafter, all Council Members shall be elected for a term of three (3) years. All qualified voters of the state who reside within the Town of Little Elm shall have the right to vote in the Town elections.

SECTION 11.02 SPECIAL ELECTIONS

The Town Council, by ordinance or resolution, may call such special elections as are authorized by the state law or this Charter, fix the time and place of holding the same, and provide all means for holding such special elections, provided that every special election shall be called and held as nearly as practicable according to the provisions governing regular elections.

SECTION 11.03 REGULATION OF ELECTIONS

All Town elections shall be governed by the Constitution of the State of Texas, general laws of the state, this Charter, and by ordinance of the Town regulating the holding of municipal elections. The Town Council shall appoint the election judges and other election officials and shall provide for the compensation of all election officials in Town elections and for all other expenses in holding said elections.

SECTION 11.04 CANDIDATES: FILING FOR OFFICE

Any qualified person as prescribed by Section 3.02 may make application to have his/her name placed on the official ballot for the position of Council Member or Mayor. The application shall be made in accordance with all applicable laws and shall state that the candidate agrees to serve if qualified and elected. Each candidate shall execute such oath and other official form of affidavit as may be required by the Town Secretary pursuant to Texas Election Code. The Town Secretary shall review the application and notify the candidate whether or not the application satisfies the requirements of this Charter and the Texas Election Code. If an application is insufficient, the Town Secretary shall return it immediately to the candidate with a statement of such insufficiency. The candidate may file a new application within the regular time for filing applications. The Town Secretary shall keep on file all applications found sufficient at least

until the expiration of the term of office for which such candidates filed.

SECTION 11.05 OFFICIAL BALLOT

The order on the ballot of the names of the candidates shall be determined by the Town Secretary in accordance with the procedures set out in the Texas Election Code. The name of each candidate seeking an elective office, except those who have withdrawn, died, or become ineligible prior to the time permitted for withdrawal, shall be printed on the official ballot in the name designated by the candidate in accordance with the Texas Election Code. Provision for early and absentee voting shall be made as provided by the Texas Election Code.

SECTION 11.06 CANVASSING AND ELECTION RESULTS

Returns of every municipal election shall be delivered forthwith by the Election Judges to the Town Secretary, with a copy of the returns being sent to the Mayor. The Town Council shall canvass the returns, investigate the qualifications of the candidates and declare the official results of the election not less than two (2) days nor more than six (6) days after the date of the election, or as may be otherwise provided by the Texas Election Code.

SECTION 11.07 RUNOFF ELECTION

- A. The candidates for Mayor and Council Members in Places 1, 2, 3, 4, 5 and 6 receiving a majority of all votes cast for the office of Mayor and Council Members for Places 1, 2, 3, 4, 5 and 6 shall be declared elected.
- B. In the event a candidate for the office of Mayor or Council Member in Places 1, 2, 3, 4, 5 or 6 fails to receive a majority of all votes cast for that office, a runoff election for that office shall be conducted. If more than two (2) candidates tie for the highest number of votes for either the office of the Mayor or Council Members, the tied candidates shall draw by lots to determine which two (2) are to be in a run off election. The Town Secretary shall supervise the drawing of lots under this section.
- C. Not later than the fifth (5) day after the date of counting of the returns, the Town Council shall order a runoff election to be held consistent with the Texas Election Code.

CHAPTER TWELVE FRANCHISES

SECTION 12.01 POWER TO GRANT FRANCHISE

The Town Council shall have the power, subject to the provisions hereof, by ordinance to confer upon any person, firm, corporation, or other legal entity the franchise or right to use the public property of the Town for the purpose of furnishing to the public any general public service or benefit, including, but not limited to, heat, light, power, telephone service, transportation, or other telecommunication providers for compensation or hire. No franchise shall be granted by the Town to any person, firm, corporation, or other legal entity to own, control or operate a waterworks therein. The Town shall have the power by ordinance to grant, renew, and extend all franchises of all public utilities of every character operating within the Town. No such franchise shall be granted until after a public meeting shall have been called and held and until such ordinance shall have been passed and accepted by the franchisee. No such ordinance shall become effective until thirty (30) days after its passage.

SECTION 12.02 TRANSFER OF FRANCHISE

No public utility or other franchise shall be transferable except with the approval of the Town Council, expressed by ordinance. This restriction shall not be construed to prevent the franchise holder from pledging the franchise as security for a valid debt.

SECTION 12.03 OWNERSHIP, USE AND CONTROL OF STREETS

No franchise or easement involving the right to use the same either along, over, across, under, or upon the streets, alleys, highways, parks, and public ways shall be valid unless granted in compliance with the terms of this chapter. No granting of a franchise by ordinance pursuant to this chapter shall convey any ownership or interest in any property of the Town other than the right to use the public property for purposes of such franchisee's operations as expressed in the ordinance granting such franchise.

SECTION 12.04 RIGHT OF REGULATION

- 1) In granting, amending, renewing and extending public service and utility franchises, the Town shall retain the right to:

- 2) Repeal such franchise by ordinance for failure to comply with the terms thereof, such power to be exercised only after due notice and hearing;
- 3) Require an adequate extension of plant and service as is necessary to provide adequate service to the public, and maintenance of the plant and fixtures at the highest reasonable standard of efficiency;
- 4) Establish reasonable standards of service and quality of products and prevent unjust discrimination in service or rates;
- 5) Impose regulations to ensure safe, efficient and continuous service to the public. The franchise holder in opening and refilling all earth openings shall relay the pavement and do all other work necessary to complete restoration of streets, sidewalks or grounds to a condition equally as good as or better than when disturbed; and
- 6) To regulate, locate, or prohibit the erection of any and all poles, wires, or other utility equipment, conveyance, or structure, on the streets, alleys and public places of said Town, and to cause the same to be changed, removed, altered, increased, diminished, placed underground, or be supported by poles of such material, kind, quality and class as may be determined by the Town Council, whether the same be telegraph, telephone, electric, cable television or otherwise, and to enforce the provisions hereof by appropriate action in any court of competent jurisdiction.

SECTION 12.05 COMPENSATION FOR FRANCHISE

All persons, corporations, or association of persons, to whom a franchise or privilege may hereafter be granted shall pay to the Town for such privilege such compensation as may be fixed by the Town Council in the grant of such franchise or privilege. Such compensation as fixed by contract or provided by any Texas statute or statutes and any amendments thereto shall become due and payable at such time as the Town Council shall fix in the grant of such franchise or privilege. The failure of any franchisee to pay compensation to the Town when due shall result in forfeiture of the franchise or privilege.

SECTION 12.06 COUNCIL TO FIX AND REGULATE CHARGES, FARES, OR RATES

If applicable state law so provides, the Town Council shall determine, fix, and regulate the charges, fares or rates of any person, firm, or corporation enjoying a franchise or privilege granted under the provisions of this chapter, and shall prescribe the kind of service to be furnished to the public by such person, firm or corporation, and the manner in which it shall be rendered and may, from time to time, alter or change such rules, regulations, and compensation after reasonable notice and public hearing, provided that the rates, charges and fares so fixed shall at all times be reasonable and permit a reasonable net return on the actual value of the physical properties and equipment of such utilities. In this connection, the Town Council may require any utility or franchise holder to furnish such financial reports and information as the Town Council may request, including reports of actual operating costs and the financial condition of its operations within the Town, and the Town Council may employ, at the expense of such franchisee, necessary outside experts to examine and audit the accounts and records of the franchisee to determine the reasonableness of such charges, fares, and rates.

CHAPTER THIRTEEN INITIATIVE, REFERENDUM, AND RECALL

SECTION 13.01 SCOPE OF RECALL

Any elected Town official shall be subject to recall and removal from office by the qualified voters of the Town of Little Elm on grounds of incompetency, misconduct, or malfeasance in office.

SECTION 13.02 PETITIONS FOR RECALL

Before the question of recall of such officer shall be submitted to the qualified voters of the Town of Little Elm, a petition demanding such questions to be submitted shall first be filed with the Town Secretary. If recall is sought for a Council Member in Place 2, 3, 4, or 5, the petition must be signed by qualified voters in the specific district equal to ten (10%) percent of the qualified voters in the specific district, or sixty five (65%) percent of the votes cast at the last general election for the specific place; whichever is greater. If recall is sought for the Mayor or Council Member in Place 1 or 6, the petition must be signed by qualified voters of the Town equal to ten (10%) percent of the qualified voters in the Town, or sixty five (65%) percent of the votes cast at the last general election for such office, whichever is greater. Each signer of such recall petition shall personally sign his or her name thereto in ink or indelible pencil, and shall write after signer's name his or her place of residence, giving the name of the street and number, or place of residence, and shall also write thereon the day, the month, and the year his or her signature was affixed.

SECTION 13.03 FORM OF RECALL PETITION

The recall petition mentioned above must be addressed to the Council of the Town of Little Elm, must be distinctly and specifically pointed to the grounds upon which such petition for removal is predicated, and, if there is more than one ground, said petition shall specifically state each ground with such certainty as to give the officer sought to be removed notice of the matters and things with which the officer is charged. The signature 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 thereon 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 _____, 2 _____

Signed _____

Notary Public in and for the State of Texas

SECTION 13.04 VARIOUS PAPERS CONSTITUTING PETITION

The petition may consist of one 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 the preceding section of this Chapter may be made by one 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 to be counted which were placed thereon more than forty-five (45) days prior to the filing of such petition or petitions with the Town Secretary. All papers comprising a recall petition shall be filed with the Town Secretary who shall immediately notify, in writing, the officer sought to be removed, by mailing such notice to the officer's Little Elm address.

SECTION 13.05 PRESENTATION OF PETITION TO THE COUNCIL

Within seven (7) days after the date of the filing of the papers constituting the recall petition, the Town Secretary shall present such petition to the Council of the Town of Little Elm.

SECTION 13.06 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 Council, request that a public hearing be held to permit the officer to present the facts pertinent to the charges specified in the recall petition. In this event, the Town 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 13.07 CALLING OF RECALL ELECTION

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

SECTION 13.08 BALLOTS IN RECALL ELECTION

Ballots used at recall elections shall conform to the following requirements:

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

SECTION 13.09 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 the officer's 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 Town Council as provided in this Charter.

SECTION 13.10 RECALL, RESTRICTIONS THEREON

No recall petition shall be filed against any officer of the Town of Little Elm within three (3) months after the officer's election, no more than twice within an officer's term, and not within three (3) months after an election for such officer's recall.

SECTION 13.11 FAILURE OF THE COUNCIL TO CALL AN ELECTION-RECALL

If all the requirements of this Charter shall have been met and the Town Council shall fail or refuse to receive the recall petition, or order such recall election, or discharge any other duties imposed on the Town Council by the provisions of this Charter with reference to such recall, then any petitioning citizen may file with the appropriate court for a writ of mandamus to force the Town to call the election.

SECTION 13.12 GENERAL POWER OF INITIATIVE AND REFERENDUM

The qualified voters of the Town of Little Elm, Texas, in addition to the method of legislation herein before provided, shall have the power to direct legislation by the initiative and referendum.

- A. 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 Town officers or employees.
- B. 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, levy of taxes, or zoning.

SECTION 13.13 INITIATIVE

Qualified voters of the Town of Little Elm may initiate legislation by submitting a petition addressed to the Town Council which requests the submission of a proposed ordinance to a vote of the qualified voters of the Town. Said petition must be signed by qualified voters of the Town equal to ten (10%) percent of the qualified voters in the Town, or sixty-five (65%) percent of the votes cast at the last municipal general election, whichever is greater and each copy of the petition shall have attached to it a copy of the proposed legislation. The petition shall be signed in the same manner as recall petitions are signed, as provided in this Chapter, and shall be verified by oath in the manner and form provided for recall petitions in this Chapter. The petition may consist of one or more copies as permitted for recall petitions. Such petition shall be filed with the Town Secretary. Within seven (7) days after filing of such petition, the Town Secretary shall present said petition and proposal ordinance to the Council. Upon presentation to it, it shall become the duty of the Council, within ten (10) days after the receipt thereafter, at which the qualified voters of the Town of Little Elm shall vote on the question of adopting or rejecting the proposed legislation. However, if any other municipal election is to be held within sixty (60) days after the filing of the petition, the question may be voted on at such election. Any election order so issued shall comply fully with the Texas Election Code.

SECTION 13.14 REFERENDUM

Qualified voters of the Town of Little Elm may require that any ordinance, with the exception of ordinances appropriating money or levying of taxes, passed by the Town Council be submitted to the voters of the Town for approval or disapproval, by submitting a petition for this purpose within thirty (30) days after final passage of said ordinance or resolution, or within thirty (30) days after its publication. Said petition shall be addressed, signed, and verified as required in Section 13.13 of this Charter and shall be submitted to the Town Secretary. Immediately upon the filing of such petition, the Town Secretary shall present said petition to the Town Council. Thereupon, the Town Council shall immediately reconsider such ordinance and, if the Town Council does not entirely repeal the same, shall submit it to popular vote as provided in Section 13.07 of this Charter. Pending the holding of such election, each ordinance shall be suspended from taking effect and shall not later take effect unless a majority of the qualified voters thereon at such election shall vote in favor thereof.

SECTION 13.15 VOLUNTARY SUBMISSION OF LEGISLATION BY THE COUNCIL

The Council, upon its own motion and by a majority vote of its Members, may 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 in the same manner and the with same force and effect as provided in this Chapter for submission of petition, and may at its discretion call a special election for this purpose.

SECTION 13.16 FORM OF BALLOTS

The ballots used when voting such referred ordinance 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"

SECTION 13.17 PUBLICATION OF PROPOSED ORDINANCES

The Town Secretary of the Town of Little Elm shall publish at least twice in the official newspaper of the Town the proposed or referred ordinance within fifteen (15) days before the date of the election, and shall give other such notices and do other such things relative to said election as required in the general municipal election or by the ordinance or resolution calling said election.

SECTION 13.18 ADOPTION OF ORDINANCES

If a majority of the qualified voters voting on any proposed ordinance shall vote in favor thereof, it shall thereupon or any time fixed therein, become effective as a law or as a mandatory order of the Council.

SECTION 13.19 INCONSISTENT ORDINANCES

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

SECTION 13.20 ORDINANCES PASSED BY POPULAR VOTE, REPEAL, OR AMENDMENT

No ordinance which may have been passed by the Town Council upon a petition or adopted by popular vote under the provisions of this Chapter shall be repealed or amended except by the Town Council in response to a referendum petition or by submission as provided by Section 13.15 of this Charter.

SECTION 13.21 FURTHER REGULATIONS BY THE COUNCIL

The Town Council may pass ordinances providing further regulations for carrying out the provisions of this Chapter consistent herewith.

SECTION 13.22 FRANCHISE ORDINANCES

Nothing contained in this Chapter shall be construed to be in conflict with any of the provisions of this Charter, pertaining to ordinances granting franchises when valuable rights shall have accrued thereunder.

SECTION 13.23 FAILURE OF THE COUNCIL TO CALL AN ELECTION - INITIATIVE OR REFERENDUM

If all the requirements of this Charter shall have been met and the Town Council shall fail or refuse to receive the initiative or referendum petition, or order such initiative or referendum election, or discharge any other duties imposed on the Town Council by the provisions of this Charter with reference to such initiative or referendum, then any petitioning citizen may file with the appropriate court for a writ of mandamus to force the Town to call the election.

CHAPTER FOURTEEN GENERAL AND TRANSITIONAL PROVISIONS

SECTION 14.01 EFFECT OF CHARTER ON EXISTING LAW

All ordinances, resolutions, rules and regulations in force in the Town on the effective date of this Charter and not in conflict with this Charter shall remain in full force and effect until altered, amended, or repealed. All taxes, assessments, liens, encumbrances, obligations and demands of or against the Town, fixed or established before such date, shall be valid if properly fixed or established either under the law in force at the time of such proceedings or under the law after the adoption of this Charter.

SECTION 14.02 CONTINUATION OF PRESENT OFFICES

All persons holding administrative offices at the time this Charter takes effect shall continue in office and in the performance of their duties in the capacities to which they have been appointed until provision shall have been made in accordance with the terms of this Charter for the performance of such duties or the discontinuance of such office, if any. The powers conferred and the duties imposed upon any office, department or agency of the Town by the laws of the state shall, if such office, department or agency be abolished by this Charter or under its authority, be thereafter exercised and discharged by the office, department or agency designated by the Council, unless otherwise provided herein.

SECTION 14.03 NEPOTISM

No officer of the Town of Little Elm shall appoint, vote for, or confirm the appointment to any office, position, clerkship, employment or duty, of any person related within the second degree by affinity or within the third degree by consanguinity to any Member of the Town Council or Mayor, when the salary, fees, or compensation of such appointee is to be paid for, directly or indirectly, out of or from public funds or fees of office of any kind or character whatsoever. However, this provision shall not prevent the appointment, voting for, or confirmation of any person who shall have been continuously employed in any such office, position, clerkship, employment or duty for at least thirty (30) days, if the officer is appointed, or at least six (6) months, if the officer is elected.

When a person is allowed to continue in any such position, the officer related 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.

SECTION 14.04 OFFICIAL NEWSPAPER

The Town Council shall have the power to designate by resolution a newspaper of general circulation in the Town as the Town's official newspaper. All ordinances, captions of ordinances, notices and other matters required to be published by this Charter, by ordinance, or by state law, shall be published in the official newspaper.

SECTION 14.05 JUDICIAL NOTICE

This Charter shall be recorded in the Town Secretary's office in a book kept for that purpose. As soon as practicable after its adoption, an authenticated copy of the Charter shall be certified to the Secretary of State of Texas, the Charter becomes a public act. Such Charter provisions may be read in evidence without pleading or proof of their provisions, and judicial notice shall be taken thereof in all courts and places.

SECTION 14.06 CLAIMS FOR DAMAGE OR INJURY

The Town of Little Elm shall never be liable for any personal injury or death or for claims for damages or injury to real or personal property alleged to have been caused by the negligent act or omission of any officer, agent or employee of the Town unless the person who has been injured, the person whose property has been injured or damaged, or someone on his behalf, shall file a claim in writing with the Town Secretary within six (6) months after said injury, death or damage has occurred, stating specifically when, where, and how the injury, death or damage occurred, the full extent thereof, the amount of damages claimed or asserted, and the basis claimed for liability on the part of the Town. The person giving notice under this section shall give the address of every place that said person has resided at during the last six (6) months prior to the injury, death or damage and shall subscribe his or her name thereto. Neither the Town Mayor, Town Council Member, Town Manager, Town Secretary, Town Attorney, or any other officer or employee of the Town shall have authority to waive any of the provisions of this section, but the same may be waived only by resolution of the Town Council made and passed before the expiration of said six (6) month period.

SECTION 14.07 PROPERTY NOT SUBJECT TO GARNISHMENT AND EXECUTION

No property owned or held by the Town shall be subject to any garnishment or execution of any kind or nature except as specifically provided by state law.

SECTION 14.08 CONFLICT OF INTEREST

No Member of the Town Council, the Mayor, or any other officer, whether elected, appointed, paid or unpaid, who exercises responsibilities beyond those that are advisory in nature, shall participate in a vote or decision on a matter involving a business entity in which such officer has a substantial interest if it is reasonably foreseeable that an action on the matter would confer an economic benefit on the business entity. If the officer or a person related to the officer within the second degree of affinity or consanguinity has a substantial interest in the business entity that would be pecuniary affected by an official action of the Town Council, the officer, if a Member of the Town Council, shall file an affidavit stating the nature and extent of the interest and abstain from further participation in the matter.

SECTION 14.09 PUBLIC MEETINGS AND RECORDS

All meetings of the Town Council and all boards appointed by the Town Council shall be governed by the 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 Town shall be open to inspection by any citizen at all reasonable business hours, provided that records excepted from public disclosure by Chapter 552 of the Texas Government Code and any amendments thereto shall be closed to the public and not considered public records for the purpose of this section.

SECTION 14.10 INDEMNIFICATION OF OFFICERS

The Town Council shall, by appropriate ordinance, provide for the indemnification and defense of the officers and employees of the Town, including the Members of the Town 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 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/her duties and within the scope of his/ her office, employment, membership, or assigned voluntary position with the Town, or in any other case where the Town 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 or wrongful act, or omission of such officer, employee, member, or volunteer.

SECTION 14.11 AMENDMENT OF CHARTER

Amendments to this Charter may be submitted by the Town Council to the qualified voters of the Town for their approval at an election, no more often than once every two (2) years, held in accordance with Chapter 9, Texas Local Government Code.

SECTION 14.12 BOND OR SECURITY NOT REQUIRED

It shall not be necessary in any action, suit or proceeding in which the Town is a party, for any bond, undertaking, or security to be executed on behalf of said Town, that all such actions, suits, appeals, or proceedings shall be conducted in the same manner as if such bond, undertaking, or security had been given, and said Town shall be liable as if such obligation had been duly given and executed.

SECTION 14.13 SEVERABILITY CLAUSE

If any chapter, section, paragraph, sentence, clause or phrase of this Charter shall be held unconstitutional or invalid for any reason by a court of competent jurisdiction, such holding shall not affect the remainder of this Charter nor the context in which such provision so held invalid may appear, except to the extent that an entire chapter, section, paragraph, or sentence may be inseparably connected in meaning and effect with the provision to which such holding shall apply directly.

SECTION 14.14 MEANING OF WORDS

The provisions of this Charter shall be liberally construed for the purpose of effecting the objects and ends thereof. Unless some other meaning is manifest, the word "Town" shall be construed to mean the "Town of Little Elm," and the word "and" may be read "or" or "or" may be read "and" if the sense requires. Words in the present tense include future tense and, except when a more restrictive meaning is manifest, singular may mean plural. The word "Council" shall be construed to mean the Town Council of the Town of Little Elm. The gender of the wording as contained in this Charter shall always be interpreted to mean either sex.

SECTION 14.15 EFFECTIVE DATE

This Charter shall take effect immediately following adoption by the voters and entry of the official order by the Town Council declaring the same adopted as soon as practicable. After adoption, the Town Mayor shall certify to the Secretary of State an authenticated copy of the Charter under the Town's seal showing approval by the voters. The Town Secretary shall record the Charter in a book kept for that purpose and keep and maintain the same as the official record of the Town.

CHAPTER FIFTEEN ADOPTION OF CHARTER

SECTION 15.01 SUBMISSION AND ELECTION

A. This Charter Shall be submitted to the qualified voters of the Town of Little Elm for adoption or rejection on the 5th day of May, 2001, at which election, if a majority of the qualified voters voting in such election shall vote in favor of the adoption of this Charter, it shall then immediately become the governing law of the Town of Little Elm, Texas, until

amended or repealed.

B. It being impracticable to submit this Charter so that each subject may be voted on separately, it is hereby prescribed that the form of ballot to be used in such election shall be as follows, to wit:

"FOR"

ADOPTION OF CHARTER

"AGAINST"

This Home Rule Charter for the Town of Little Elm, Texas, is respectfully submitted to the Town Council of the Town of Little Elm for the purpose of calling an election on the question of adoption of the Home Rule Charter this 22nd day of February, 2001. This proposed Charter represents the recommendation of the majority of the members of the Home Rule Charter Commission, whose membership and signatures are evidenced below.

SECTION 15.02. CHARTER REVIEW COMMITTEE

A. The Town Council shall establish and appoint a Charter Review Committee to review and make recommendations regarding the Town Charter. The Charter Review Committee shall be composed of not fewer than seven (7) residents of the Town, and shall be established and appointed by Town Council at least every two (2) years from the date that the prior Charter Review Committee concluded its operations. The Charter Review Committee shall be established and appointed not less than nine (9) months before the selected election date at which any proposed Charter amendments may be considered.

B. It shall be the duty of the Charter Review Committee to do the following:

1. Inquire into the operation of the Town government under the Charter provisions and determine whether any such provisions require revision. To this end, public hearings may be held; and the Charter Review Committee shall have the power to compel the attendance of any officer or employee of the Town and to require the submission of any non-privileged and non-confidential Town records which the Charter Review Committee may determine is necessary to conduct such hearings.
2. Propose any recommendations to the Town Manager and Town Council that the Charter Review Committee may determine are desirable to ensure compliance with the provisions of this Charter by the Town's departments.
3. Propose amendments to the Charter to improve the effective application of the Charter to current conditions.
4. Report the Charter Review Committee's findings and present its proposed amendments, if any, to the Town Council. Any report of the Charter Review Committee shall be delivered to the Town Attorney at least fifteen (15) days prior to its presentation to the Town Council. Within such time, and no later than ten (10) days prior to its presentation to the Town Council, the Town Attorney shall advise the Charter Review Committee in writing of any changes in proposed amendments which the Town Attorney deems necessary or desirable. A copy of the Town Attorney's recommendations shall be attached to the report of the Charter Review Committee at the time of its presentation to the Town Council.

C. The Town Council shall receive any Charter Review Committee report and have published in a newspaper of general circulation in the Town all proposed amendments recommended by the final report of the Charter Review Committee.

D. The term of office of the Charter Review Committee shall not exceed nine (9) months. If during such term, no report is presented to the Town Council, then all records of the proceedings of the Charter Review Committee shall be filed with the Town Secretary.

END

TOWN OF LITTLE ELM

AGENDA INFORMATION SHEET:

COUNCIL MEETING

DATE: January 17, 2012

PROJECT: Revision of EDC Bylaws

DESCRIPTION: Revised Bylaws: Added two (2) alternate directors to EDC Board of Directors, updated requirement that directors shall be residents of the Town of Little Elm to correspond with Town Charter, under Deposit and Investments of Corporate Funds changed signature to approval, and updated verbal to be uniform and consistent throughout the document (routine clean-up).

COST: N/A

FUNDING:	Acct. Name & No	Original Budget
	N/A	N/A

SCHEDULE: N/A

RECOMMENDED ACTION: Recommend Approval by Town Council

TOWN CONTACT: Jennette Killingsworth
Executive Director, Little Elm EDC
jkillingsworth@littleelm.org
214-551-6605

ATTACHMENTS: Revised EDC Bylaws

TOWN OF LITTLE ELM, TEXAS

RESOLUTION NO. 01171202

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LITTLE ELM, TEXAS, APPROVING THE SECOND AMENDED BYLAWS OF THE LITTLE ELM ECONOMIC DEVELOPMENT CORPORATION, A TYPE A ECONOMIC DEVELOPMENT CORPORATION; AND PROVIDING FOR AN IMMEDIATE EFFECTIVE DATE.

WHEREAS, the Little Elm Economic Development Corporation is a Type A economic development corporation, created pursuant to Chapter 504 of the Texas Local Government Code, as amended; and

WHEREAS, Section 501.064(c) of the Texas Local Government Code provides that the bylaws and each amendment of the bylaws must be consistent with state law, and with the certificate of formation of the corporation, and be approved by resolution of the Town Council of the Town of Little Elm, Texas.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF LITTLE ELM, TEXAS:

Section 1. That the foregoing recitals are hereby found to be true and correct legislative findings of the Town Council of the Town of Little Elm, Texas, and are fully incorporated into the body of this Resolution.

Section 2. That the Town Council of the Town of Little Elm, Texas, does hereby approve the form of the Second Amended Bylaws of the Little Elm Economic Development Corporation, a copy of which is attached hereto as *Exhibit A*.

Section 3. This Resolution shall become effective from and after its passage.

PASSED AND APPROVED BY THE TOWN COUNCIL OF THE TOWN OF LITTLE ELM, TEXAS, ON THIS THE _____ DAY OF _____, 2012.

APPROVED:

Curtis Cornelious, Mayor Pro-tem

ATTEST:

Kathy Phillips, Town Secretary

APPROVED AS TO FORM:

Robert F. Brown, Town Attorney

Exhibit A

**Second Amended Bylaws
of the
Little Elm Economic Development Corporation**

SECOND AMENDED BYLAWS
OF
LITTLE ELM ECONOMIC DEVELOPMENT CORPORATION

ARTICLE I
PURPOSE AND POWERS

Section 1. Purpose. The Corporation is incorporated for the purposes set forth in Article Four of its Articles of Incorporation, the same to be accomplished on behalf of the Town of Little Elm, Texas (the "Town") as its duly constituted authority and instrumentality in accordance with the Development Corporation Act, Chapters 501 to 504 of the Texas Local Government Code, as amended (the "Act"), and other applicable laws.

Section 2. Powers. In the fulfillment of its corporate purpose, the Corporation shall be governed by Chapter 504 of the Act, and shall have all of the powers set forth and conferred in its Articles of Incorporation, in the Act, and in other applicable law, subject to the limitations prescribed therein and herein and to the provisions thereof and hereof.

ARTICLE II
BOARD OF DIRECTORS

Section 1. Powers, Number and Term of Office.

(a) The property and affairs of the Corporation shall be managed and controlled by a Board of Directors (the "Board") and, subject to the restrictions imposed by law, by the Articles of Incorporation, and by these Bylaws, the Board shall exercise all of the powers of the Corporation.

(b) The Board shall consist of five (5) directors, each of whom shall be appointed by the Town Council (the "Council") of the Town. As a general guideline, the directors should be representative of the following: (i) one (1) director from the Council; (ii) four (4) directors at-large; and (iii) the five (5) directors and two (2) alternate directors shall be residents of the Town of Little Elm. The Council shall provide for the appointment of up to two (2) alternate directors appointed by the Council to serve in the absence of one (1) or more of the directors. The alternate directors shall serve for a term of three (3) years or until his or her successor is appointed by the Council.

(c) The directors constituting the first Board shall be those directors named in the Articles of Incorporation. Two (2) members of the first Board shall serve terms of two (2) years, two (2) shall serve terms of three (3) years and one (1) member shall serve for a term of one (1) year. The respective terms of the initial Board shall be determined by drawing. Thereafter, each successor member of the Board shall be appointed and shall serve for three (3) years or until his or her successor is appointed as hereinafter provided.

(d) Any director or alternate director may be removed from office by the Council at will.

Section 2. Meetings of Directors. The directors may hold their meetings at such place or places in the Town as the Board may from time to time determine; provided, however, in the absence of any such determination by the Board, the meetings shall be held at the principal office of the Corporation as specified in Article V of these Bylaws.

Section 3. Notice of Meetings.

(a) Regular meetings of the Board shall be held without the necessity of written notice to the Directors at such times and places as shall be designated from time to time by the Board. Special meetings of the Board shall be held whenever called by the president, by the secretary, by a majority of the directors, by the Mayor of the Town or by a majority of the Council. Nothing contained in this Section 3 shall override the notice requirements contained in Section 4 hereafter.

(b) The secretary shall give notice to each director of the Special Meeting in person or by mail, telephone or e-mail, at least two (2) hours before the meeting. Unless otherwise indicated in the notice thereof; any and all matters pertaining to the purposes of the Corporation may be considered and acted upon at a Special Meeting. At any meeting at which every director shall be present, even though without any notice, any matter pertaining to the purpose of the Corporation may be considered and acted upon consistent with applicable law.

(c) Whenever any notice is required to be given to the Board, said notice shall be deemed to be sufficient if given by depositing the same in a post office box in a sealed postpaid wrapper addressed to the person entitled thereto at his or her post office address as it appears on the books of the Corporation, and such notice shall be deemed to have been given on the day of such mailing. Attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened. A waiver of notice in writing, signed by the persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

Section 4. Open Meetings Act. All meetings and deliberations of the Board shall be called, convened, held and conducted, and notice shall be given to the public, in accordance with the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, as amended.

Section 5. Quorum. A majority of the directors shall constitute a quorum for the conduct of official business of the Corporation. The act of a majority of the directors present at a meeting at which a quorum is in attendance shall constitute the act of the Board of the Corporation unless the act of a greater number is required by law.

Section 6. Conduct of Business.

(a) At the meetings of the Board, matters pertaining to the business of the Corporation shall be considered in accordance with rules of procedure as from time to time prescribed by the Board.

(b) At all meetings of the Board, the president shall preside, and in the absence of the president, the vice president shall exercise the powers of the president.

(c) The secretary of the Corporation shall act as secretary of all meetings of the Board, but in the absence of the secretary the presiding officer may appoint any person to act as secretary of the meeting.

Section 7. Committees of the Board. The Board may designate two (2) or more directors to constitute an official committee of the board to exercise such authority of the Board as may be specified in the resolution. It is provided, however, that all final, official actions of the Corporation may be exercised only by the Board. Each committee so designated shall keep regular minutes of the transactions of its meetings and shall cause such minutes to be recorded in books kept for that purpose in the principal office of the Corporation.

Section 8. Compensation of Directors. Directors shall not receive any salary or compensation for their services as directors. However, they shall be reimbursed for their actual expenses incurred in the performance of their duties hereunder.

ARTICLE III OFFICERS

Section 1. Titles and Term of Office.

(a) The officers of the Corporation shall be a president, a vice president, a secretary and a treasurer, and such other officers as the Board may from time to time elect or appoint. One (1) person may hold more than one (1) office, except that the president shall not hold the office of secretary. Terms of the office shall be one (1) years with the right of an officer to be re-elected.

(b) All officers shall be subject to removal from an office at any time by a vote of the majority of the entire Board.

(c) A vacancy in the office of any officer shall be filled by a vote of a majority of the directors.

Section 2. Powers and Duties of the President.

The president shall be the chief executive officer of the Corporation, and, subject to the paramount authority of the Board, the president shall be in general charge of the properties and affairs of the Corporation, shall preside at all meetings of the Board, and may sign and execute all contracts, conveyances, franchises, deeds, assignments, and other instruments in the name of the Corporation.

Section 3. Vice President.

The vice president shall have such powers and duties as may be prescribed by the Board and shall exercise the powers of the president during that officer's absence or inability to act. Any action taken by the vice president in the performance of the duties of the president shall be conclusive evidence of the absence or inability to act of the president at the time such action was taken.

Section 4. Treasurer.

The treasurer shall have the responsibility to see to the handling, custody, and security of all

funds and securities of the Corporation in accordance with these Bylaws. When necessary or proper, the treasurer may endorse and sign, on behalf of the Corporation, for collection or issuance, checks, and other obligations in or drawn upon such bank or banks or depositories as shall be designated by the Board consistent with these Bylaws. The treasurer shall see to the entry in the books of the Corporation full and accurate accounts of all monies received and paid out on account of the Corporation. The treasurer shall, at the expense of the Corporation, give such bond for the faithful discharge of his duties in such form and amount as the Board or the Council may require.

Section 5. Secretary.

The secretary shall keep the minutes of all meetings of the Board in books provided for that purpose, shall give and serve all notices, may sign with the president in the name of the Corporation, and/or attest the signature thereto, all contracts, conveyances, franchises, deeds, assignments, and other instruments of the Corporation, shall have charge of the corporate books, records, documents and instruments, except the papers as the Board may direct, all of which shall at all reasonable times be open to public inspection upon application at the office of the Corporation during business hours, and shall in general perform all duties incident to the office of secretary subject to the control of the Board.

Section 6. The president, each vice president, and the secretary shall be named from among the members of the Board. The treasurer and any assistant secretaries may, at the option of the Board, be persons other than members of the Board, but they may be employees of the Town.

Section 7. Compensation. Officers who are members of the Board shall not receive any salary or compensation for their services, except that they shall be reimbursed for their actual expenses incurred in the performance of their duties hereunder. Other officers may be compensated as directed by the Board.

ARTICLE IV
FUNCTIONAL CORPORATE DUTIES AND REQUIREMENTS

Section 1. General Development Plan.

(a) The Board shall research, develop, prepare, and submit to the Council for its approval, an economic development plan for the Town, which shall include proposed methods and the expected costs of implementation. The plan shall include both short-term and long-term goals for the economic development of the Town, proposed methods for the elimination of unemployment and underemployment, and the promotion of employment, through the expansion and development of a sound industrial, manufacturing, and retail base within the Town.

(b) The Board shall review and update the plan each year prior to submission of the annual budget required by other provisions of these bylaws.

Section 2. Annual Corporate Budget.

At least 60 days prior to the commencement of each fiscal year of the Corporation, the Board shall adopt a proposed budget of expected revenues and proposed expenditures of the next fiscal year.

Section 3. Books, Records, Audits.

(a) The Corporation shall keep and properly maintain, in accordance with generally accepted accounting principles, complete books, records, accounts and financial statements pertaining to its corporate fund activities and affairs.

(b) The Corporation shall cause its books, records, accounts, and financial statements to be audited at least once each fiscal year by an outside, independent auditing and accounting firm selected by the Town. Such audit shall be at the expense of the Corporation.

(c) All books, records, accounts and financial statements shall be subject to the Public Information Act, Chapter 552 of the Texas Government Code, as amended.

Section 4. Deposit and Investment of Corporate funds.

(a) All other monies of the Corporation shall be deposited, secured, and/or invested in the manner provided for the deposit, security, and/or investment of the public funds of the Town. The Board shall designate the accounts and depositories to be created for such purposes, and the methods of withdrawal of funds therefrom for use by and for the purposes of the Corporation upon the approval of its treasurer.

Section 5. Expenditures of Corporate Money.

(a) The monies of the Corporation, including sales and use taxes collected pursuant to Chapter 504 of the Act, monies derived from the repayment of loans, rents received from the lease or use the property, the proceeds from the investment of funds of the Corporation, the proceeds from the sale of property may be expended by the Corporation for any of the purposes authorized by the Act, subject to the following limitations:

- (i) Expenditures may be for the purposes of financing or otherwise providing one or more "Projects", as defined in the Act. The specific expenditures shall be described in a resolution or order of the Board and shall be made only after the approval thereof by the Council;
- (ii) All other proposed expenditures shall be made in accordance with and shall be set forth in the annual budget required by Section 2 of this Article.

ARTICLE V
MISCELLANEOUS PROVISIONS

Section 1. Principal Office.

(a) The principal office of the Corporation shall be the registered office of the Corporation specified in the Articles of Incorporation.

(b) The Corporation shall have and shall continually designate a registered agent at its registered office, as required by the Act.

Section 2. Fiscal Year. The fiscal year of the Corporation shall be the same as the fiscal year of the Town.

Section 3. Seal. The seal of the Corporation shall be as determined by the Board.

Section 4. Resignations. Any director or officer may resign at any time. Such resignation shall be made in writing and shall take effect at the time specified therein, or, if no time be specified, at the time of its receipt by the president or secretary. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

Section 5. Approval or Advice and Consent of the Council. To the extent that these Bylaws refer to any approval by the Town or the Council or refer to advice and consent by the Council, such approval, or advice and consent, shall be evidenced by a certified copy of a resolution, order, or motion duly adopted by the Council.

Section 6. Indemnification of Directors, Officers and Employees.

(a) As provided in the Act, the Corporation is, for the purposes of the Texas Tort Claims Act (Subchapter A, Chapter 101, Texas Civil Practices and Remedies Code), a governmental unit and its actions are governmental functions.

(b) The Corporation shall indemnify each and every member of the Board, its officers, and its employees, and each member of the Council and each employee of the Town, to the fullest extent permitted by law, against any and all liability or expense, including attorney's fees, incurred by any of such persons by reason of any actions or omissions that may arise out of the functions and activities of the Corporation.

ARTICLE VI EFFECTIVE DATE, AMENDMENTS

Section 1. Effective Date. These Bylaws and any amendment hereto shall become effective upon the occurrence of the following events:

- (1) the adoption of these Bylaws by the Board; and
- (2) the approval of these Bylaws by the Council.

Section 2. Amendments to Articles of Incorporation and Bylaws. The Articles of Incorporation of the Corporation and these Bylaws may be amended only in the manner provided in the Articles of Incorporation and the Act.

ADOPTED this the _____ day of _____, 2012.

President

ATTEST:

Secretary

SECOND AMENDED BYLAWS

OF

LITTLE ELM ECONOMIC DEVELOPMENT CORPORATION

ARTICLE I PURPOSE AND POWERS

Section 1. Purpose. The Corporation is incorporated for the purposes set forth in Article Four of its Articles of Incorporation, the same to be accomplished on behalf of the Town of Little Elm, Texas (the "Town") as its duly constituted authority and instrumentality in accordance with the Development Corporation Act, Chapters 501 to 504 of the Texas Local Government Code, as amended of 1979, as amended, Tex. Rev. Civ. Stat. Ann. Art. 5190.6, as amended (the "Act"), and other applicable laws.

Section 2. Powers. In the fulfillment of its corporate purpose, the Corporation shall be governed by Chapter 504~~Section 4A~~ of the Act, and shall have all of the powers set forth and conferred in its Articles of Incorporation, in the Act, and in other applicable law, subject to the limitations prescribed therein and herein and to the provisions thereof and hereof.

ARTICLE II BOARD OF DIRECTORS

Section 1. Powers, Number and Term of Office.

(a) The property and affairs of the Corporation shall be managed and controlled by a Board of Directors (the "Board") and, subject to the restrictions imposed by law, by the Articles of Incorporation, and by these Bylaws, the Board shall exercise all of the powers of the Corporation.

(b) The Board shall consist of five (5) directors, each of whom shall be appointed by the Town Council (the "Council") of the Town. As a general guideline, the directors should be representative of the following: (i) one (1) director from the ~~City~~ Council; (ii) four (4) directors at-large; and (iii) ~~a majority of the five (5) directors~~ and two (2) alternate directors shall be residents of the Town of Little Elm. The Council shall provide for the appointment of up to two (2) alternate directors appointed by the Council to serve in the absence of one (1) or more of the directors. The alternate directors shall serve for a term of three (3) years or until his or her successor is appointed by the Council.

(c) The directors constituting the first Board shall be those directors named in the Articles of Incorporation. Two (2) members of the first Board shall serve terms of two (2) years, two (2) shall serve terms of three (3) years and one (1) member shall serve for a term of one (1) year. The respective terms of the initial Board shall be determined by drawing. Thereafter, each successor member of the Board shall be appointed and shall serve for three (3) years or until his or her successor is appointed as hereinafter provided.

(d) Any director or alternate director may be removed from office by the Council at will.

Section 2. Meetings of Directors. The directors may hold their meetings at such place or places in the Town as the Board may from time to time determine; provided, however, in the absence of any such determination by the Board, the meetings shall be held at the principal office of the Corporation as specified in Article V of these Bylaws.

Section 3. Notice of Meetings.

(a) Regular meetings of the Board shall be held without the necessity of written notice to the Directors at such times and places as shall be designated from time to time by the Board. Special meetings of the Board shall be held whenever called by the president, by the secretary, by a majority of the directors, by the Mayor of the Town or by a majority of the ~~Town~~ Council. Nothing contained in this Section 3 shall override the notice requirements contained in Section 4 hereafter.

(b) The secretary shall give notice to each director of the Special Meeting in person or by mail, telephone or ~~e-mail~~ telegraph, at least two (2) hours before the meeting. Unless otherwise indicated in the notice thereof; any and all matters pertaining to the purposes of the Corporation may be considered and acted upon at a Special Meeting. At any meeting at which every director shall be present, even though without any notice, any matter pertaining to the purpose of the Corporation may be considered and acted upon consistent with applicable law.

(c) Whenever any notice is required to be given to the Board, said notice shall be deemed to be sufficient if given by depositing the same in a post office box in a sealed postpaid wrapper addressed to the person entitled thereto at his or her post office address as it appears on the books of the Corporation, and such notice shall be deemed to have been given on the day of such mailing. Attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened. ~~Neither the business to be transacted at nor the purpose of any Regular or Special Meeting of the Board need to be specified in the notice or waiver of notice of such meeting, unless required by the Board.~~ A waiver of notice in writing, signed by the persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

Section 4. Open Meetings Act. All meetings and deliberations of the Board shall be called, convened, held and conducted, and notice shall be given to the public, in accordance with the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, as amended, Tex. Gov. Code, as amended or superseded.

Section 5. Quorum. A majority of the directors shall constitute a quorum for the conduct of official business of the Corporation. The act of a majority of the directors present at a meeting at which a quorum is in attendance shall constitute the act of the Board of the Corporation unless the act of a greater number is required by law.

Section 6. Conduct of Business.

(a) At the meetings of the Board, matters pertaining to the business of the Corporation shall be considered in accordance with rules of procedure as from time to time prescribed by the Board.

(b) At all meetings of the Board, the president shall preside, and in the absence of the president, the vice president shall exercise the powers of the president.

(c) The secretary of the Corporation shall act as secretary of all meetings of the Board, but in the absence of the secretary the presiding officer may appoint any person to act as secretary of the meeting.

Section 7. Committees of the Board. The Board may designate two (2) or more directors to constitute an official committee of the board to exercise such authority of the Board as may be specified in the resolution. It is provided, however, that all final, official actions of the Corporation may be exercised only by the Board. Each committee so designated shall keep regular minutes of the transactions of its meetings and shall cause such minutes to be recorded in books kept for that purpose in the principal office of the Corporation.

Section 8. Compensation of Directors. Directors shall not receive any salary or compensation for their services as directors. However, they shall be reimbursed for their actual expenses incurred in the performance of their duties hereunder.

ARTICLE III OFFICERS

Section 1. Titles and Term of Office.

(a) The officers of the Corporation shall be a president, a vice president, a secretary and a treasurer, and such other officers as the Board may from time to time elect or appoint. One (1) person may hold more than one (1) office, except that the president shall not hold the office of secretary. Terms of the office shall be one (1) years with the right of an officer to be re-elected.

(b) All officers shall be subject to removal from an office at any time by a vote of the majority of the entire Board.

(c) A vacancy in the office of any officer shall be filled by a vote of a majority of the directors.

Section 2. Powers and Duties of the President.

The president shall be the chief executive officer of the Corporation, and, subject to the paramount authority of the Board, the president shall be in general charge of the properties and affairs of the Corporation, shall preside at all meetings of the Board, and may sign and execute all contracts, conveyances, franchises, deeds, assignments, and other instruments in the name of the Corporation.

Section 3. Vice President.

The vice president shall have such powers and duties as may be prescribed by the Board and shall exercise the powers of the president during that officer's absence or inability to act. Any action taken by the vice president in the performance of the duties of the president shall be conclusive evidence of the absence or inability to act of the president at the time such action was taken.

Section 4. Treasurer.

The treasurer shall have the responsibility to see to the handling, custody, and security of all funds and securities of the Corporation in accordance with these Bylaws. When necessary or proper, the treasurer may endorse and sign, on behalf of the Corporation, for collection or issuance, checks, and other obligations in or drawn upon such bank or banks or depositories as shall be designated by the Board consistent with these Bylaws. The treasurer shall see to the entry in the books of the Corporation full and accurate accounts of all monies received and paid out on account of the Corporation. The treasurer shall, at the expense of the Corporation, give such bond for the faithful discharge of his duties in such form and amount as the Board or the Council may require.

Section 5. Secretary.

The secretary shall keep the minutes of all meetings of the Board in books provided for that purpose, shall give and serve all notices, may sign with the president in the name of the Corporation, and/or attest the signature thereto, all contracts, conveyances, franchises, deeds, assignments, and other instruments of the Corporation, shall have charge of the corporate books, records, documents and instruments, except the papers as the Board may direct, all of which shall at all reasonable times be open to public inspection upon application at the office of the Corporation during business hours, and shall in general perform all duties incident to the office of secretary subject to the control of the Board.

Section 6. The president, each vice president, and the secretary shall be named from among the members of the Board. The treasurer and any assistant secretaries may, at the option of the Board, be persons other than members of the Board, but they may be employees of the CityTown.

Section 7. Compensation. Officers who are members of the Board shall not receive any salary or compensation for their services, except that they shall be reimbursed for their actual expenses incurred in the performance of their duties hereunder. Other officers may be compensated as directed by the Board.

ARTICLE IV FUNCTIONAL CORPORATE DUTIES AND REQUIREMENTS

Section 1. General Development Plan.

(a) The Board shall research, develop, prepare, and submit to the Council for its approval, an economic development plan for the CityTown, which shall include proposed methods and the expected costs of implementation. The plan shall include both short-term and long-term goals for the economic development of the CityTown, proposed methods for the elimination of unemployment and underemployment, and the promotion of employment, through the expansion and development of a sound industrial, manufacturing, and retail base within the CityTown.

(b) The Board shall review and update the plan each year prior to submission of the annual budget required by other provisions of these bylaws.

Section 2. Annual Corporate Budget.

At least 60 days prior to the commencement of each fiscal year of the Corporation, the Board shall adopt a proposed budget of expected revenues and proposed expenditures of the next fiscal year.

Section 3. Books, Records, Audits.

(a) The Corporation shall keep and properly maintain, in accordance with generally accepted accounting principles, complete books, records, accounts and financial statements pertaining to its corporate fund activities and affairs.

(b) The Corporation shall cause its books, records, accounts, and financial statements to be audited at least once each fiscal year by an outside, independent auditing and accounting firm selected by the Town. Such audit shall be at the expense of the Corporation. ~~A quarterly financial statement of the Corporation shall be published in a local newspaper.~~

(c) All books, records, accounts and financial statements shall be subject to the Public Information Act, Chapter 552 of the Texas Government Code, as amended, ~~Tex. Gov. Code, as amended or superseded.~~

Section 4. Deposit and Investment of Corporate funds.

(a) All other monies of the Corporation shall be deposited, secured, and/or invested in the manner provided for the deposit, security, and/or investment of the public funds of the ~~City~~Town. The Board shall designate the accounts and depositories to be created for such purposes, and the methods of withdrawal of funds therefrom for use by and for the purposes of the Corporation upon the ~~approval~~signature of its treasurer.

Section 5. Expenditures of Corporate Money.

(a) The monies of the Corporation, including sales and use taxes collected pursuant to ~~Chapter 504~~Section 4A of the Act, monies derived from the repayment of loans, rents received from the lease or use the property, the proceeds from the investment of funds of the Corporation, the proceeds from the sale of property may be expended by the Corporation for any of the purposes authorized by the Act, subject to the following limitations:

- (i) Expenditures may be for the purposes of financing or otherwise providing one or more "Projects", as defined in the Act. The specific expenditures shall be described in a resolution or order of the Board and shall be made only after the approval thereof by the ~~Town~~ Council;
- (ii) All other proposed expenditures shall be made in accordance with and shall be set forth in the annual budget required by Section 2 of this Article.

**ARTICLE V
MISCELLANEOUS PROVISIONS**

Section 1. Principal Office.

(a) The principal office of the Corporation shall be the registered office of the Corporation specified in the Articles of Incorporation.

(b) The Corporation shall have and shall continually designate a registered agent at its registered office, as required by the Act.

Section 2. Fiscal Year. The fiscal year of the Corporation shall be the same as the fiscal year of the Town.

Section 3. Seal. The seal of the Corporation shall be as determined by the Board.

Section 4. Resignations. Any director or officer may resign at any time. Such resignation shall be made in writing and shall take effect at the time specified therein, or, if no time be specified, at the time of its receipt by the president or secretary. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

Section 5. Approval or Advice and Consent of the Council. To the extent that these Bylaws refer to any approval by the Town or the Council or refer to advice and consent by the Council, such approval, or advice and consent, shall be evidenced by a certified copy of a resolution, order, or motion duly adopted by the Council.

Section 6. Indemnification of Directors, Officers and Employees.

(a) As provided in the Act, the Corporation is, for the purposes of the Texas Tort Claims Act (Subchapter A, Chapter 101, Texas Civil Practices and Remedies Code), a governmental unit and its actions are governmental functions.

(b) The Corporation shall indemnify each and every member of the Board, its officers, and its employees, and each member of the Council and each employee of the City/Town, to the fullest extent permitted by law, against any and all liability or expense, including attorney's fees, incurred by any of such persons by reason of any actions or omissions that may arise out of the functions and activities of the Corporation.

ARTICLE VI EFFECTIVE DATE, AMENDMENTS

Section 1. Effective Date. These Bylaws and any amendment hereto shall become effective upon the occurrence of the following events:

- (1) the adoption of these Bylaws by the Board; and
- (2) the approval of these Bylaws by the ~~Town~~ Council.

Section 2. Amendments to Articles of Incorporation and Bylaws. The Articles of Incorporation of the Corporation and these Bylaws may be amended only in the manner provided in the Articles of Incorporation and the Act.

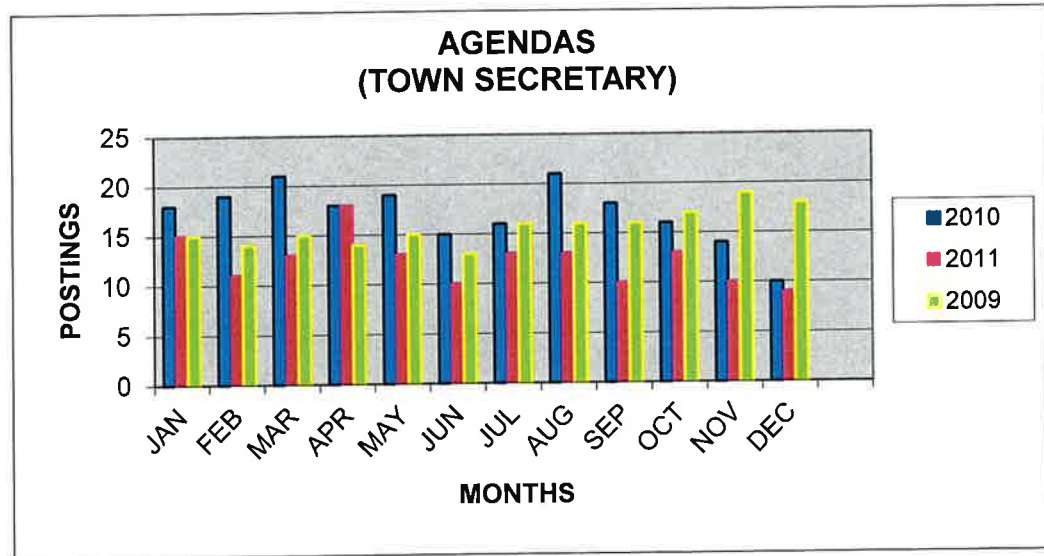
ADOPTED this the _____ day of _____, 2012.

President

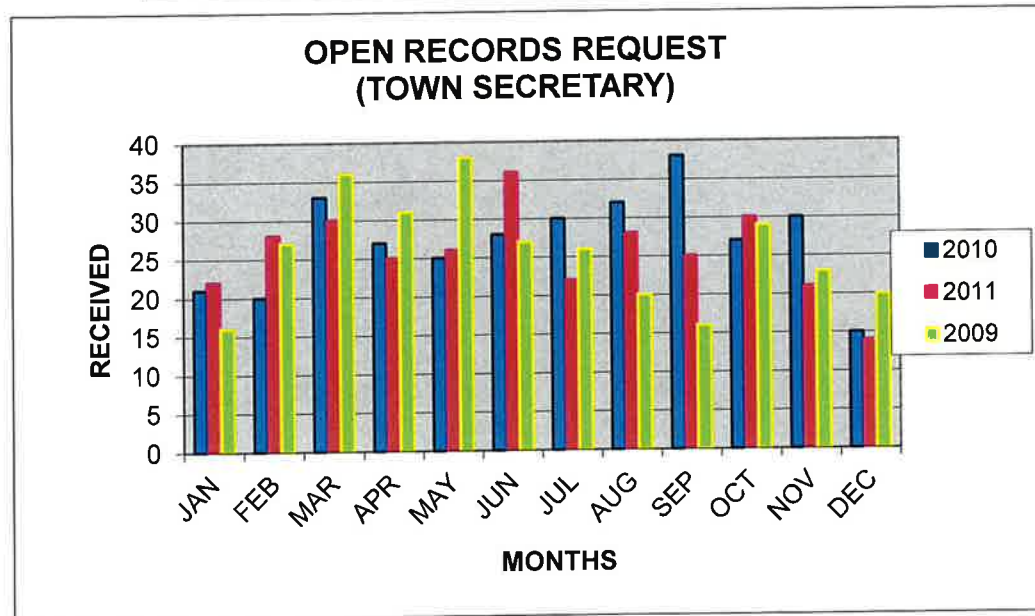
ATTEST:

Secretary

	2010	2011	2009
JAN	18	15	15
FEB	19	11	14
MAR	21	13	15
APR	18	18	14
MAY	19	13	15
JUN	15	10	13
JUL	16	13	16
AUG	21	13	16
SEP	18	10	16
OCT	16	13	17
NOV	14	10	19
DEC	10	9	18



	2010	2011	2009
JAN	21	22	16
FEB	20	28	27
MAR	33	30	36
APR	27	25	31
MAY	25	26	38
JUN	28	36	27
JUL	30	22	26
AUG	32	28	20
SEP	38	25	16
OCT	27	30	29
NOV	30	21	23
DEC	15	14	20



December 2011



Monthly Development Report



*The Town with a
Lake Attitude*

**Town of Little Elm
Development Services Department
100 W. Eldorado Parkway
Little Elm, TX 75068
214-975-0472**

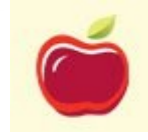
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TOWN OF LITTLE ELM
DEVELOPMENT SERVICES DEPARTMENT
MONTHLY DEVELOPMENT REPORT
December 2011

PLANNING AND ZONING



Commercial Projects 2011:

Rosebriar Retail Shell 1: *awaiting final inspections with anticipated opening date of January, 2012*

Rosebriar Retail Shell 2: *awaiting final inspections with anticipated opening date of January, 2012*

QuikTrip: *under construction with anticipated opening date of Summer, 2012*

Aldi: *under construction with anticipated opening date of Spring, 2012*

Lobo Fueling Center: *building permit ready for pickup*

New Life Community Church: *under construction with anticipated opening date of February, 2012*

All-Storage Expansion (380): *under construction with anticipated opening date in 2012*

Brakes Plus: *pending building permit approval (**Planning, Fire, Building, Engineering**)*

RaceTrac: *building permit application expected in January, 2012*

Residential Projects 2011:

Frisco Hills I (181 residential lots): *under construction*

Frisco Ranch Phase 4B (54 residential lots): *construction expected to begin 2012*

Paloma Creek South Phase 12 (72 residential lots): *construction expected to begin 2012*

Paloma Creek South Phase 3 (126 residential lots): *construction expected to begin late 2011*

Sunset Pointe Phase 22 (47 residential lots): *construction expected to begin late 2011*

Dominion at Lakeview—Sunset Pointe Phase 23 (67 residential lots): *pending plat approval*

Completed Projects 2011:

Applebee's: *opened February, 2011*

Kroger Gas: *opened September, 2011*

Kroger: *opened October, 2011*

Sunset Pointe Phase 19C (70 residential lots): *opened July, 2011*

Frisco Ranch Phase 4A (77 residential lots): *opened August, 2011*

Sunset Pointe Phase 21 (53 residential lots): *opened September, 2011*



TOWN OF LITTLE ELM
DEVELOPMENT SERVICES DEPARTMENT
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December 2011

PLANNING AND ZONING

<u>Planning Cases</u>			
<u>Case Type</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Plats	15	19	17
Site Plans	10	8	15
Rezoning	6	2	6
PDs	4	1	2
SUPs	8	8	1
Annexations	1	0	1
Variances (BOA)	1	0	1
Ordinances	12	11	12
Special Projects	5	4	17
DRC Meetings	48	44	57
TOTAL	110	97	129

<u>Single-Family Lots Created</u>	
YEAR	# LOTS
2009	8
2010	80
2011	202



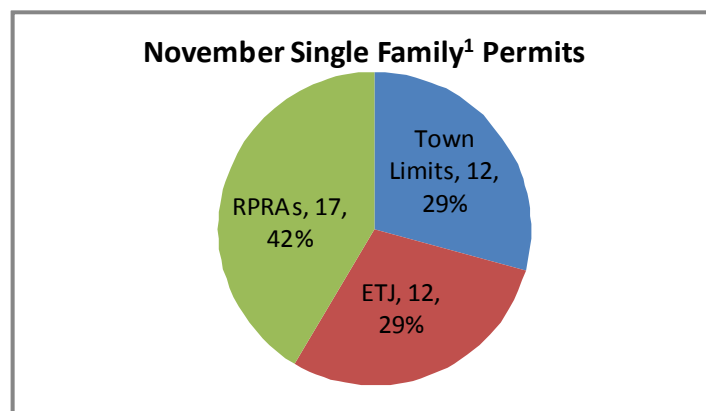
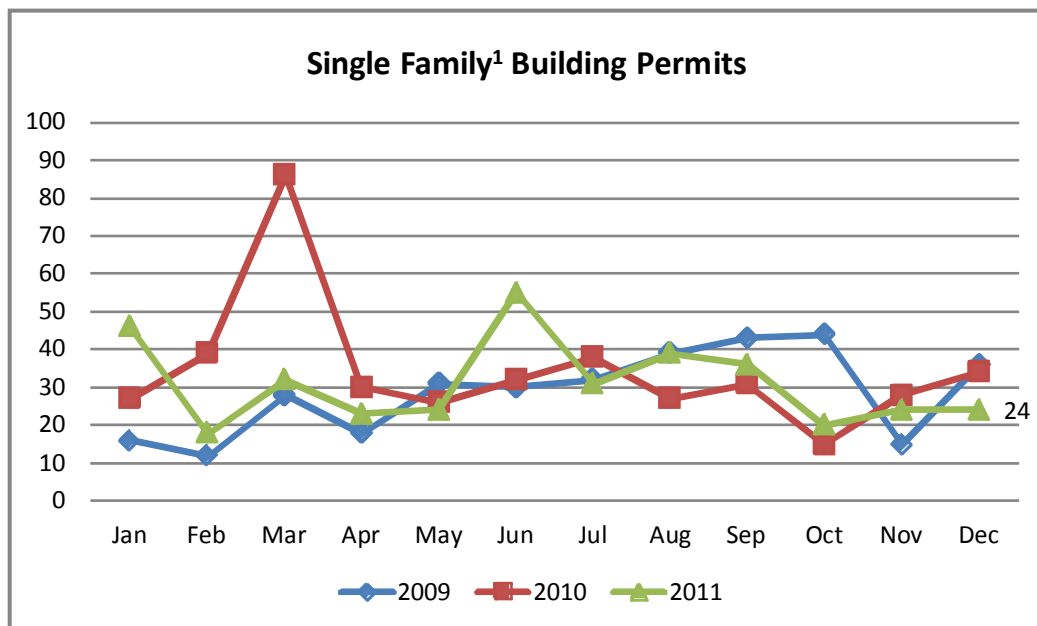
TOWN OF LITTLE ELM

DEVELOPMENT SERVICES DEPARTMENT

MONTHLY DEVELOPMENT REPORT

December 2011

BUILDING SAFETY



Category	Description	Dec.	2011
SF Permits (Town)	Full Review SF Permits within Little Elm	12	285
SF Permits (ETJ)	Full Review SF Permits within ETJ (Paloma Creek)	12	87
RPRAs	Residential Plan Review Approvals (Frisco Ranch)	17	116
Total	New Residential Units	41	488

181

¹Single Family Permits are categorized as new single-family, two-family, model homes, and manufactured homes.



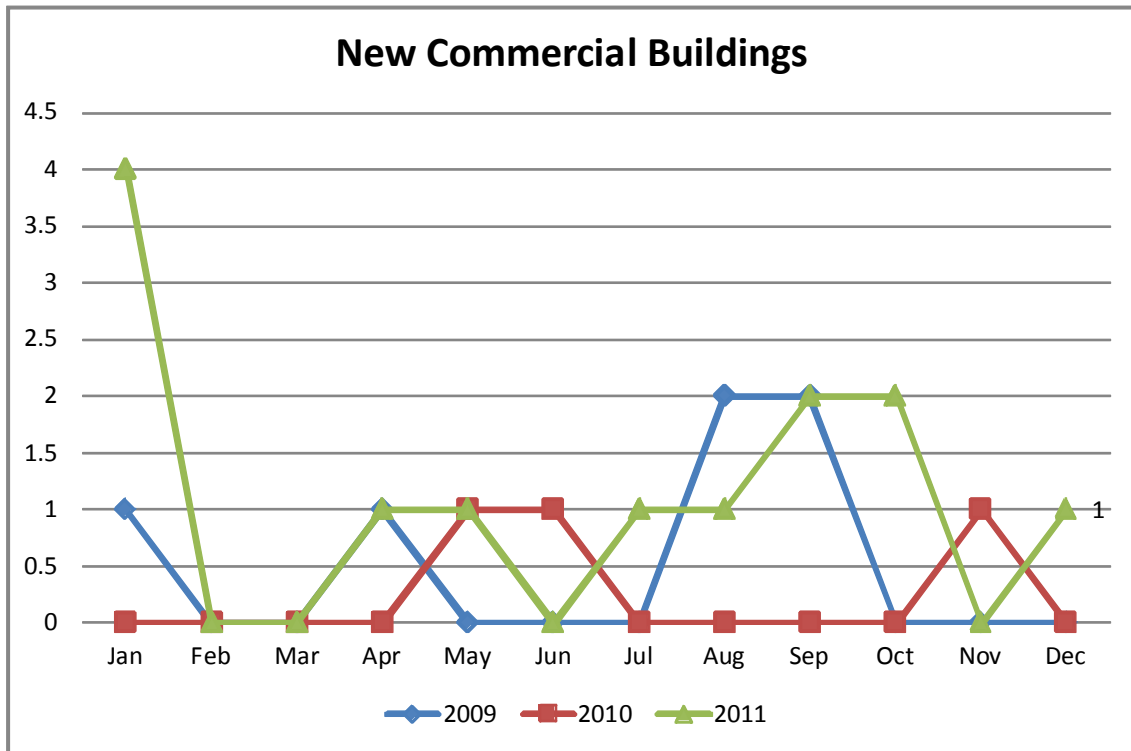
TOWN OF LITTLE ELM

DEVELOPMENT SERVICES DEPARTMENT

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December 2011

BUILDING SAFETY



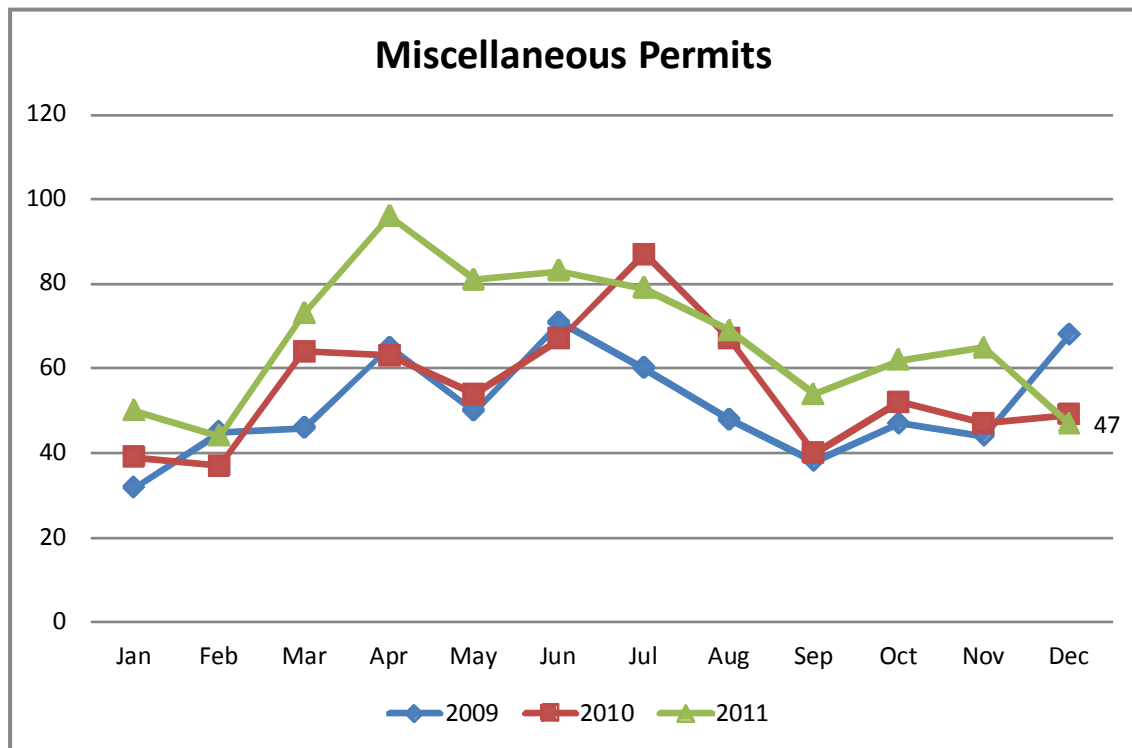
New Commercial Businesses	
<u>Year</u>	<u># of Businesses</u>
2009	58
2010	27
2011	49

Includes New Commercial Buildings, New Commercial Finish-Outs, and Commercial Tenant Changes. Excludes New Commercial Shells.



TOWN OF LITTLE ELM
DEVELOPMENT SERVICES DEPARTMENT
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December 2011

BUILDING SAFETY



Miscellaneous Permits Include: Additions, Remodels, Fences, Irrigation, Patio Covers, Pools, Signs, Accessory Structures, Electrical, Plumbing, Mechanical, Demolition, Foundation, Grading, Septic, etc.



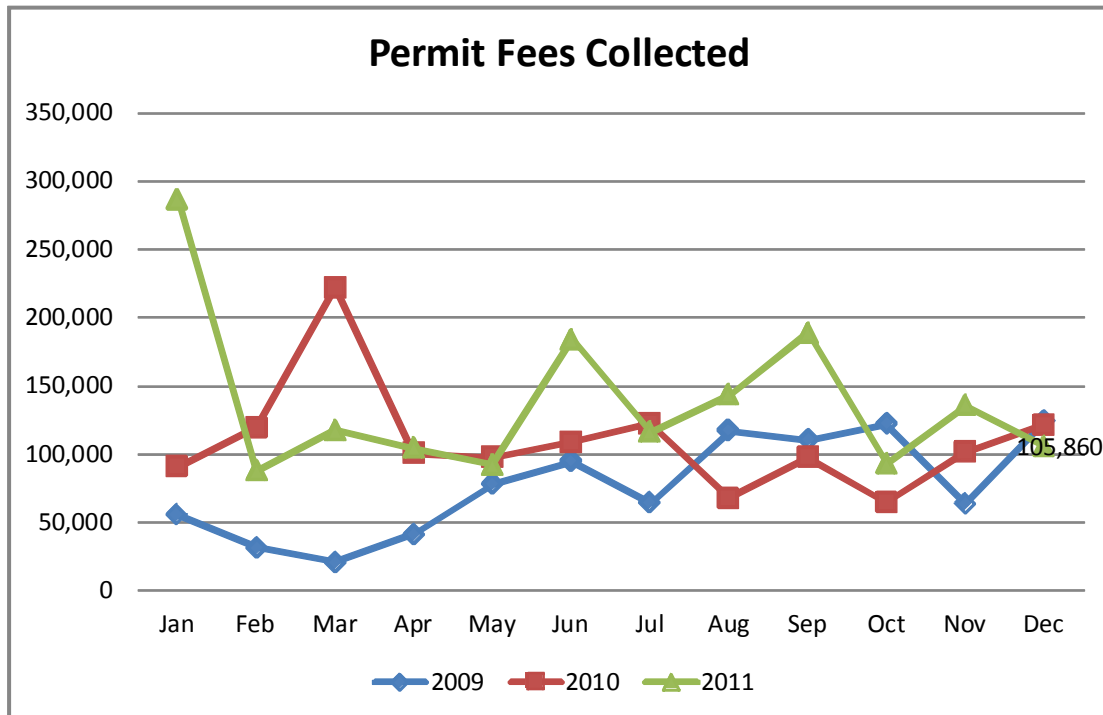
TOWN OF LITTLE ELM

DEVELOPMENT SERVICES DEPARTMENT

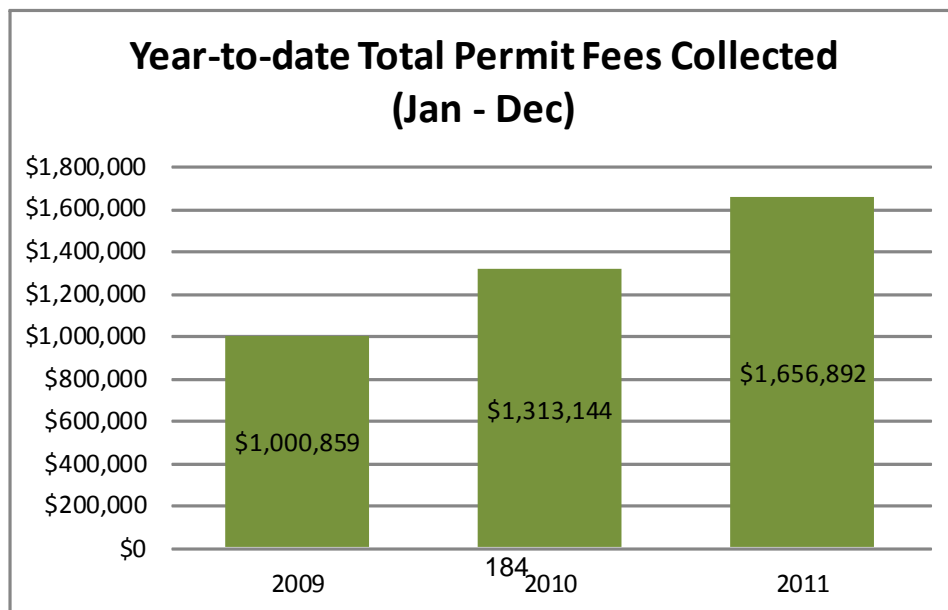
MONTHLY DEVELOPMENT REPORT

December 2011

DEVELOPMENT SERVICES



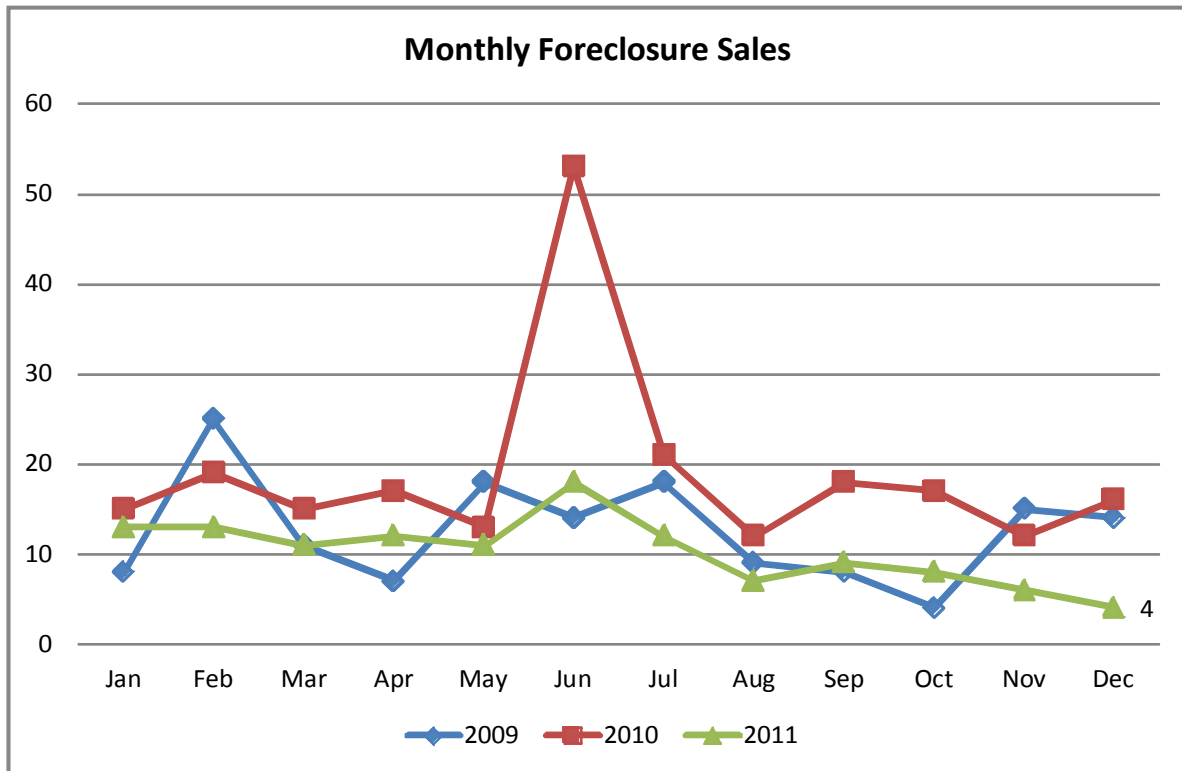
Permit Fees Collected Includes: All Building Permits, Inspection Fees, Contractor Registrations, Planning Application fees, and Annual Permits. It excludes impact fees.





TOWN OF LITTLE ELM
DEVELOPMENT SERVICES DEPARTMENT
MONTHLY DEVELOPMENT REPORT
December 2011

DEVELOPMENT SERVICES



Source: Denton Central Appraisal District.

Active Commercial Projects

Tenant Name	Project Type	Permit Date	Site Address	Status
Southern Fastening Systems	Addition or Remodel	7/1/2011	26772 E US Hwy 380 Ste No. A	Under Construction
Town of Little Elm Public Safety Building	New Commercial Building	1/27/2011	88 W Eldorado Pkwy.	Awaiting Final Docs & Inspection
Town of Little Elm Community Center	New Commercial Building	7/19/2011	303 Main St.	Under Construction
The Town of Little Elm Senior Center	New Commercial Building	8/16/2011	301 Main St.	Under Construction
Town of Little Elm Streetscape and Lighting	New Commercial Building	5/10/2011	100 W Eldorado	Under Construction
Aldi	New Commercial Building	9/13/2011	2650 Little Elm Pkwy.	Under Construction
Lobo Fueling Center	New Commercial Building	Not Issued	500 W Eldorado Pkwy.	In Review
New Life Community Church	New Commercial Building	9/8/2011	25631 Smotherman Rd.	Under Construction
QuikTrip	New Commercial Building	12/22/2011	2181 FM 423	Under Construction
All Storage Ltd	New Commercial Building	10/21/2011	26740 E U.S. 380	Under Construction
Fred Meyer Jewelers	New Commercial Finish-out	6/9/2011	2721 Little Elm Pkwy.	Awaiting CO Request
Rosebriar Marketplace	New Commercial Finish-out	9/19/2011	2701 Little Elm Pkwy. Bldg No. 6A Ste No. 95	Awaiting Final inspection
White Tiger Karate	New Commercial Finish-out	11/21/2011	2701 Little Elm Pkwy. Bldg No. 6A Ste No. 130	Under Construction
Rosebriar Marketplace	New Commercial Shell	2/18/2011	2701 Little Elm Pkwy. Bldg No. 6A	Awaiting Final Inspection
Rosebriar Marketplace	New Commercial Shell	2/18/2011	2721 Little Elm Pkwy. Bldg No. 2	Awaiting Final Inspection
Lobo Fueling Center	New Commercial Site	11/7/2011	500 W Eldorado Pkwy.	Under Construction

Restaurant Health Scores

Current Scores			
Business Name	Address	Grade	Date Last Inspected
7-11 Convenience Store #33264	8999 FM 423	100	11/11/2011
7-11 Convenience Store #34010	1005 E. Eldorado Pkwy	100	11/15/2011
7-11 Convenience Store #39164	2673 US Hwy 380 East	100	11/22/2011
Applebee's Neighborhood Bar & Grill	2672 FM 423	95	11/30/2011
Baker's Dozen Donuts	2785 E. Eldorado Pkwy #110	100	11/17/2011
Baskin Robbins Ice Cream Store	2700 E. Eldorado Pkwy Ste 103	100	11/16/2011
Burger King	2770 E. Eldorado Pkwy	100	11/16/2011
Chicken Express	904 W. Eldorado Pkwy	96	11/8/2011
Cici's Pizza To Go	2700 E. Eldorado Pkwy Ste 407	100	11/29/2011
CVS Pharmacy #8336-01	2591 FM 423	97	11/9/2011
Dickey's BBQ	2587 FM 423 Ste 100	100	11/29/2011
DJ Donuts	407 W. Eldorado Pkwy #110	100	11/18/2011
Dollar General	416 W. Eldorado Pkwy	100	11/15/2011
Dollar Tree	2700 E. Eldorado Pkwy Ste 200	100	11/30/2011
Domino's Pizza	2405 FM 423 # 500	100	11/11/2011
Eldorado Meat Market	1000 E. Eldorado Pkwy Ste 190	86	11/18/2011
Favorite Yogurt	2832 E Eldorado Pkwy #207	95	11/25/2011
Fluffy Donuts	1104 W. Eldorado Pkwy #102	100	11/8/2011
Hong Kong Express	2405 FM 423 #200	95	11/30/2011
Hot Wok Café	2763 E. Eldorado #130	92	11/18/2011
Joe's New York Style Pizza	2765 E. Eldorado Pkwy Ste 220	91	11/30/2011
Johnny Joe's	102 Lobo Ln.	100	11/15/2011

Restaurant Health Scores

Current Scores			
Business Name	Address	Grade	Date Last Inspected
Key's Market	407 W. Eldorado Pkwy #11	90	11/18/2011
KFC/LJS Restaurant	2801 E. Eldorado Pkwy	100	11/9/2011
Kobe Steak and Sushi	2832 E. Eldorado Ste 208	84	11/29/2011
Lakeview Grocery	1104 W. Eldorado Pkwy	96	11/8/2011
Los Charros	2763 E. Eldorado #105	100	11/18/2011
Los Jalepenos	420 E. Eldorado Pkwy	89	11/15/2011
Mama Santa's Cocina	129 Main St	100	11/16/2011
Marble Slab Creamery	2831 E. Eldorado Ste 102	92	11/25/2011
Mary's Bakery & Taqueria	800 W. Eldorado Pkwy Ste 127	96	11/14/2011
McDonald's Restaurant	2670 FM 423	97	11/23/2011
Mexi-go Restaurant	2831 E. Eldorado Pkwy Ste 112	96	11/9/2011
Mooyah Burgers & Fries	2587 FM 423 Ste 401	96	11/29/2011
Mr. Jim's Pizza	800 W. Eldorado Pkwy Ste 1181	100	11/14/2011
Palio's Pizza	2832 E. Eldorado Ste 201	100	11/9/2011
Papa John's Pizza	2650 King Road #100	94	11/11/2011
Pick 6 Bar & Grill	2833 E. Eldorado Pkwy Ste 301	81	11/25/2011
Popeye's Chicken & Biscuits	2770 E. Eldorado Pkwy	100	11/16/2011
Posey BBQ	1900 W. FM 720	100	11/7/2011
Roma's Italian Restaurant	1725 E. Eldorado Pkwy	91	11/16/2011
Schmitt's	407 W. Eldorado Pkwy #1	87	11/17/2011
Sonic Drive In	900 W. Eldorado Pkwy	89	11/8/2011
Sonny Donut	2405 FM 423 Ste 450	92	11/23/2011

Restaurant Health Scores

Current Scores			
Business Name	Address	Grade	Date Last Inspected
Sonny Donuts #10	1000 E. Eldorado Pkwy Ste 110	100	11/18/2011
Sonny Donuts #8	2650 King Rd. #300	92	11/11/2011
Starbucks Coffee House	2831 E. Eldorado Suite 101	97	11/9/2011
Subway	407 W. Eldorado Pkwy #120	100	11/18/2011
Subway #38746	2700 E. Eldorado Pkwy #404	100	11/23/2011
Taco Bell	2589 FM 423	100	11/9/2011
Taco Delite	896 W. Eldorado Pkwy	96	11/14/2011
Taqueria San Luis	26635 US Hwy 380 East	93	11/22/2011
The Lion's Den	2700 E. Eldorado Pkwy Ste 250	100	11/25/2011
Tutti Frutti Yogurt	2785 E. Eldorado Pkwy #115	97	11/25/2011
Walgreens #11320	2774 E. Eldorado Pkwy	100	11/16/2011
Water's Edge Café	800 W. Eldorado Pkwy Ste 126	100	11/14/2011

Grade A (90 to 100)

Grade C (70 to 79)

Grade B (80 to 89)

Grade D (less than 70)



CIP Newsletter

CIP Newsletter

January 11, 2012

Senior Center

Project Description

The Senior Center will be a new structure constructed for use by the Senior Citizens of the Town of Little Elm. The New Senior Center will be located on the same site as the Recreation Center. The programming for the Senior Center includes a multi-use meeting room space to host senior events, kitchen, classroom, and other multi-use areas. The size of the facility is 5,178 square feet.

Now

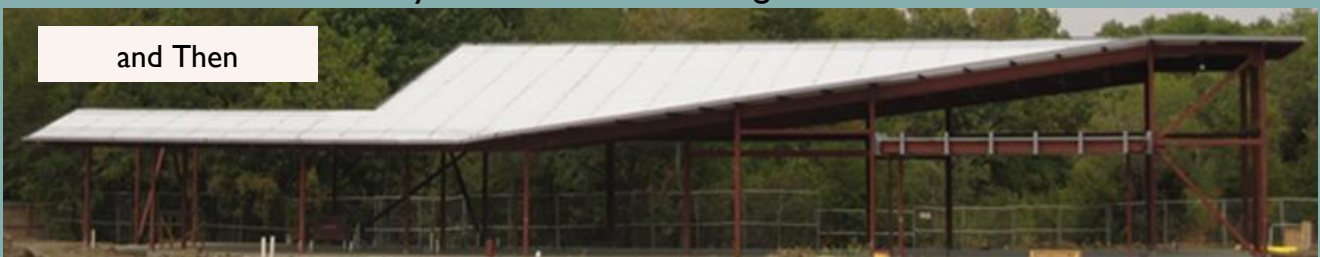


Project Status

The contractor has completed the exterior masonry work and the interior framing. This week, the contractor started installing

exterior glass, continued finishing the interior drywall and is installing the exterior metal panels. The HVAC contractor continues installing duct work, the plumbers and electricians are continuing with rough-in. Next week, more of the same continues. Some work time has been lost due to weather this week and other factors. The contractor has indicated that the delivery date of the building may not be met. Staff has asked for this delay information in writing from the contractor.

and Then





Public Safety Center

Project Description

Plans include the design and construction of an approximately sized 42,000 square foot combined police facility and central fire station to be located on Eldorado Parkway in front of Town Hall. The police facility will accommodate current overcrowding issues and future staff growth. The facility will include a jail, municipal court office, jury room, juvenile/victim interview rooms,

storage, evidence storage, emergency operations center and patrol officer and detective work areas. The new central fire station provides sufficient accommodations to properly operate a future, two company fire station. Productivity and efficiency improves overall when operating the departments under one roof. As the Town's growth continues, the central fire station will be able to manage the anticipated increase in call volume and services. The new facility will be able to house two engine companies, medic crews, future rescue company, future battalion



chief, administration personnel, training room, hands-on training room, inspections, investigations, EMS supplies, bunker gear supply, rehab, conference room, and emergency operations center.

Public Safety Center

Project Status

The building is substantially complete and the Police and Fire Departments have occupied the building. This week, most of the land-



scaping was installed and the contractor continued work on the punch list items and change items. Some of the work items remaining to do are: the wrought iron fencing around the perimeter of the building, card readers on doors, parking lot stripping, parking lot gate, Rotunda crown, roof top equipment screen, television monitor hook ups, and some additional landscaping. Staff is working with a consulting engineer to determine a cause for the Apparatus Bay floor cracking and on a recommendation for corrective measures. This building was completed several weeks ahead of the contracted delivery date.



Recreation Center



Project Description

The Recreation Center is a structure that is to be located off Main Street near the intersection of Main Street and Button Street on a property currently owned by the Town of Little Elm. The site will also have access of Lakeshore Drive. The programming for the Recreation Center includes a multi-use meeting room space to host public events and public/private meetings, multi-use recreational center for basketball, volleyball, exercise area, classroom and instructional leisure activities. The size of the facility is 23,715 square feet.



Recreation Center



Project Status

The tilt wall panels have been erected for both the Gymnasium and for the building portion. This week, the contractor continued erecting the structural steel and continued on the under slab plumbing. The contractor will begin slab preparation of the non-gymnasium portion of the building (multipurpose room, fitness room, kitchen, and classrooms) next

week, with a pour date scheduled for January 23rd. The contractor also continues forming the slab for the gym area, forming and pouring the grade beams that should be complete by next week. The contractor will continue placing wire mesh and preparing to pour concrete slabs for weeks to come. Some work time has been lost due

to weather this week. The schedule on this project indicates a May 2012 completion date.



Animal Shelter

Project Description

Plans now include the design and construction of an 3,497 square foot animal shelter to be located on Mark Tree Lane near the Public Works Service Center and the Wastewater Treatment Plant. The new animal shelter facility will have 24 dog kennels, cat room, adoption / viewing room, quarantine room, check-in room, washroom, reception desk and an office. The project will also have 12 dog runs and an sally port for the off loading of animals and food supplies.

Project Status

Staff met with the architect and went over 95% review comments. The architect has completed the construction documents to the 95% level and is working toward the 100% construction documents that are behind schedule. Staff has completed the RFQ for a “Construction Manager at Risk” and this will be advertised on the next two Fridays. It is expected those proposals will be received on January 31st.

Elevated Water Tower Site - Two Million Gallon (2 MG)

Project Description

This project will include a two million gallon elevated water tower storage tank. It is planned this tower would be located at the intersection of Little Elm Parkway and Eldorado Parkway on property that is currently owned by the Town. This will complete the ultimate need for elevated water within the Town.

Project Status

Staff continues discussion with the adjacent land owner / developer discussing a land swap that will benefit both parties at the southwest corner of Eldorado Parkway and Little Elm Parkway. Town Council approved the purchase of the surplus right-of-way from TxDOT and the ownership papers have been filed with the County. Staff will present preliminary layouts and design contract for the new water tower at an upcoming Council work session in the next few months.

Wastewater Interceptor and Lift Station # 4 and # 6 Improvement Project

Project Description

The design includes detailed plans and specifications for the replacement of the existing eighteen inch (18") gravity main with a thirty inch (30") gravity sanitary sewer from the north side of Eldorado Parkway across from Brenda Lane through the Courtesy Drop Site and the Public Works Service Center into the main WWTP lift station and replacement of the existing service road due to the alignment and depth of the existing gravity sanitary sewer main. Another part of this project is the replacement of Lift Station #4 on Main Street and Lift Station #6 on Lakeshore Drive. Both lift stations were installed with the Town's original 1976 Sanitary Sewer System and need to be upgraded to current standards.

Project Status

Staff met with the contractor and modified the scope of work so that the project could be afforded. The contractor re-priced some of the work activities. A public meeting is scheduled for January 12th. The contract has been awarded and the pre-construction conference is set for January 18th.



Lewisville Lake Boring Project

Project Description

The project will provide sewer and domestic water services to the West side of Little Elm. The contract includes for parallel HDPE water line and force main lines installed by an approximate 2,000 linear foot horizontal directional drill at the FM 720 crossing of Lewisville Lake. This project is critical to resolve the issue of providing commercial water and sanitary sewer to the west side of the Town. Funding for this construction is available within the Utility CIP Bond Fund.

Project Status

The contractor has completed placement and testing of both the water and sewer line across the lake. In addition, they have made the tie-ins at both ends of the bridge to the pipe installed in the previous project. All that remains to be completed is additional added work (extends contract time by another two weeks). This work consists of removal of existing fence on the west end of the bridge that has deteriorated and replacing to match the aesthetics of the TxDOT bridge work. All work should be complete by the end of January 2012.



Cottonwood Ball Park Irrigation Well

Project Description

The project consists of drilling and completing a 150 gallon per minute well to provide irrigation for the Cottonwood Ball Park Complex located on Lobo Lane. This irrigation will allow the Town to water the ball fields and landscape at Cottonwood Park without use of the public water supply. This well facility will protect the turf and landscaping during times of extreme drought.



Project Status

The contractor has completed the repairs to the pump as well as completed the electrical connections to the variable speed controller. The pump was run to verify that the well water was clear of sediment. Staff and the contractor tied the well into the irrigation system at Cottonwood Ball Park to perform a test on the well and equipment. All that remains to be completed on this project is some minor clean up. Staff anticipates performing the final walk through in early January 2012.

East Eldorado Wastewater Line & Lift Station # 3 and # 5 Improvement Project

Project Description

The project is designed to correct capacity deficiencies in the existing wastewater system and relocate sewer lines adjacent to Eldorado Parkway to make way for the Eldorado Parkway widening project. The project will construct new sewer lift stations and sewer force mains along Eldorado Parkway from Hardwicke Drive east to Preston on the Lake Boulevard. This new wastewater infrastructure will provide capacity for future development of the west side of Little Elm.

Project Status

This project will be removed from future reports as it has been completed and closed out.



Kings Crossing Lift Station Expansion

Project Description

This project consists of upgrading the existing lift station wet well, electrical system, and pumps as well as a new TRV stone wall. The improvements will allow for increased flow from proposed development along FM 423.

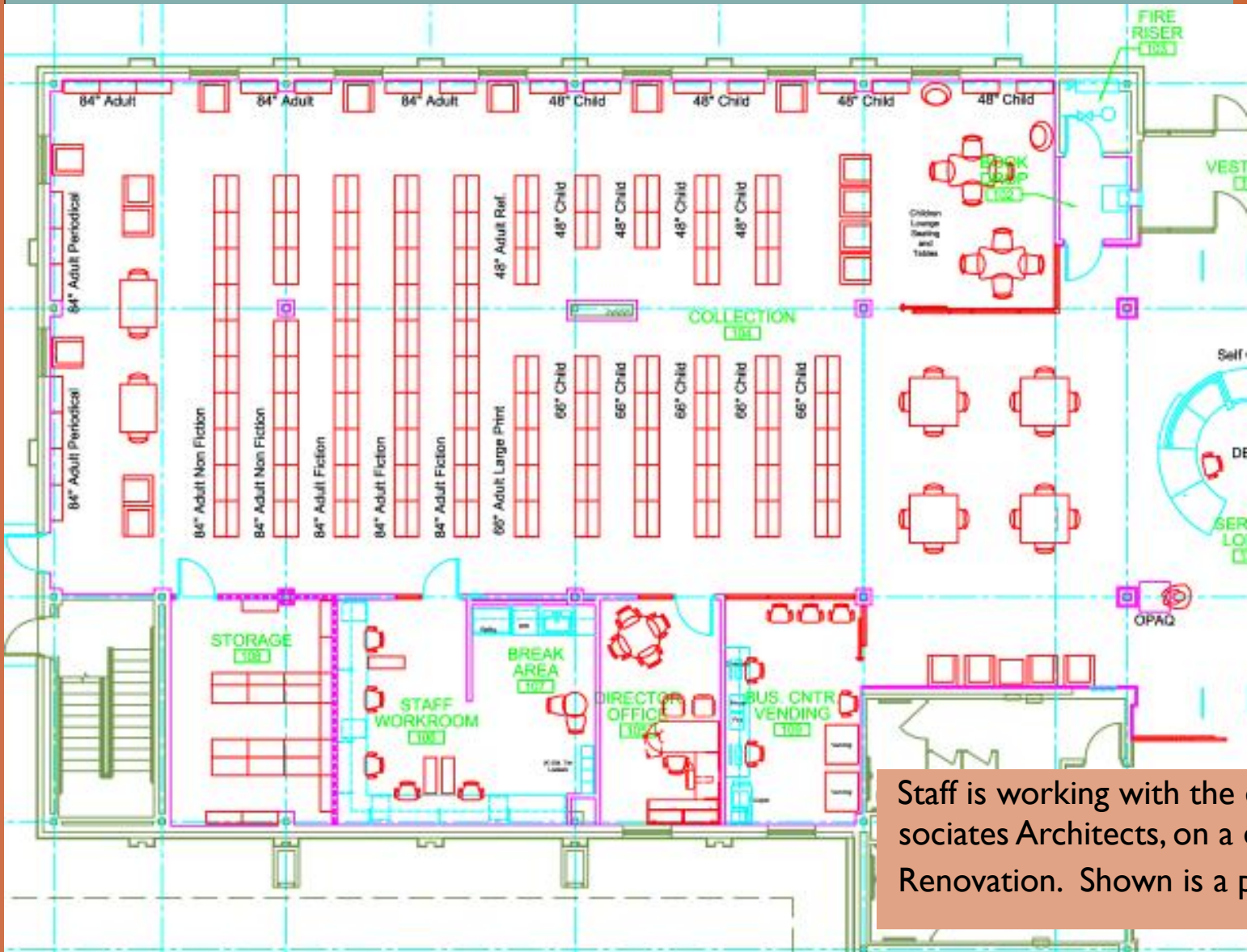
Project Status

The contractor has completed the concrete wet well and the backfill around it. The contractor is also working on the internal plumbing and electrical wiring within the wet well. CoServ is working on installing the new electrical service to the site. CoServ has changed from aerial transformers to a pad mounted transformer because of availability of the transformers. This will require an easement (for the transformer) and Staff is working with the engineer to keep this from causing any delays to the project. The epoxy coating for the wet well was sprayed in and now the electrici-



cian is installing the necessary conduits. All of the concrete has been removed to allow for excavation between the structures. Next week, the electrician will complete all of the wiring and conduit installation in preparation of the pump delivery for the following week.

Little Elm Library Remodel



Staff is working with the sociates Architects, on a Renovation. Shown is a p

Project Description

Expansion includes renovation to the existing library as well as expanding to use additional space within Town Hall, once the Police Department has moved to their new facility. The \$835,000 expansion and renovation would double the current library space and enable more room for a larger book and audiovisual collection, more space for all age programming, separate areas for adults and youth, increased computer availability, additional meeting rooms, and quiet study areas. The expansion includes relocation of the utility billing office to an upstairs space of Town Hall along with other work on the second floor of Town Hall that will address acoustics and efficient space planning.

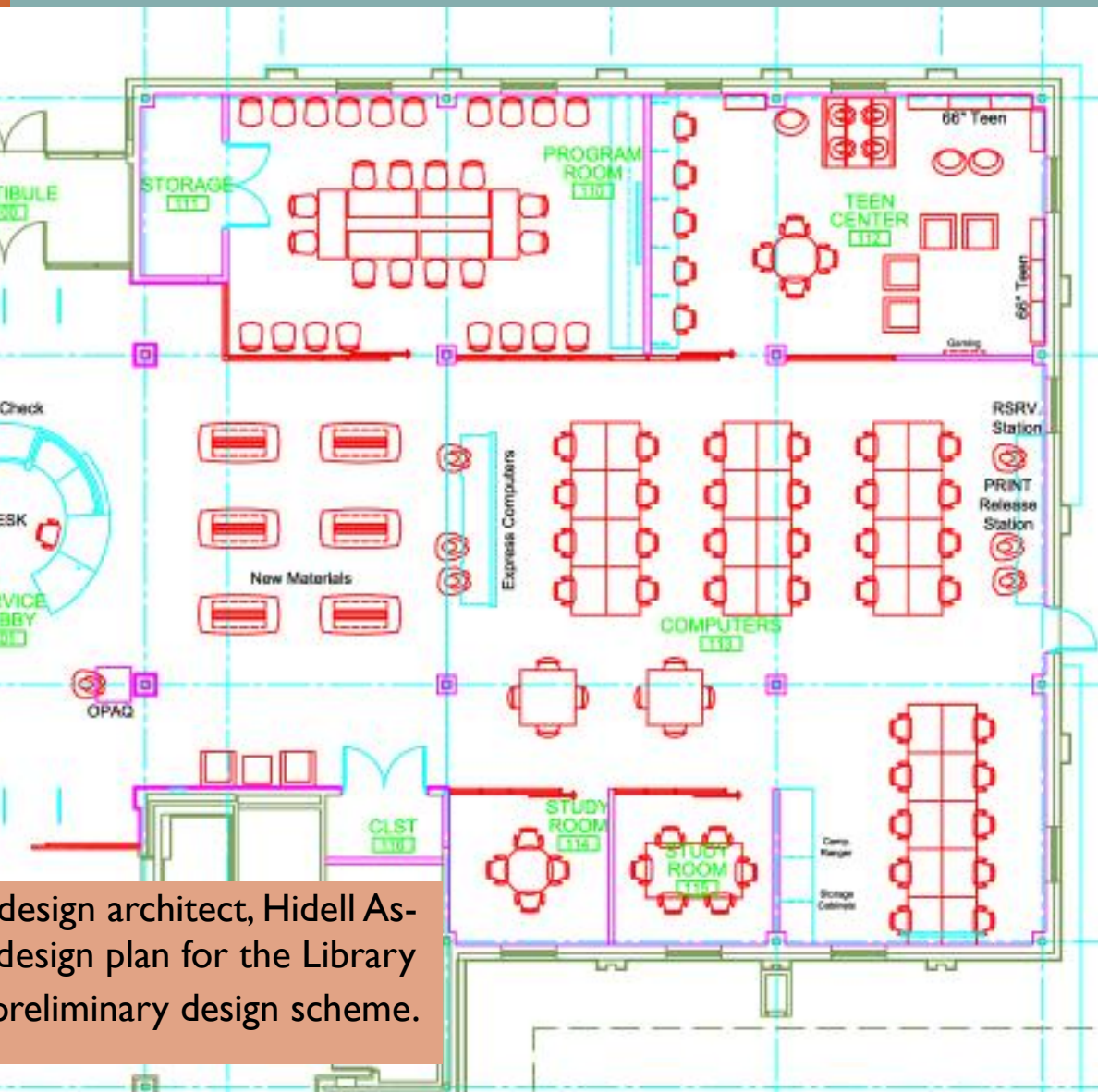
Funding for this project is available through the approved 2009-2014 Recreation and Leisure Bonds – Library Expansion Project.

Little Elm Library Remodel

Project Status

Staff met with the design consultant last week. The Architectural team is preparing a phasing plan for construction for the Library renovation and the current library design to be presented as part of a Town Council presentation on February 7, 2012. The Architectural team reviewed previous submitted options for the Staff Workroom/Break Area and Storage with a new option that maximized the workroom space that will allow room for Staff to have a break room table as well.

design architect, Hidell Associates, design plan for the Library preliminary design scheme.

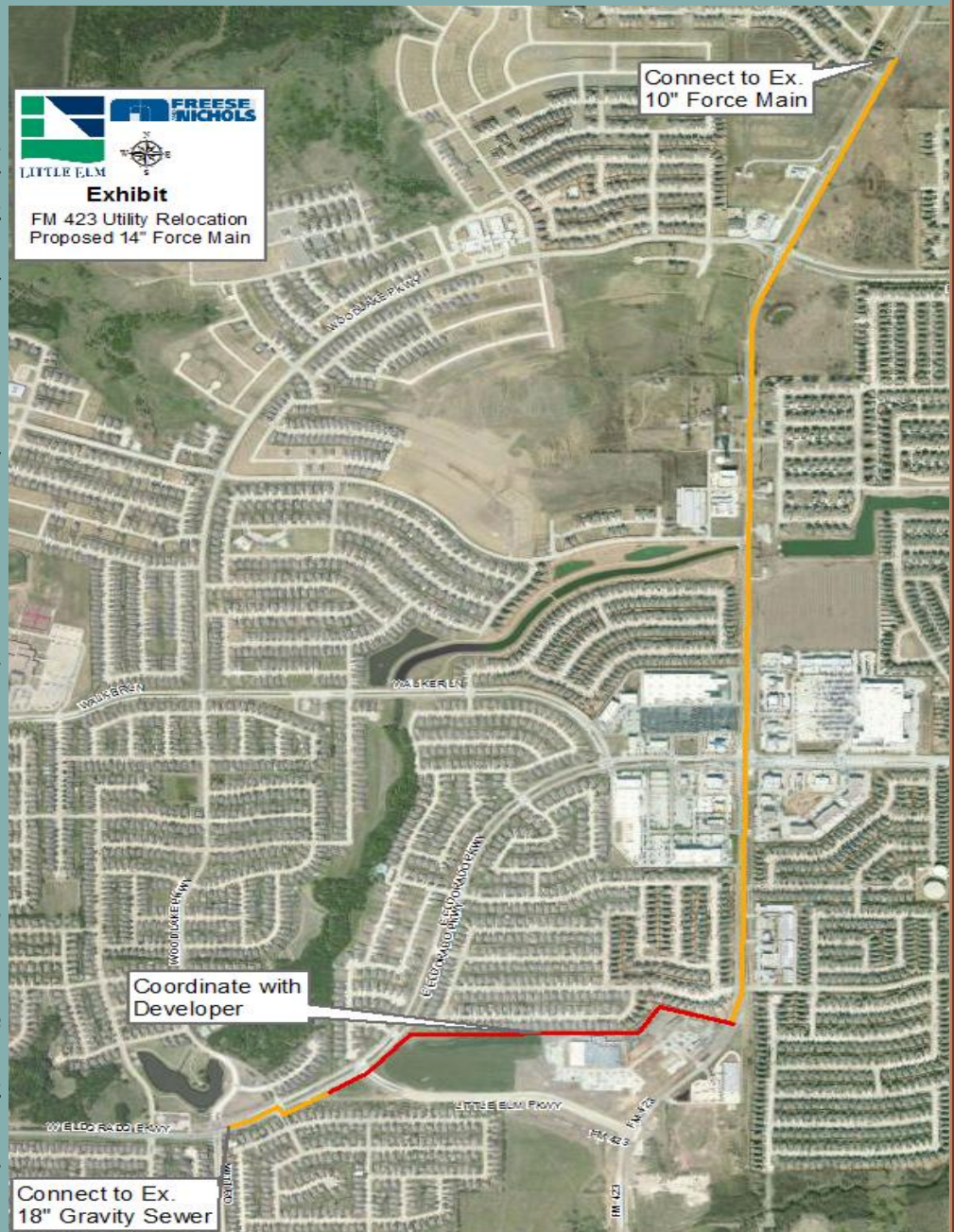


well. Staff also asked that the design consultant include an “add alternate” (at bidding) to provide mobile compact shelving unit in lieu of industrial metal shelving for the Storage Room. The Architectural team presented an option to convert library space adjacent to the elevator machine room and closet to an office for the representative of Teen Court. This option and an option to use the current AV/storage room on the east side of the Council Chamber were discussed. Staff will incorporate one of these options as part of the second floor remodel. The Architectural team provided a copy of preliminary pricing for the library furniture which contained three options. The pricing did not include technology (i.e. computers, RFID security gates, self-check machines or tagging of collections). The architectural team is to prepare a preliminary list and associated costs of technology components to be provided to Staff for review.

423 Utility Relocation Project

Project Description

The design includes detailed plans and specifications for the replacement of the existing ten inch (10") force main with a fourteen inch (14") sanitary sewer force main from just north side of Frisco Ranch down to the existing Kroger force main recently installed and into an existing manhole on Eldorado Parkway just before the Woodlake Parkway intersection. The existing sanitary sewer force main is undersized for future development on the Doe Creek Peninsula. In addition to the force main there are several sections of existing water and sanitary sewer gravity mains within the limits of the FM 423 TxDOT Improvements that need to be adjusted or relocated due to conflicts. Funding for this design and construction is available through the Utility CIP Bond Fund. A majority of the work will be reimbursable to the Town from TxDOT since these lines are within existing easements. The design engineer believes that reimbursable number to be approximately eighty percent (80%) from experience on dealing with reimbursement relocation projects in the past with TxDOT.



Project Status

Survey work (alignments for the relocated utilities) on the last section is complete. The northern section of the project has been accelerated to coincide with the timing of developer driven waterline work. A meeting was held to review the alignment for the FM 423 elevated water tank. The design engineer provided the 90% plans for the northern section for Staff review and Staff has provided comments back to the design engineer. The design engineer continues to work with the TxDOT utility coordinator and the Frisco Ranch developer to finalize the alignment of the force main between Frisco Ranch and the 423 water tower. The survey is

Little Elm and Denton County Projects



Lobo Lane Paving & Drainage Project

Project Description

The project includes the design and construction of underground storm water system to improve drainage and construction of a concrete street with sidewalk improvements and a trail to connect Cottonwood Park to Little Elm Park along the West side, street lighting, and landscape enhancements. Improvements will provide increased capacity for existing schools, marina development, Cottonwood Sports Complex, and industrial development. The project scope was increased to include extending Lobo Lane through Little Elm Park and connecting to newly finished Main.

Project Status

This week, contractor lost three days due to weather. The contractor is working with Staff and the design consultant on the North side (Lighthouse Road phase) due to electrical issues. Concrete work on North Side is now on hold due to electrical issues and plans being processed by design engineers.



Pictured is Lobo Lane with new street lights with banner arms and the stone posts for the cedar split rail fencing.

Lobo Lane to the south of Eldorado Parkway (FM720)

East irrigation is at 95% completion. The irrigation control panel installation will complete this scope. West side irrigation is at 90%. The sidewalks are completely poured on Lobo Lane. Columns and cedar rail split fencing has begun with a completion target date of January 15th. The irrigation trunk line and bore is completed. The grading in front of RTI commences this week off. Lights are on and landscaping is well under way. The trees have been planted and top soil and fine grading are ongoing.

Lobo Lane project north of Eldorado Parkway (FM720) on Little Elm Park Drive

The additional soccer field rough grading is completed. The irrigation and landscaping has been re-scheduled due to addition of electrical lighting. The electrical installation has begun with a 40 day completion calendar. Phase I poured at north side of Little Elm Park Drive. The stamped concrete for Phase I is completed. The additional parking lot for the existing soccer field is completely poured. Little Elm Park Drive has been closed to the public. The alternate detour to soccer field is set for access from Main Street with boat ramp traffic to enter through the driveway west of Little Elm Park Drive. The asphalt road has been removed and lime hydration and subgrade preparation is scheduled for this week.

Little Elm and Denton County Projects



Witt-Woodlake Connector

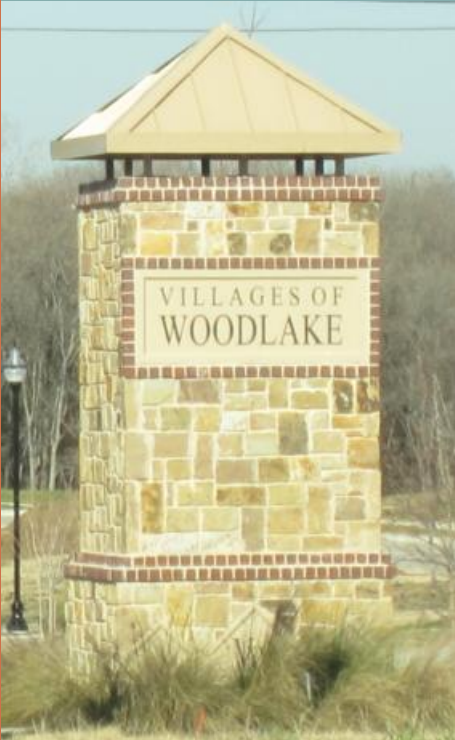
Project Description

This project includes construction and design of a road to connect and align Witt Road with Woodlake Parkway at the intersection of Eldorado Parkway. The work includes a North South thoroughfare for the Town of Little Elm. This

road realignment will provide access to Eldorado Parkway for Villages of Woodlake and traffic using Witt Road. This project will include dredging of the HOA detention pond, street lighting, sidewalks and enhanced landscaping. The project is funded as a joint project between Denton County and Little Elm.

Project Status

This project is complete with the exception of the handrails that are now reported to arrive and be installed by January 15th.



Little Elm and Denton County Projects



Eldorado Parkway Streetscape and Gateway Improvements

Project Description

The Streetscape and Gateway – Phase I Improvements will construct landscape, stamped concrete hardscape, and irrigation median improvements from the Little Elm Parkway intersection to FM 423 intersection along Eldorado Parkway. A gateway monument will be constructed just to the West of FM 423 in the median that will highlight that entrance into the Town and start the streetscape theme that will be associated with Little Elm. Also, included within the scope are the monument signs for the Senior Center and Recreation Center Site at Main Street and Lakeshore Drive, The Town Hall Sign, Little Elm Park Sign, Cottonwood Park Sign, and the message board signs at Walker Lane and at Little Elm Parkway along Eldorado Parkway. The East gateway project also includes modifying the street paving to move the median break and left turn lane on Walker Lane for better access into the Lowe's Shopping center main drive off Walker Lane and widening the drive approach at Towne Crossing to line up with the signal on Walker Lane as originally intended. Future phases will bid out as TxDOT finishes FM 720 and FM 423 and funding is secured.



Project Status

This week, the sand blasted lettering for the monuments at Town Hall, Recreation Center and Little Elm Park has begun. Communications setup between the remote LED visual display boards and Town Hall are ongoing this week. The grade next to the left hand turn lane installed at Walker and Eldorado was reworked to allow for proper drainage to the street. Next week, the sand blasted lettering will be completed. The monoliths will then be washed and the anti-graffiti sealant will be applied. Re-graded areas will receive hydro-mulch. Communications to LED boards will be completed with the exception of Little Elm Park and Recreation Center.

Little Elm and Denton County Projects



Witt Road Bridge

Project Description

This project includes design and construction of a bridge for Witt Road over the Cottonwood Creek. It has an extremely low elevation and is frequently closed due to high water.



This roadway connects FM 423 to Eldorado Parkway and is instrumental to local mobility and emergency response time. This bridge is located on the only north-south thoroughfare through Little Elm.



Little Elm and Denton County Projects



Witt Road Bridge



Project Status

The contractor has experienced several weather delays to date. Storm, water, and sewer installation are ongoing. Total utilities installations are 94% complete. Due to future location of piers and columns, some of the utilities will have to wait until other work activities are completed. Temporary wall construction began on January 2nd. This wall will provide a barrier between bridge construction and existing road. The height differential requires this wall to hold up new compacted dirt under future abutment of North End of Bridge. The work continues on the 18", 30", and 36" shafts. Forms are still being prepared on bridge bents and work continues on slowly due to weather and nature of the season. In the next weeks, the following work activities will continue: temporary paving for the detour of traffic, completion of temporary walls, prepare excavation of detention pond, and abutment, bents, and continue to drill columns and Piers



Little Elm and Denton County Projects



Main Street (East) & Lakeshore Realignment Phase II

Project Description

The Main Street – Phase II Improvements will reconstruct Main Street from the Clark Street intersection to Eldorado Parkway. Also included is a realignment of Lakeshore Drive to Clark Street with parking and a bus loop turn around at the LEISD King Early Learning Center. This new section will be a thirty one foot (31') concrete pavement, eight foot (8') trail sidewalk along

the North side of Main Street and a five foot (5') sidewalk on the South side with new barrier free ramps and stamped intersection crossings, trees along the curb, water, wastewater gravity line and force main, irrigation, street lighting, and underground drainage improvements. These drainage, water, and utility improvements are designed to improve access and serve future expansion with the Community Recreation Center & Senior Center Site, Main Street, Lakeshore Drive, Button Street, and Clark Street.



Project Status

The design consultant has submitted 100% plans and specifications to the Town for review. Staff will meet with the design consultant and go over the review comments. The design consultant is working with the electrical engineer on the lighting plans. The Town is in the process of obtaining the required right-of-ways and is working on a legal agreement between the Town and LEISD to officially set the requirements for right of way and the Town building the necessary improvements. The next project design meeting is scheduled at the end of January.

King Road West

Project Description

King Road will be widened to four-lanes from Witt Road West to the Town Limit. This project will provide a four-lane undivided roadway which would service transportation needs for the surrounding neighborhoods, the Hackberry Elementary School, and improved access for commercial and retail businesses along King Road. The improved roadway will improve access and increase development along King Road and Witt Road.

Project Status

Staff will be meeting with the design consultant to received 100% construction documents on January 31st. The design consultant continues work on the final easement documents and right-of-way issues. This project will expand King Road from the intersection of Witt Road to the Town Limits to the west. The next project meeting is scheduled for the end of January.

Texas Department of Transportation Projects



Eldorado Parkway Through Little Elm (FM 720)

The design plans are 100% complete and TxDOT has acquired all the necessary right-of-way (ROW). J.D. Abrams was awarded the bid for this project (\$55 Million). The project will start construction in the spring of 2012 once utility relocations are complete. Although the contractor is on hold for Eldorado Parkway construction, the contractor is mobilized and has commenced work on the bridge. The contractor is working on drilling piers. Last week, Staff met with the various utility contractors to discuss status and coordination. The contractor is on hold pending utility relocations as listed below:

- ATT has 100% of the conduits in place from Lewis Drive to Little Elm Parkway and cable has been pulled. All that is remaining to finish is the fiber and copper splicing. The estimated completion date is the end of March 2012.
- ATMOS is complete with the distribution from Hart Road west to the Little Elm Bridge. ATMOS has not received their TxDOT permit for the high pressure gas main from Hart Road east to Little Elm Parkway. If ATMOS receives the TxDOT permit within the next two weeks the scheduled completion is March 2012.
- CoServ is complete with their utility relocation with only some poles to remove. There are several utilities on CoServ poles that need to be relocated prior to CoServ removing the poles.
- Grande Communications – Grande is now 100% complete with their relocations.
- Suddenlink – Suddenlink has received their TxDOT permit. Suddenlink has completed their relocation work beginning at the bridge and working west towards West Eldorado Parkway. Suddenlink has also begun work on the east side, on Eldorado Parkway to FM 720, preparing to place fiber and coax wiring on the new CoServ poles. If they receive the USACE right of entry by the mid-January the estimated completion date is the end of February 2012.

Work on the Little Elm Lake Bridge is underway.



FM 423 (Middle Section, from 720 to just North of The Colony)

Austin Bridge and Road was awarded the bid for this project (\$29 Million). The construction is underway with completion expected in December 2012. Austin Bridge and Road switched traffic on to the new pavement from King Road south to Lebanon Road. The pavement from King Road to the north end of the project has been delayed due to sub-contractor issues. Staff has not received an updated schedule for the completion of this section from Austin Bridge and Road.

FM 423 Eldorado Parkway to US 380 (North Section)

TxDOT has started to acquire the right of way (ROW) and expects this to take approximately one year. Once complete, utility relocation will start and take approximately one more year. The design plans are finished and can be bid as soon as those items are complete. The project is expected to bid in 2012 and take approximately 24-26 months. Staff attended the first Utility Coordination meeting.

FM 720 (Eldorado Parkway to US 380)

The design plans are 60% complete and TxDOT continues to develop the construction documents. TxDOT has obtained the environmental clearance to start the right-of-way process. The engineer will now work on the completion of the right-of-way map. The construction documents are expected in March of 2012. The project is expected to be bid out in fall of 2013.

100 West Eldorado Parkway
Little Elm, Texas 75068

For Question and Comments Please Email
ltompkins@littleelm.org



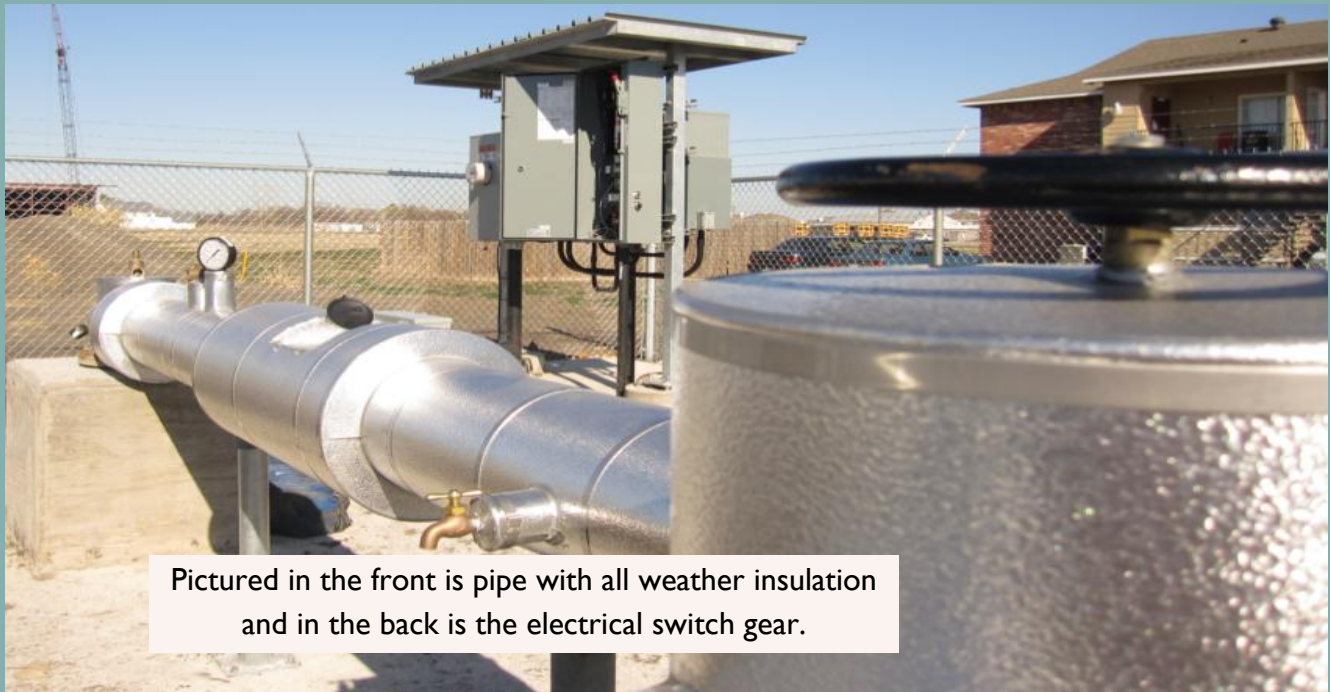
The Town with a Lake Attitude!



Main Street Irrigation Well

Project Description

The project consists of drilling and completing a 150 gallon per minute Paluxy Formation Irrigation Well (approximately 1225 feet deep), discharge and yard piping, fencing around site, electrical system, connection to the existing irrigation system, and trench excavation protection. This well project was included within the approved 2011 utility fund budget and will provide for year round restriction free irrigation to protect the Town's landscape assets on Lobo Lane, Main Street, and within Little Elm Park.



Pictured in the front is pipe with all weather insulation and in the back is the electrical switch gear.

Project Status

The contractor has completed the wiring to the panel boxes, and installing conduits. CoServ has completed the installation of the electric service to the meter location and the meter has been set. The contractor will now perform the pump tests and finish up the remaining site work. The contractor has notified the engineer that a change order for additional time will be submitted. The contractor anticipates project completion within 30 days.

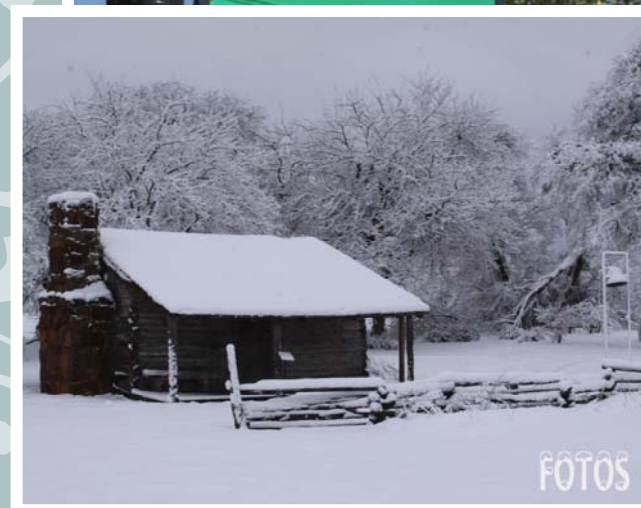


PUBLIC WORKS

TOWN OF LITTLE ELM

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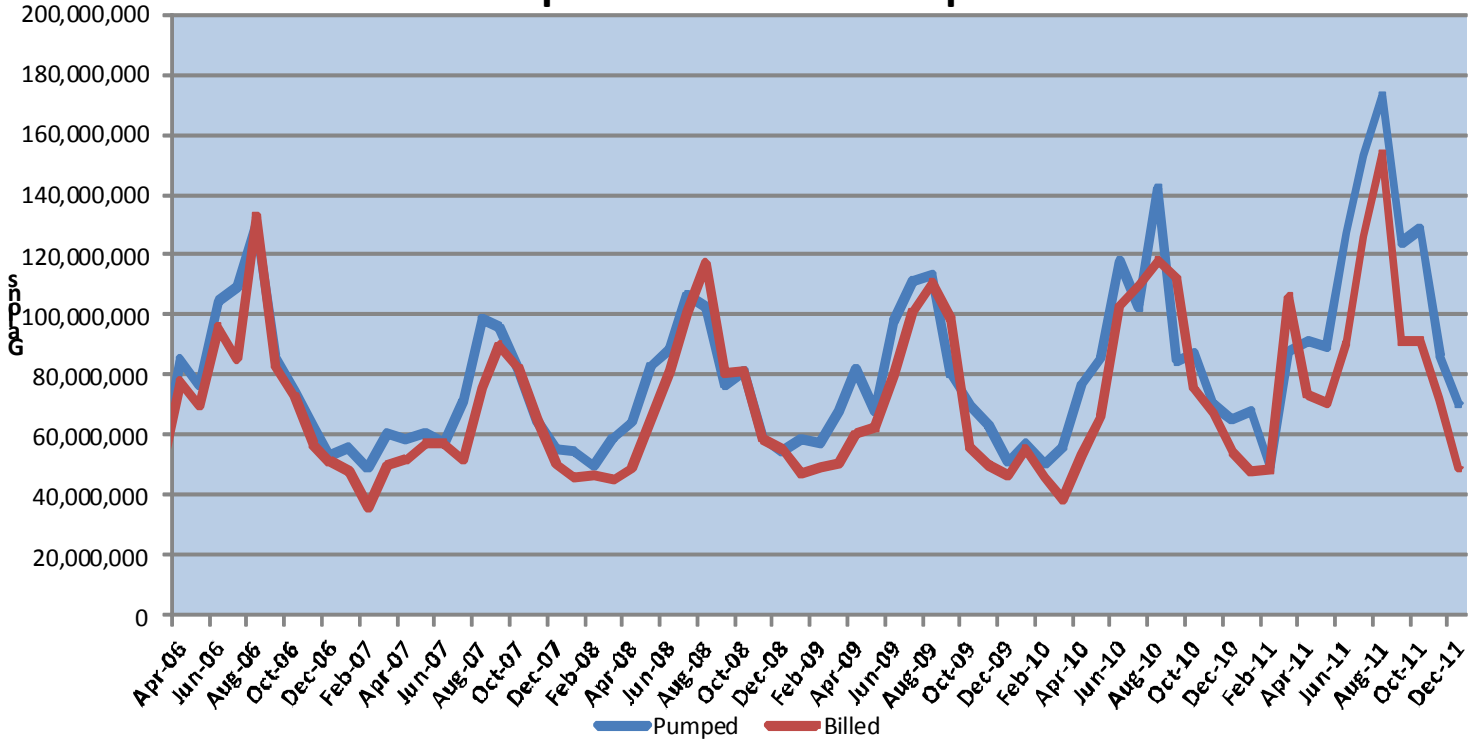
JANUARY
2012

Kevin C. Mattingly
Director of Public Works
972-377-5556
kmattingly@littleelm.org

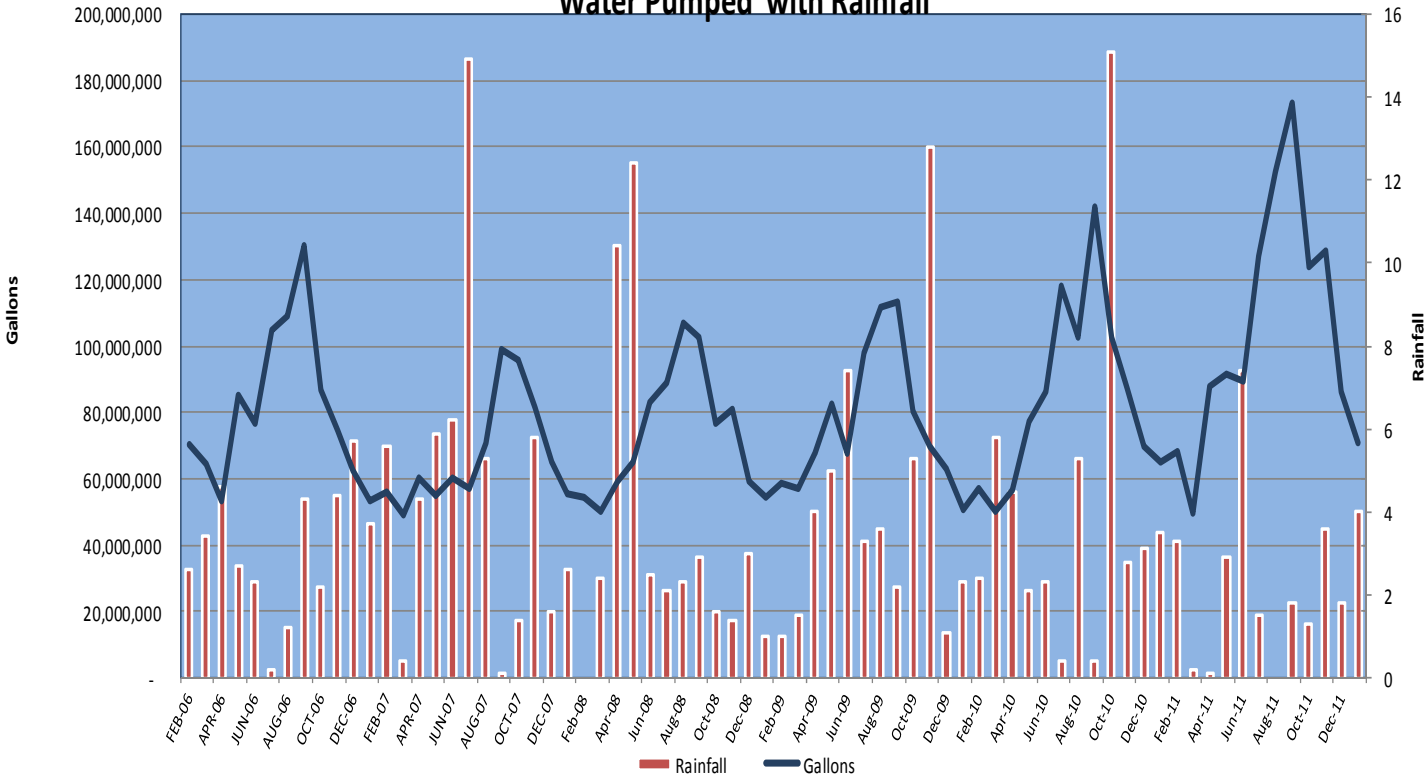


WATER

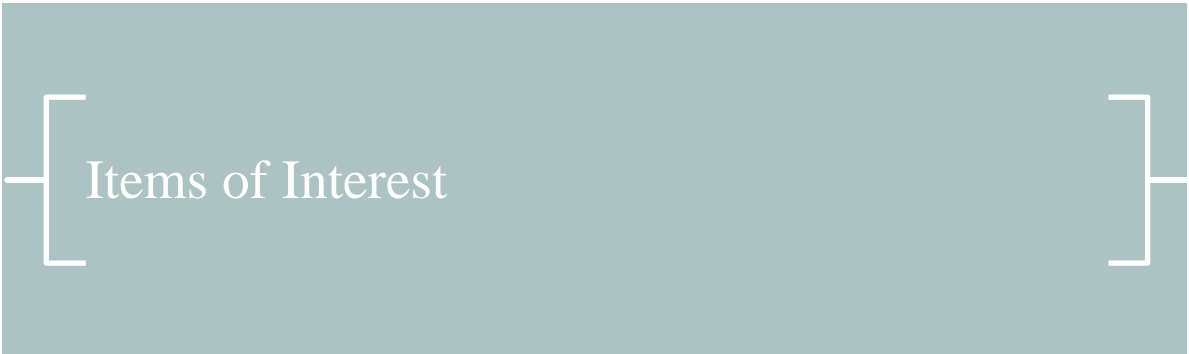
Comparison Billed to Pumped



Town of Little Elm
Water Pumped with Rainfall



ADMINISTRATION

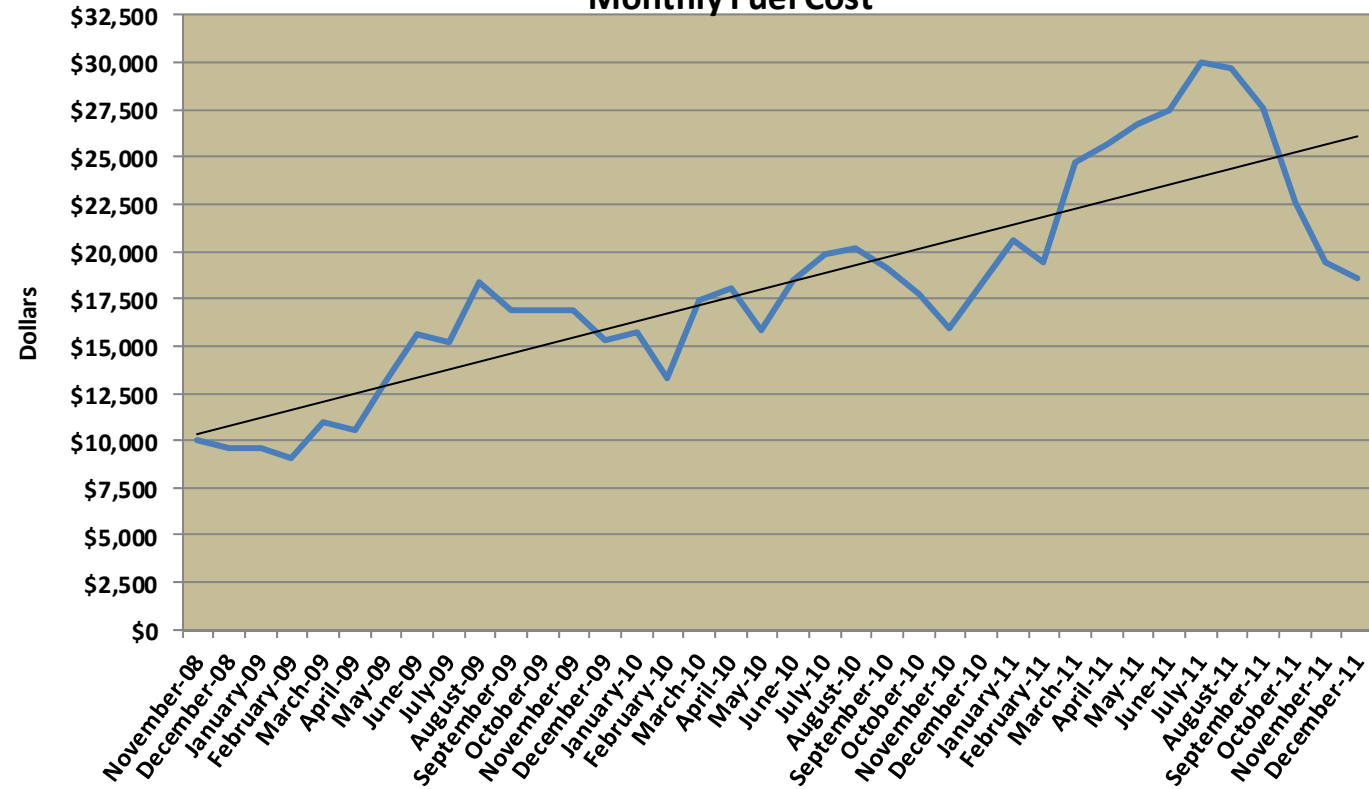


- **Stage 3 Water Restrictions and Consumption Goals**
 - ⇒ North Texas Municipal Water District has scheduled a meeting to be held in Wylie for Members and Customer cities for January 18, 2012. Staff will update Council following meeting.
 - ⇒ Stage 3 Goals Presentation scheduled for the January 17th Council meeting, this is to review Staff's efforts to achieve water goals set by our contract with NTMWD.
- **Cross Connection Control Policy and Ordinance**
 - ⇒ Policy to be review at the March 6th Council meeting during the pre-work session.

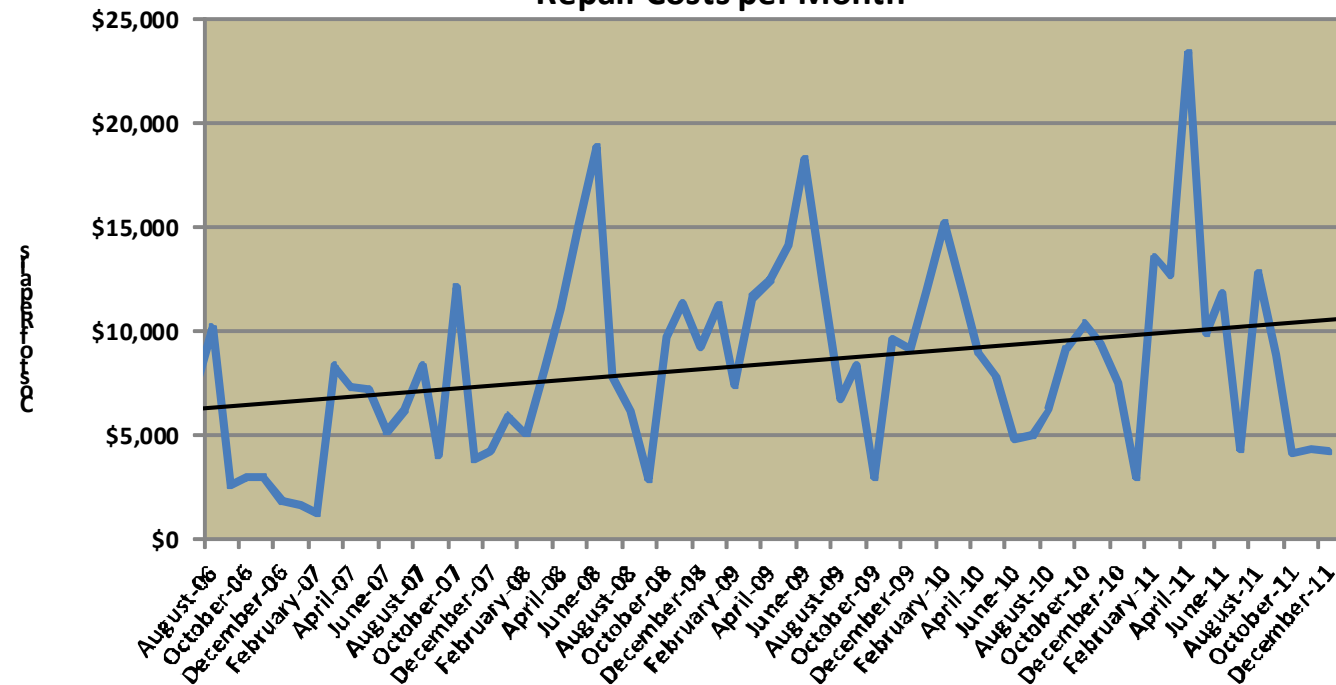


FLEET SERVICES

Town of Little Elm
Monthly Fuel Cost

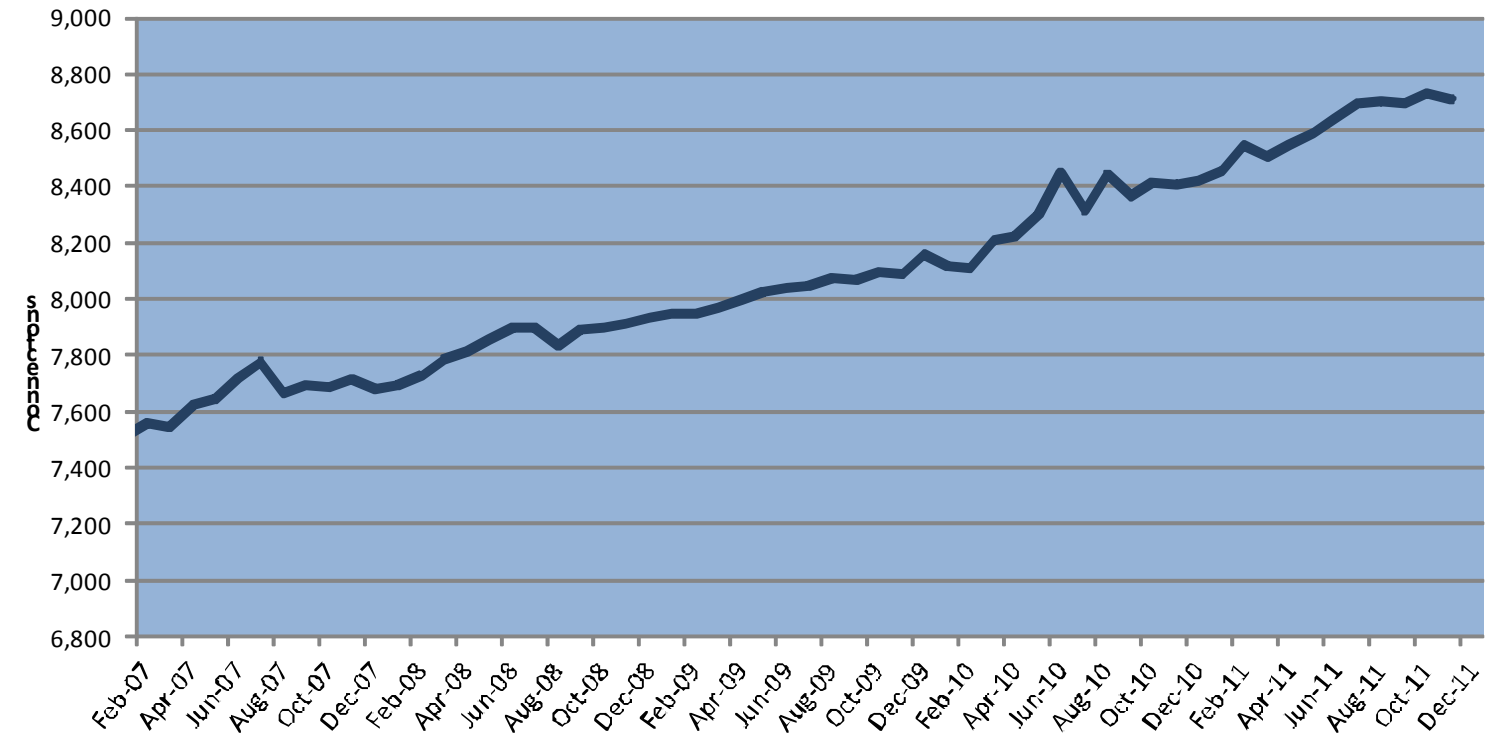


Town of Little Elm
Repair Costs per Month

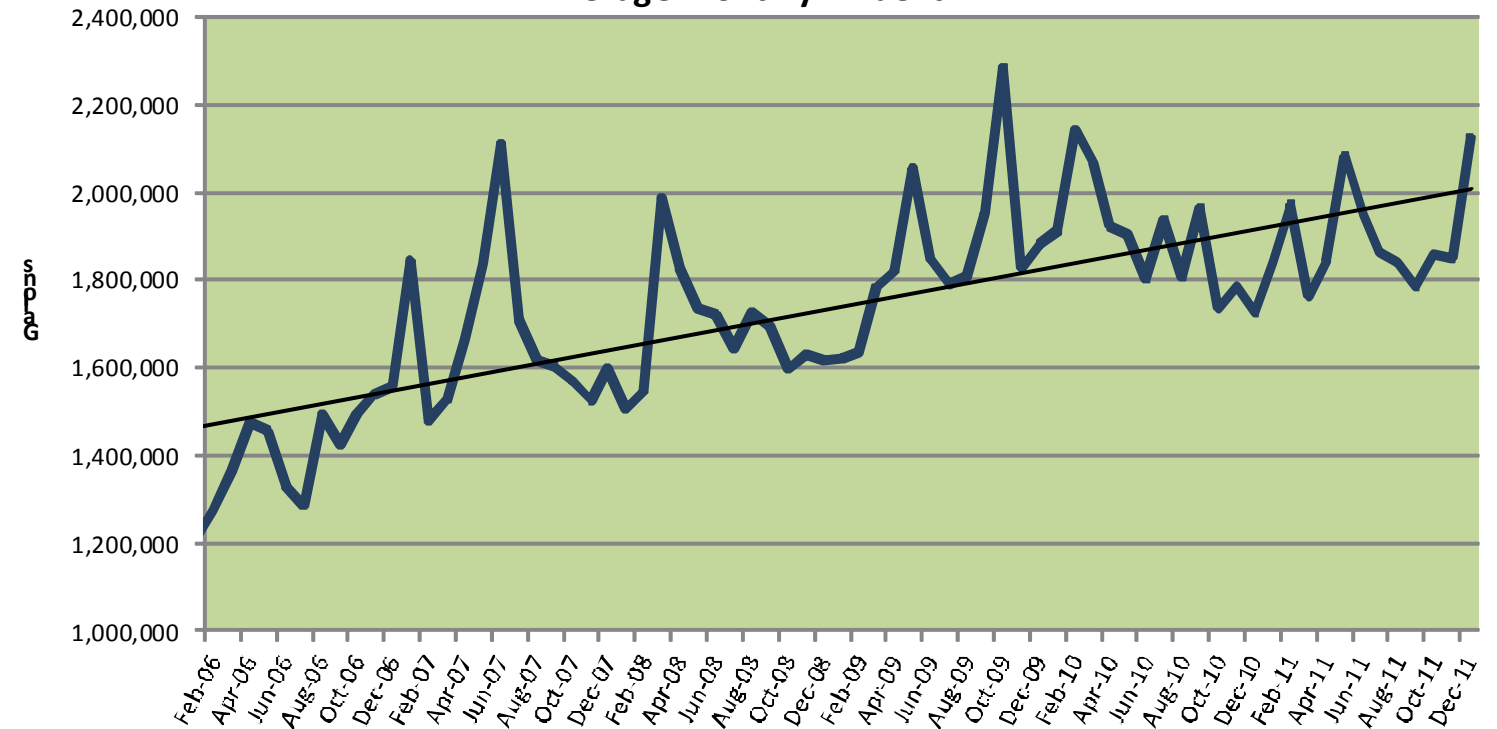


WASTE WATER

Water Service Connections

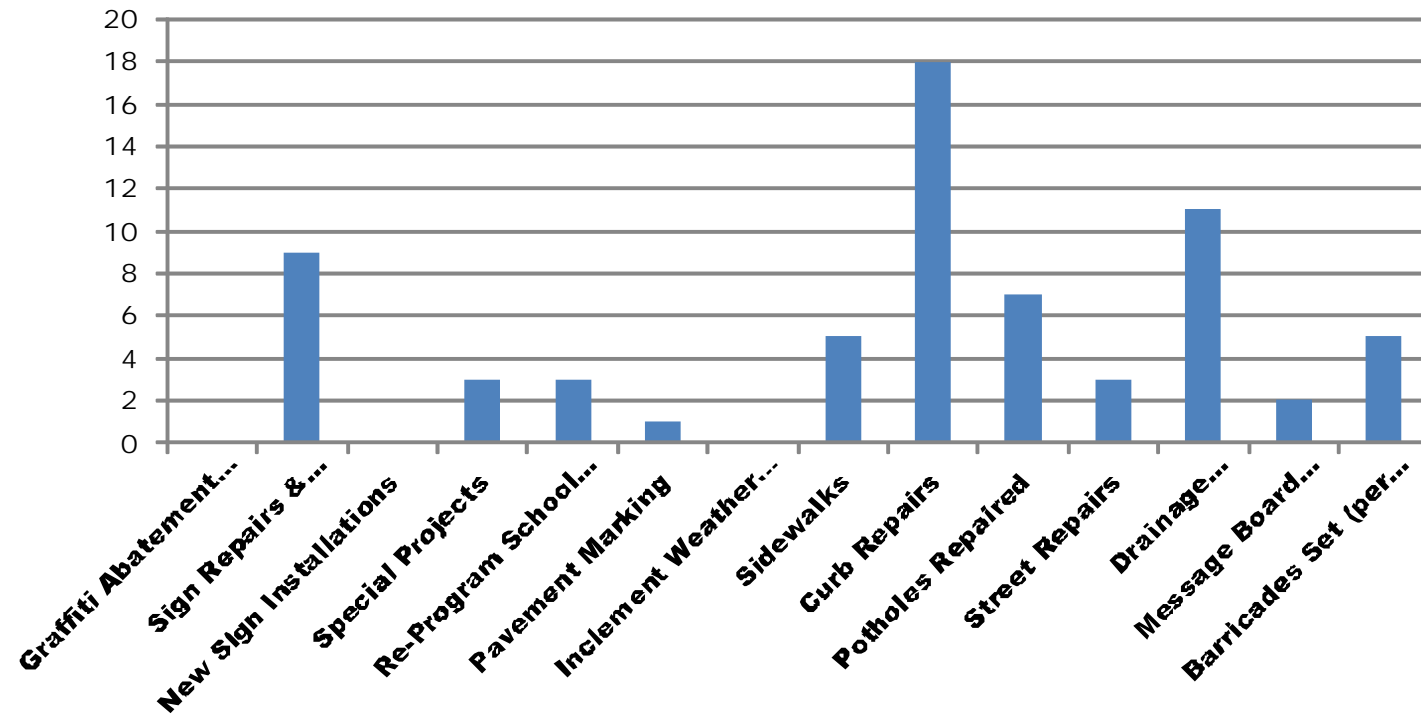


Waste Water Treatment
Average Monthly Effluent

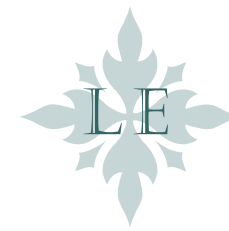
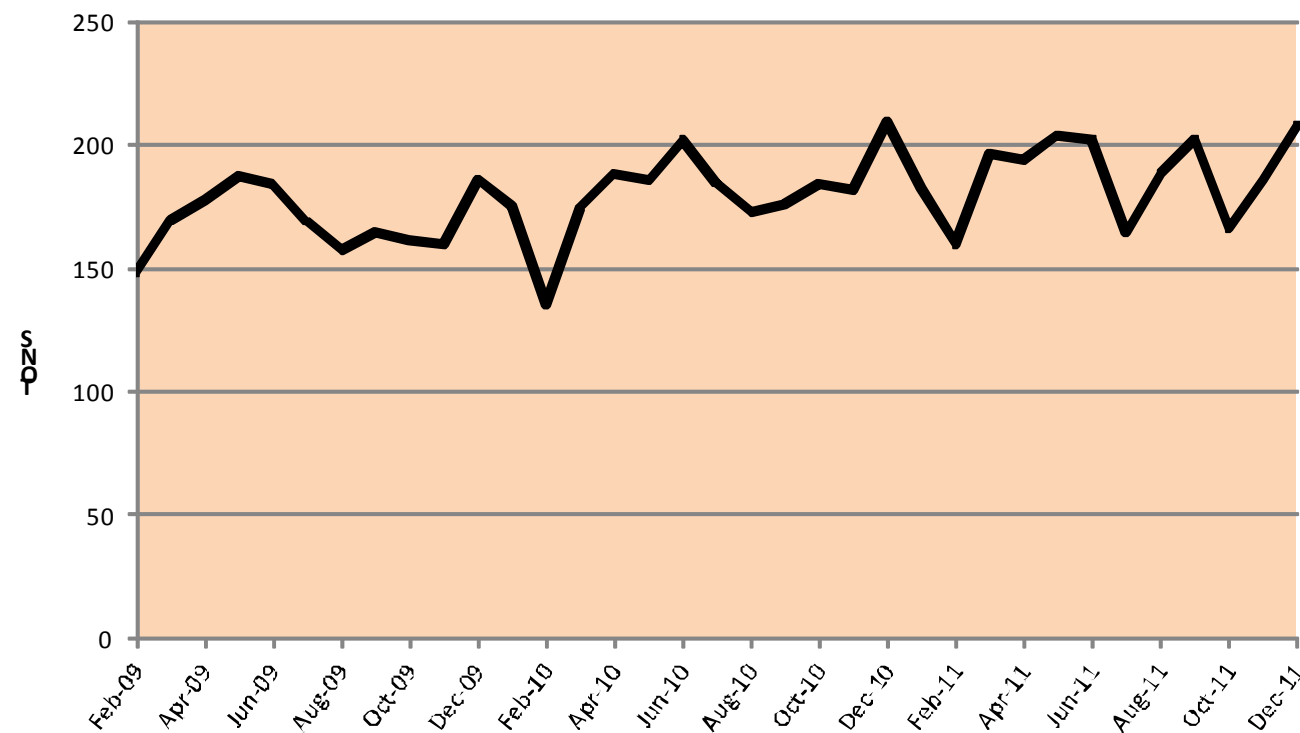


STREET & SOLID WASTE

December Completed Streets Work Orders

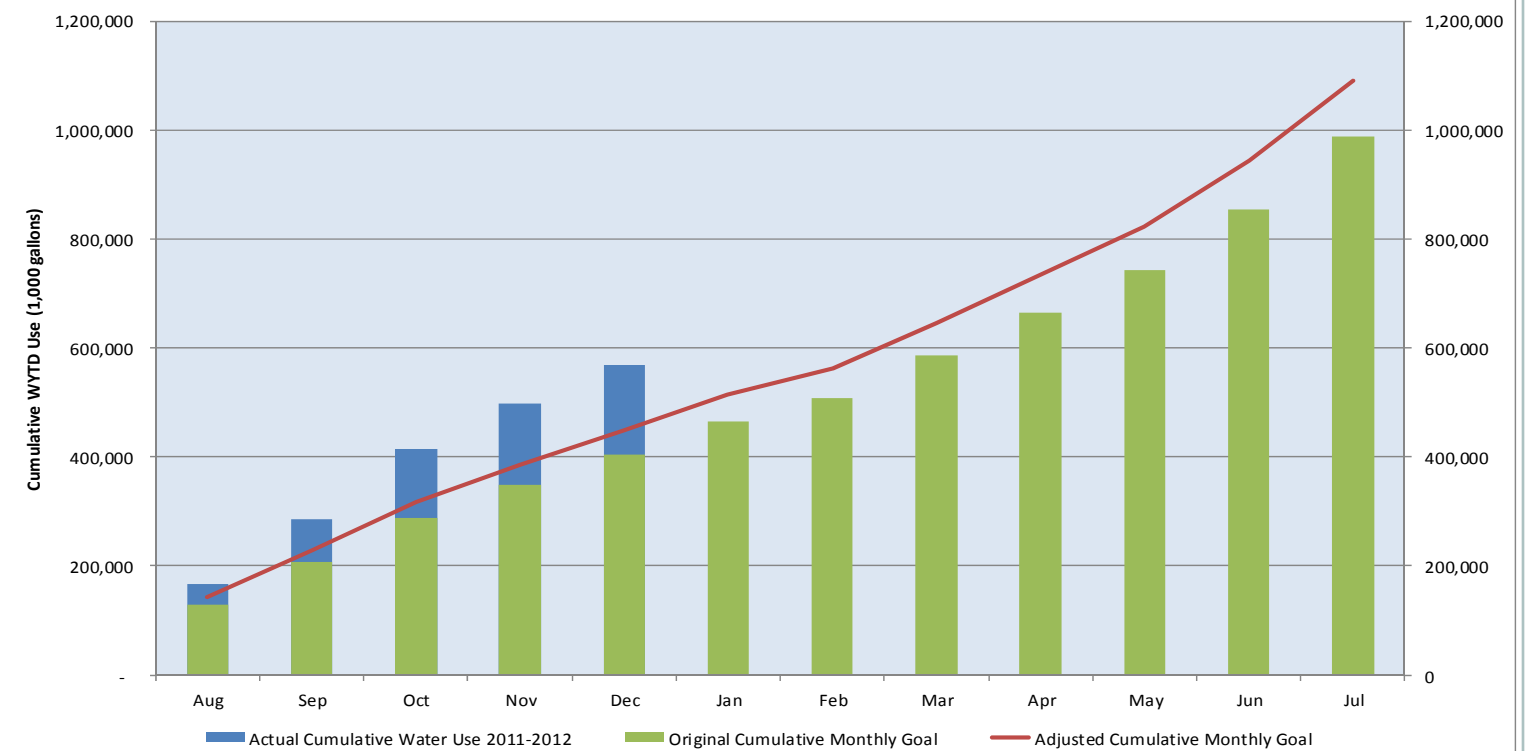


Residential Monthly Recycling



WATER CONSERVATION STAGE 3 GOALS

Comparison WY 2012 Water Use to Goal to Adjusted Goal Little Elm



Comparison of WY 2012 Water Use and Goal - Little Elm

