



CITY COUNCIL CONSIDERATION ITEM

CITY OF FAIR OAKS RANCH, TEXAS

AGENDA TOPIC: Consideration and possible action approving the first reading of an ordinance of the City Council of the City of Fair Oaks Ranch, Texas, amending Chapter 1 General Provisions, Article 1.08 Boards, Commissions, and Committees, Section 1.08.001 Municipal Development District Board of Directors of the City of Fair Oaks Ranch Code of Ordinances; removing place position and allowing for change of status of board members

DATE: March 20, 2025

DEPARTMENT: Administration

PRESENTED BY: Laura Koerner, MDD President

INTRODUCTION/BACKGROUND:

The Municipal Development District (the "District") was established in 2011 with the purpose of providing a stimulus of economic growth within the City. The citizens of Fair Oaks Ranch approved a 0.5 cent tax to be added to the municipal sales tax as a funding source. In August 2011 the City Council created a Board of Directors (the "board") to manage and control the District as a separate political subdivision of the City.

The current board composition consists of seven (7) Directors, each of whom shall be appointed by the City Council. Two (2) Directors shall be persons who are members of the City Council, and one (1) Director shall be a person who is a member of the City's Homeowner's Board of Directors. Each Director shall be appointed to a place as follows:

- (A) Place one: City Council Member.
- (B) Place two: City Council Member.
- (C) Place three: Member of the City's Homeowner's Board of Directors.
- (D) Place four: At-large.
- (E) Place five: At-large.
- (F) Place six: At-large.
- (G) Place seven: At-large.

Each Director shall be appointed for a two (2) year staggered term to begin October 1st and end on September 30th of the second year. A Director shall serve until a successor is appointed. Any Director may be removed by the City Council at any time without cause.

The ordinance as written has caused some confusion regarding how to handle situations where an appointed MDD Board Member is no longer on City Council or a member of the City's Homeowner's Board of Directors, a situation which is common since Council and HOA BoD term dates are different from the MDD term dates. There is also confusion in the situation if/when an appointed at-large MDD Board Member is elected to Council or HOA BoD after being appointed.

At the January 8, 2025, MDD board meeting, the MDD board reviewed the ordinance and recommended amending the ordinance to allow Board Members to continue in their positions if/when their status changes. They recommended removing the place designations to ensure efficient governance without the need for Council to reappoint Directors to different places if their Council Member or HOA BoD status changes and noting that more than two, but no more than three, Directors can be members of the City Council at any given time.

If the proposed ordinance amendment is approved, the board will revise its Rules of Procedures at the next scheduled board meeting to ensure alignment with the updated ordinance.

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

1. Provides input from the board.
2. Maintains the level of member representation and flexibility without place designations.

LONGTERM FINANCIAL & BUDGETARY IMPACT:

N/A.

LEGAL ANALYSIS:

Approved as to form.

RECOMMENDATION/PROPOSED MOTION:

I move to approve the first reading of an ordinance amending the City of Fair Oaks Ranch Code of Ordinances Chapter 1 General Provisions, Article 1.08 Boards, Commissions, and Committees, Section 1.08.001 Municipal Development District Board of Directors.