

AN ORDINANCE

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; PROVIDING FOR SEVERABILITY AND REPEALING CLAUSES; AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, Texas Local Government Code Chapter 377 provides for the creation and governance of Municipal Development Districts (MDD), to include the appointment of directors, and

WHEREAS, section 1.08.001 of the City of Fair Oaks Ranch Code of Ordinances (City Code) provides for the creation and composition of the MDD Board of Directors, and

WHEREAS, the MDD board met on April 9, 2025, and discussed proposed changes to the MDD's rules of procedure, including recommendations on board composition, and

WHEREAS, at the April 9, 2025, meeting, the MDD board voted to request that City Council amend Section 1.08.001 of City Code to change the MDD board composition as set forth in Exhibit A, attached.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FAIR OAKS RANCH, TEXAS:

Section 1. Chapter 1 General Provisions, Article 1.08 Boards, Commissions, and Committees, Section 1.08.001 Municipal Development District Board of Directors is hereby amended as set forth in the attached **Exhibit A**.

Section 2. That the recitals contained in the preamble hereto are hereby found to be true and such recitals are hereby made a part of this ordinance for all purposes and are adopted as a part of the judgment and findings of the Council.

Section 3. It is hereby declared to be the intention of the City Council that the phrases, clauses, sentences, paragraphs, and sections of this ordinance be severable, and, if any phrase, clause, sentence, paragraph, or section of this ordinance shall be declared invalid by judgment or decree of any court of competent jurisdiction, such invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs, or sections of this ordinance and the remainder of this ordinance shall be enforced as written.

Section 4. That it is officially found, determined, and declared that the meeting at which this ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this ordinance, was given, all as required by Chapter 551, as amended, Texas Government Code.

Section 5. The provisions of this ordinance shall be cumulative of all ordinances not repealed by this ordinance and ordinances governing or regulating the same subject matter as that covered herein.

Section 6. If any provision of this ordinance or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this ordinance and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City hereby declares that this ordinance would have been enacted without such invalid provision.

Section 7. All ordinances, or parts thereof, which are in conflict or inconsistent with any provision of this ordinance are hereby repealed to the extent of such conflict, and the provisions of this ordinance shall be and remain controlling as to the matters ordained herein.

Section 8. This ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 9. This ordinance shall take effect immediately from and after its second reading, passage and any publication requirements as may be required by governing law.

PASSED and APPROVED on first reading by the City Council of the City of Fair Oaks Ranch, Texas, on this 17th day of April 2025.

PASSED, APPROVED, and ADOPTED on second and final reading by the City Council of the City of Fair Oaks Ranch, Texas, on this 1st day of May 2025.

Gregory C. Maxton, Mayor

ATTEST:

APPROVED AS TO FORM:

Christina Picioccio, TRMC
City Secretary

Denton Navarro Rodriguez Bernal Santee & Zech
P.C., City Attorney

EXHIBIT A

Chapter 1 "General Provisions;" Article 1.08 "Boards, Commissions, and Committees", Section 1.08.001 "Municipal Development District Board of Directors" is hereby amended as follows:

[Deletions shown as strikethrough and additions shown as underscore]

Sec. 1.08.001 - Municipal Development District Board of Directors

(a) Creation of Board of Directors. A Board of Directors (the "board") which is hereby created which shall manage and control the district. The board shall exercise all of the powers of the district subject to the restrictions imposed by law and any duly and properly enacted bylaws adopted by the board.

(b) Composition and terms of office.

(1) The board shall consist of seven (7) Directors, each of whom shall be appointed by the City Council by resolution. Each of the Directors shall be a resident of the ~~City or a resident of the City's extraterritorial jurisdiction.~~ district. ~~No more than two~~ (2) Directors shall be persons who are members of the City Council and no more than one (1) Director shall be a person who is a member of ~~City's Homeowner's~~ the Fair Oaks Ranch Homeowners Association Board of Directors.

~~(A) Place one: City Councilmember.~~

~~(B) Place two: City Councilmember.~~

~~(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.~~

(2) Each Director shall be appointed for a two (2) year staggered term to begin on October 1st and end on September 30th of the second year. A Director shall serve until a successor is appointed.

(3) If a Director appointed in their capacity as a member of the City Council or the Fair Oaks Ranch Homeowners Association Board of Directors no longer serves in that capacity, the City Council may allow the individual to complete the remainder of their term or appoint a replacement to serve the unexpired term.

(4) If a Director is subsequently elected to the City Council or the Fair Oaks Ranch Homeowners Association Board of Directors, the Council may allow the individual to complete their term or appoint a replacement to serve the unexpired term.

~~(5) (3)~~ Any Director may be removed from the board by the City Council at any time without cause.

- (c) Annual budget. The fiscal year of the district shall commence on October 1st of each year and end on September 30th of the following year. The board's budget shall be approved by the City Council no later than the City Council's ~~regular~~ last September council meeting.
- (d) Annual audit. The district's financial books, records, accounts, and financial statements shall be audited at least once each fiscal year by an outside, independent auditing and accounting firm at the expense of the district. A copy of the final audit shall be filed with the City Secretary no later than March 30th of the following fiscal year for which the audit is performed for.