



City Council Special Called Meeting Agenda

COUNCIL CHAMBERS - 1209 FIORELLA STREET

Tuesday, December 16, 2025

5:00 PM

The City Council of the City of Castroville will meet in the Special Called Meeting beginning at 5:00 p.m. in the Council Chambers at City Hall on the following items listed on the agenda.

I. Call to Order

II. Executive Session

The City Council will convene in closed session pursuant to the Texas Open Meetings Act, Chapter 551 of the Texas Government Code for one or more of the following authorized reasons:

- a.** Executive session pursuant to Texas Government Code § 551.071(1) when the governmental body seeks the advice of its attorney about: (A) pending or contemplated litigation regarding Larry Arnold; and § 551.071(2) on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter, pertaining to the drafting of the personnel policies and procedures for the City of Castroville, and any other matters which may arise.

III. Reconvene in open session

IV. Roll Call

V. Pledge of Allegiance

VI. Invocation

VII. Citizen Comments

The City Council will hear comments from any citizen or visitor. Speakers must address their comments to the presiding officer rather than individual council members or staff; stand at the podium, speak clearly into the microphone and state your name residential address before speaking. Speakers will be allowed a maximum of 3 minutes for testimony. In accordance with the State Open Meetings Act, the City Council is restricted from discussing or taking action on items not listed on the agenda. Action can only be taken at a future meeting.

VIII. Presentations

- a.** Presentation from FPC Arch and Pugh Constructors on the City Hall remodel and Library expansion.

IX. Consent Agenda:

- a. Minutes for November 19, 2025 Special Called Meeting
- b. Adopt a revised Ordinance amending Ordinance 2009-009 and limiting the number of boards and commissions an individual may serve on.

X. Consider possible action(s) resulting from items posted and legally discussed in Executive Session.

XI. Mayor's Report

- a. a. 2025 In-Review
- b. Citizen and Staff Appreciation
- c. Christmas Lighting Contest

XII. Public Hearing

- a. Public hearing to discuss and obtain comments regarding a proposed performance statement amendment to the City of Castroville's 2023 Texas CDBG Program Community Development Contract CDV23-0365.

XIII. City Council Liaison Reports

Airport - December 2nd - Martinez

Library - December 11th - Lee

Parks and Recreation - December 9th - Merz

Planning and Zoning Commission - December 3rd -Marchman

XIV. Discussion and Action Items

- a. Discussion and possible action on a resolution authorizing a TxCDBG grant amendment and conducting a public hearing regarding the proposed changes to the project scope for Texas Department of Agriculture Contract No. CDV23-0365
- b. Discussion and appropriate action on the Victory Lane Development Agreement.
- c. Consideration and possible action on a Resolution authorizing the initiation of eminent domain proceedings to acquire right-of-way for the Northern Route thoroughfare connection
- d. Consider and take appropriate action on appointing a City Council member to act as Liaison to the Chamber of Commerce
- e. Consider and take appropriate action on requesting a traffic study be completed by the Police Department for the Downtown Historic Commercial District, including but not limited to Fiorella, Paris, Lafayette, and London Streets.
- f. Consider and take appropriate action to adopt a resolution to update the City of Castroville Personnel Policies and Procedures
- g. Consider and take appropriate action on setting a date for a Joint Special Called Work Session with the Historic Landmark Commission to review the Historic Landmark Commission Ordinance and historic preservation.
- h. Consider and take appropriate action on setting a Joint Special Called/Work Session with the Planning and Zoning Commission for discussion and preparation of a Development Agreement Policy and discussion on an Institutional Zone.

- i. Discussion and appropriate action to set a date for a Council Workshop to discuss the 2026–2036 Community Investment Plan (CIP).
- j. Discussion and appropriate action to set a date for the Council Planning Workshop.

XV. City Administrator Report

- a. The following report topics may be discussed and acted upon:
 - a. Drainage Projects
 - b. BMA Trail Access
 - c. Streets, Maintenance and Paving Plan
 - d. WWTP Ponds
 - e. CPS Energy Dispute
 - f. Community Center Construction
 - g. Lions Park Splash Pad
 - h. Facilitated Council Workshop
 - i. Hwy 90 TxDOT Construction Project
 - j. County Streets Plan
 - k. Airport Well Soft Start Pump
 - l. Departmental Reports

XVI. Discussion on Future Agenda Items

XVII. Adjourn

Accessibility Statement

The City Hall is wheelchair accessible. The exit and parking ramps are located at the rear of the building.

Non-Discrimination Statement

The City of Castroville does not discriminate on the basis of race, color, national origin, sex, religion, or disability in the employment or the provision of services.

The City Council of the City of Castroville reserves the right to adjourn into closed session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by the Texas Open Meetings Act.

I hereby certify that the above notice of meeting was posted on the bulletin board of City Hall, Castroville, Texas on December 10, 2025 before 5:00 p.m.

/s/ Debra Howe

City Secretary



Agenda Report

Agenda of: December 16, 2025

Department: Administration

Subject: Presentation Re City Hall & Library

Recommended Motion:

No formal action required at this time. Provide direction to staff and the project architect regarding preferred concept options and project scope for both facilities.

Background:

As part of the City's ongoing facility planning and design-build evaluations, the project architect will present **two conceptual design options** for both the **City Hall** and the **Castroville Public Library**. These preliminary concepts are intended to assist the City Council in narrowing the scope and direction for each project before design development advances further.

A copy of the presentation is included with this report.

City Hall – Scope Clarification Needed

The architect will present two conceptual paths:

1. **Full City Hall Build-Out with Annex** – a comprehensive facility including expanded administrative and public service space; or
2. **Remodel of the Existing City Hall Building** – a more limited renovation within the existing footprint.

City Council guidance is needed on which approach should move forward into detailed cost analysis and design refinement.

Library – Concept Option A vs. Option B

For the Castroville Public Library, the architect will present **Option A** and **Option B**, each illustrating different space configurations, layout efficiencies, and long-term facility considerations.

City Council input and consensus is needed on whether to proceed with **Option A or Option B** as the preferred direction.

Cost Estimates

Each concept for both projects will include **preliminary cost estimates**, allowing Council to compare scope, scale, and budget implications before design work proceeds.

Fiscal Impact:

None at this stage. Future fiscal impacts will depend on the design option selected and will be brought back to Council with refined estimates during subsequent phases.

☒ **Budgeted** ☐ **Requires Budget Amendment**

Source of Funding:

Urgency (0-5 = Low Urgency to High Urgency): 3

Impact (0-5 = Low Impact to High Impact): 3

Submitted by: R. Scott Dixon

Attachments: City Hall & Library Presentation

CITY OF CASTROVILLE

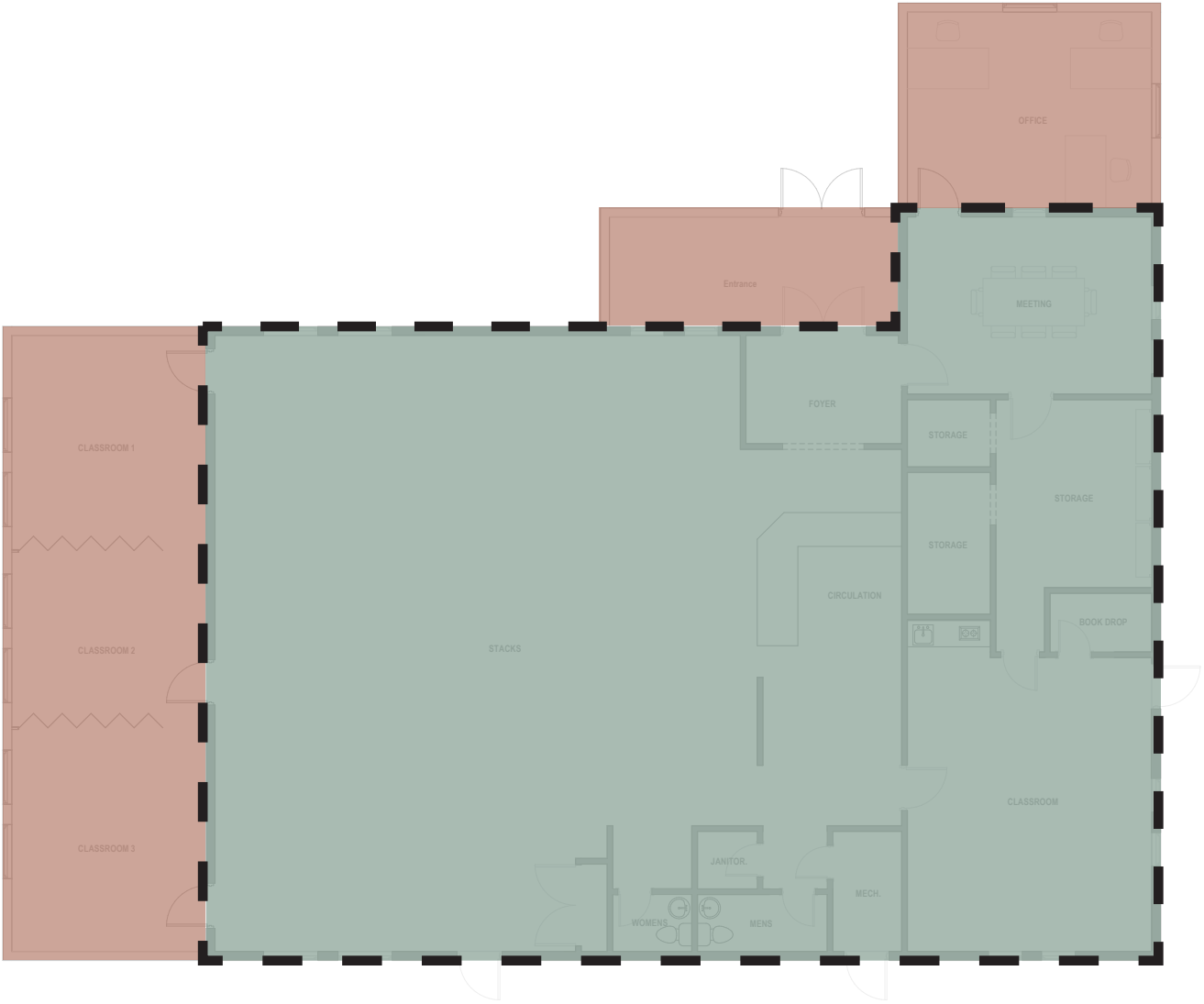
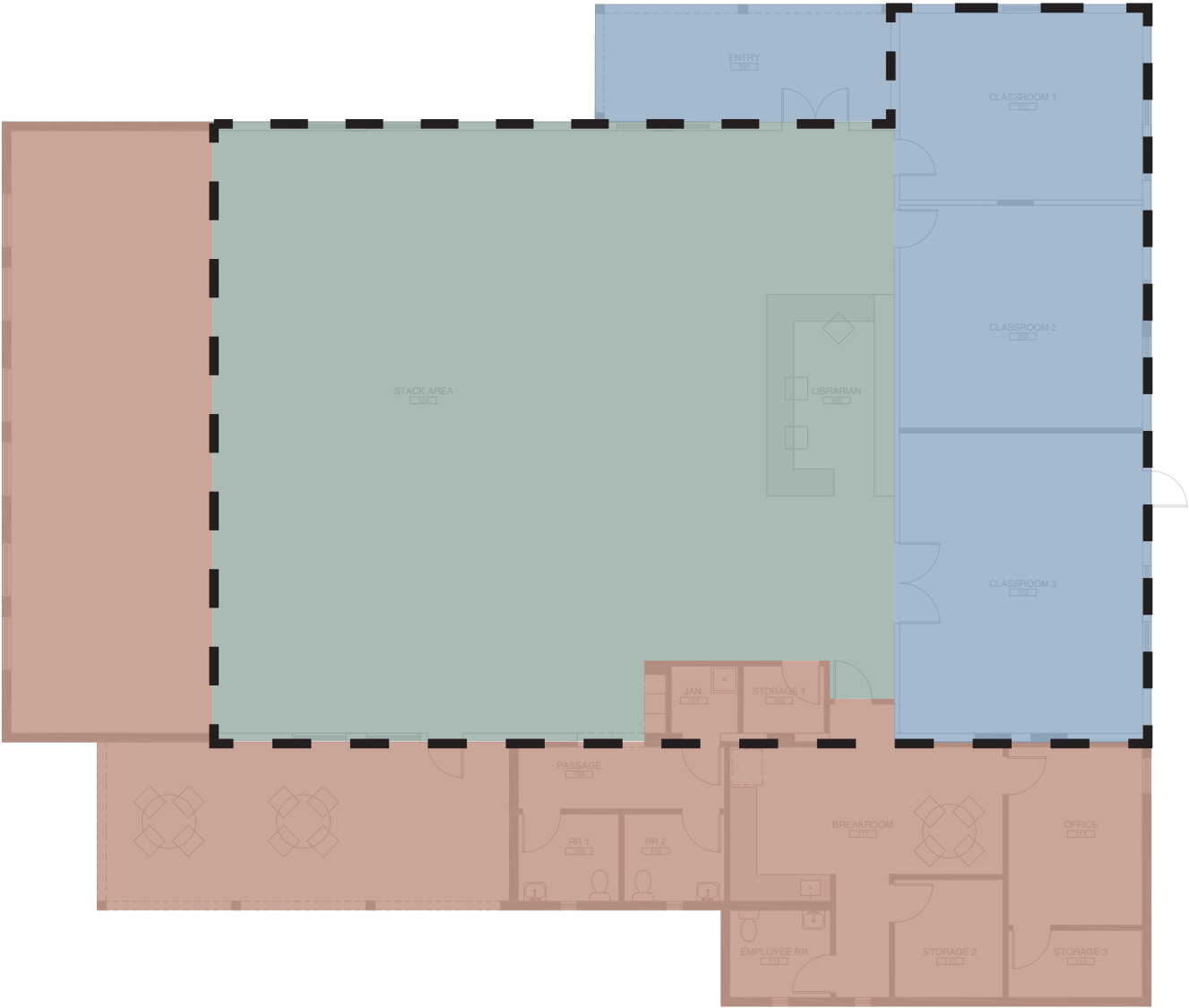
LIBRARY & CITY HALL OPTIONS



LIBRARY OPTIONS

OPTION A

OPTION B

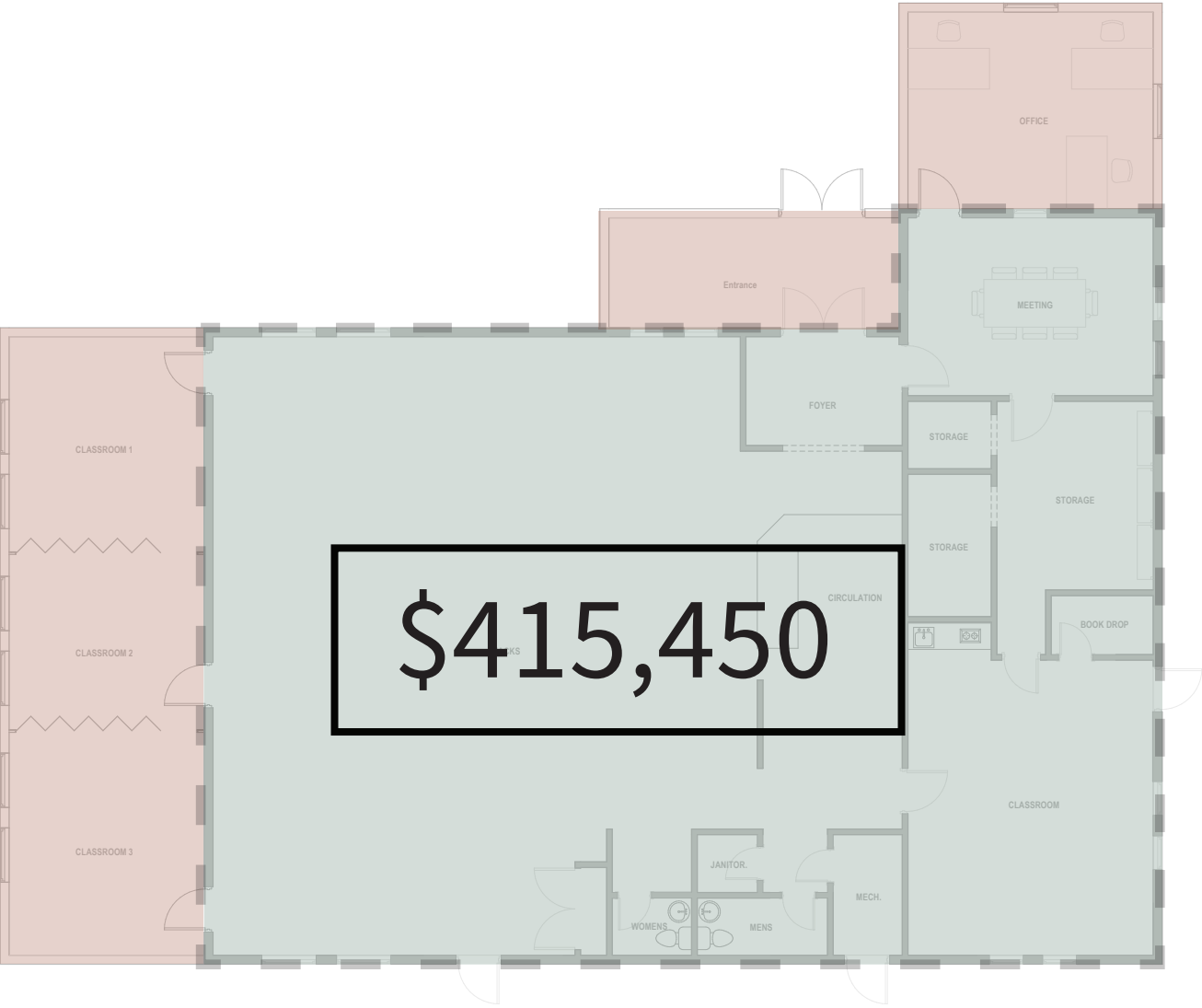
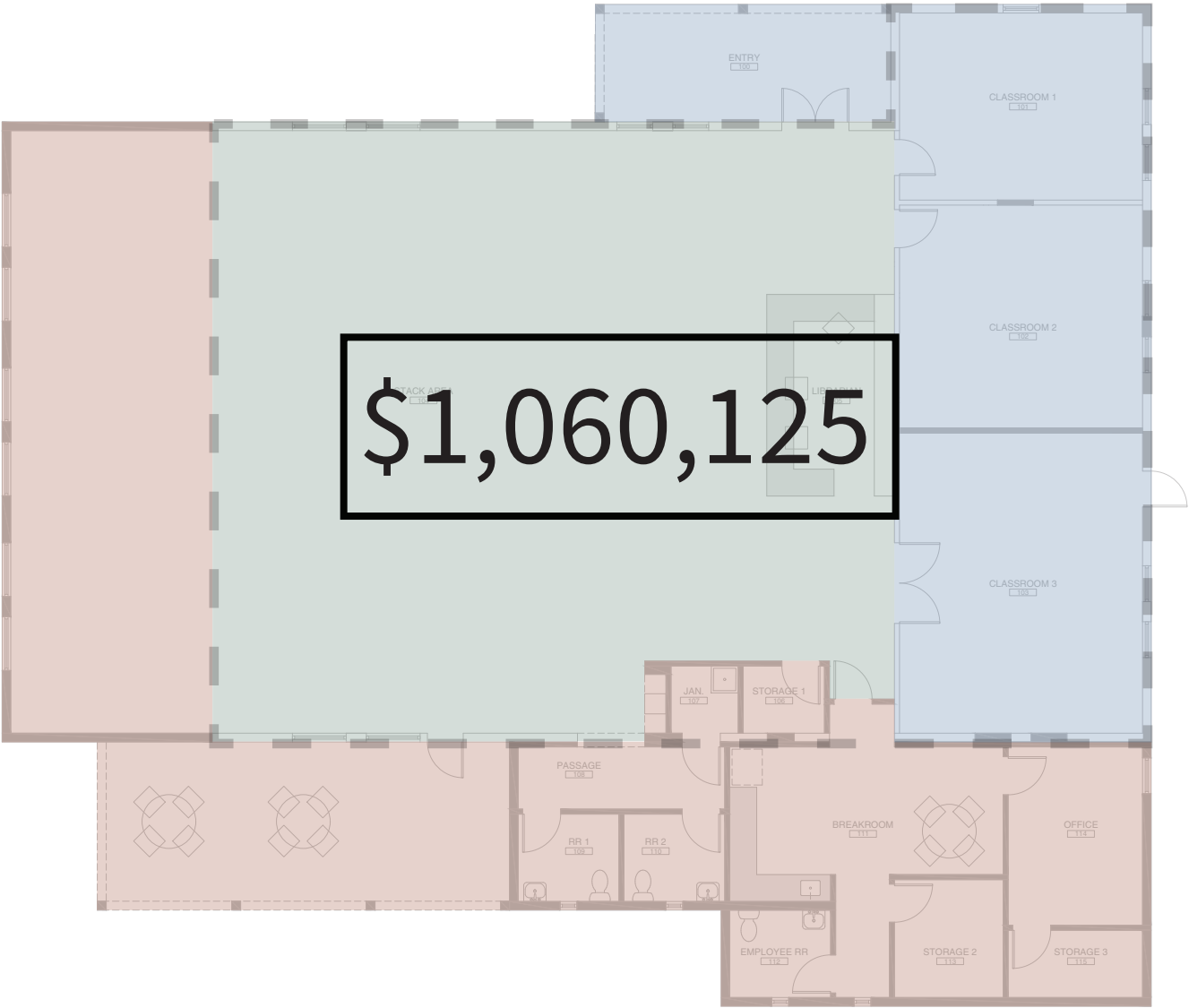


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LIBRARY OPTIONS

OPTION A

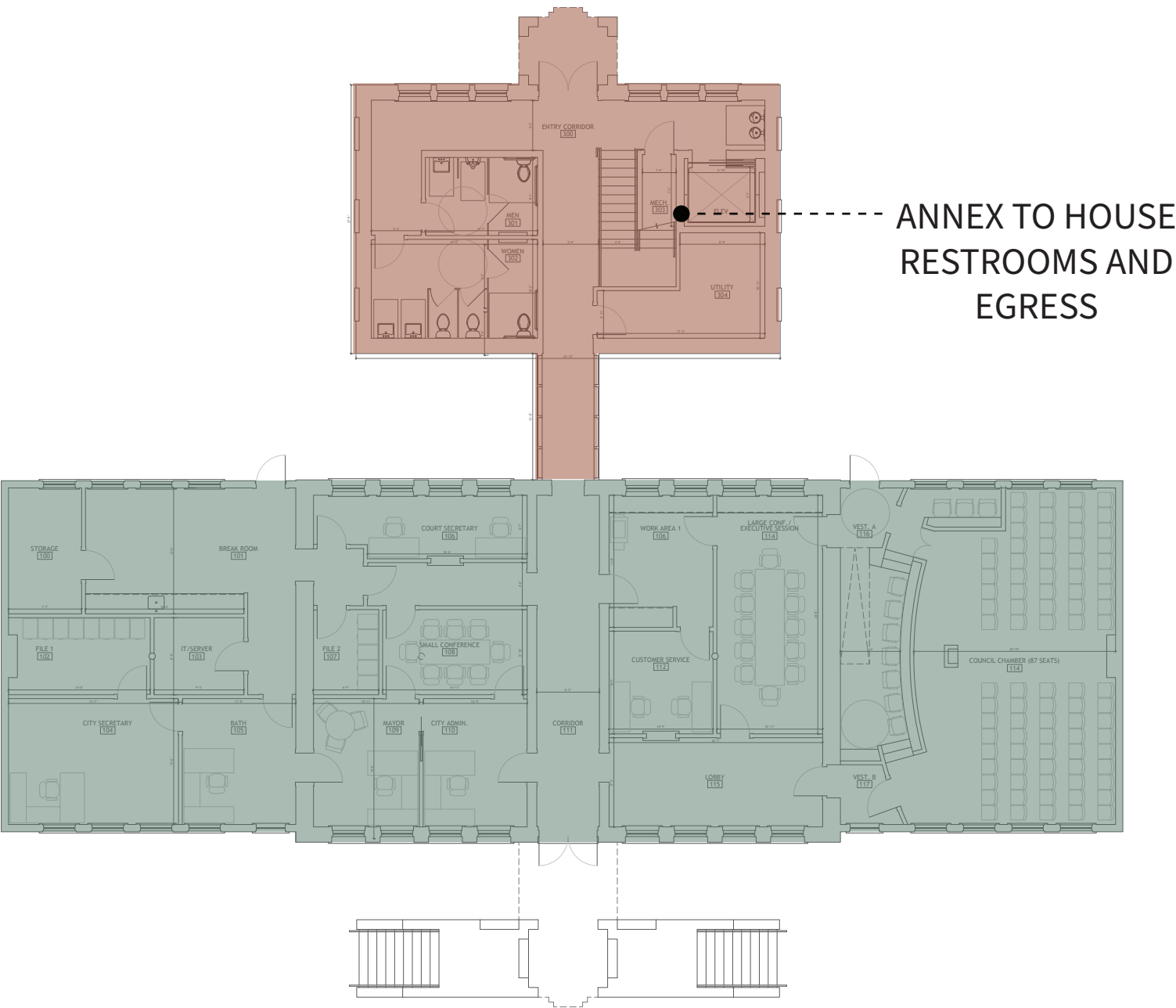
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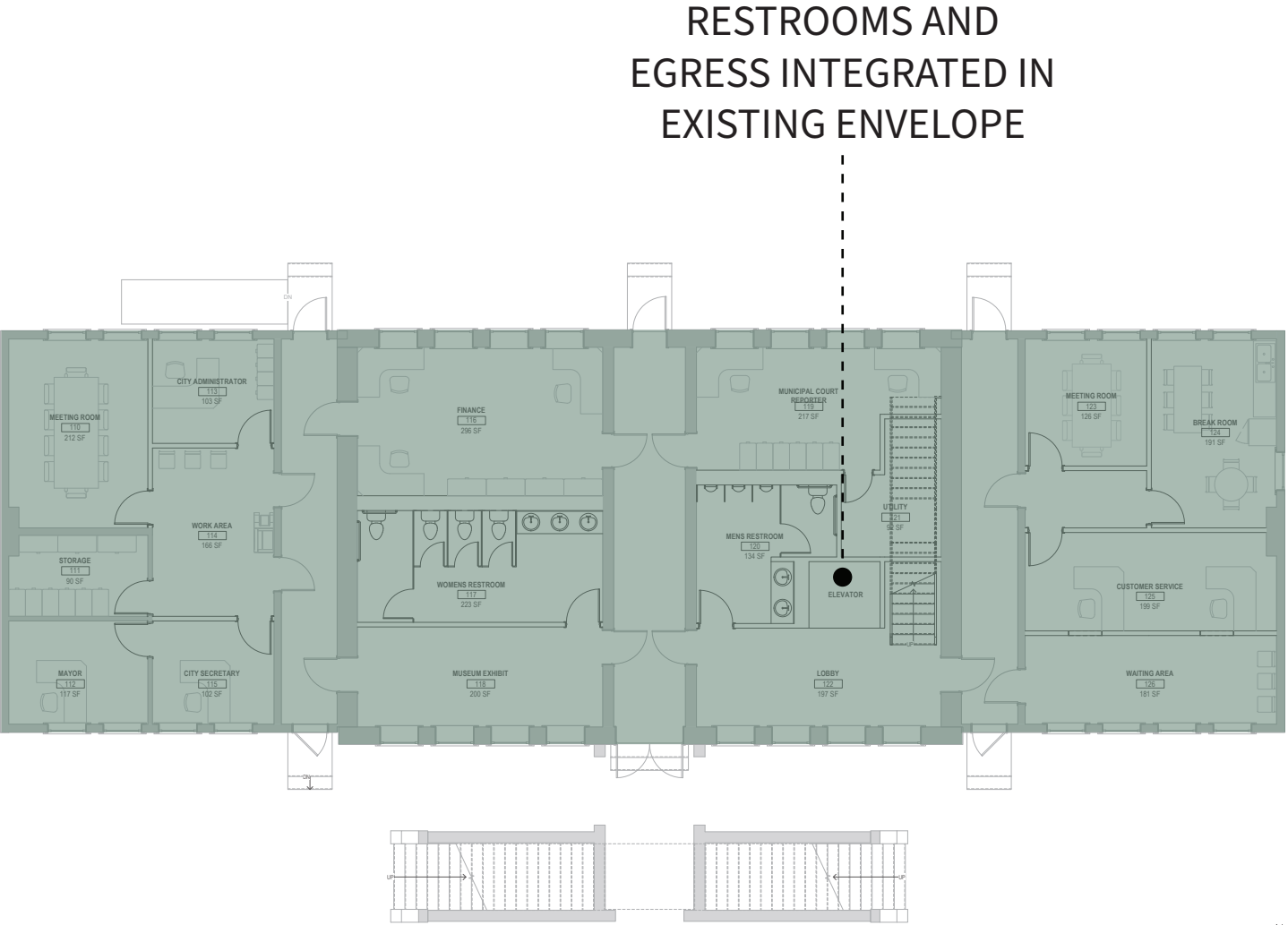
CITY HALL OPTIONS

OPTION A



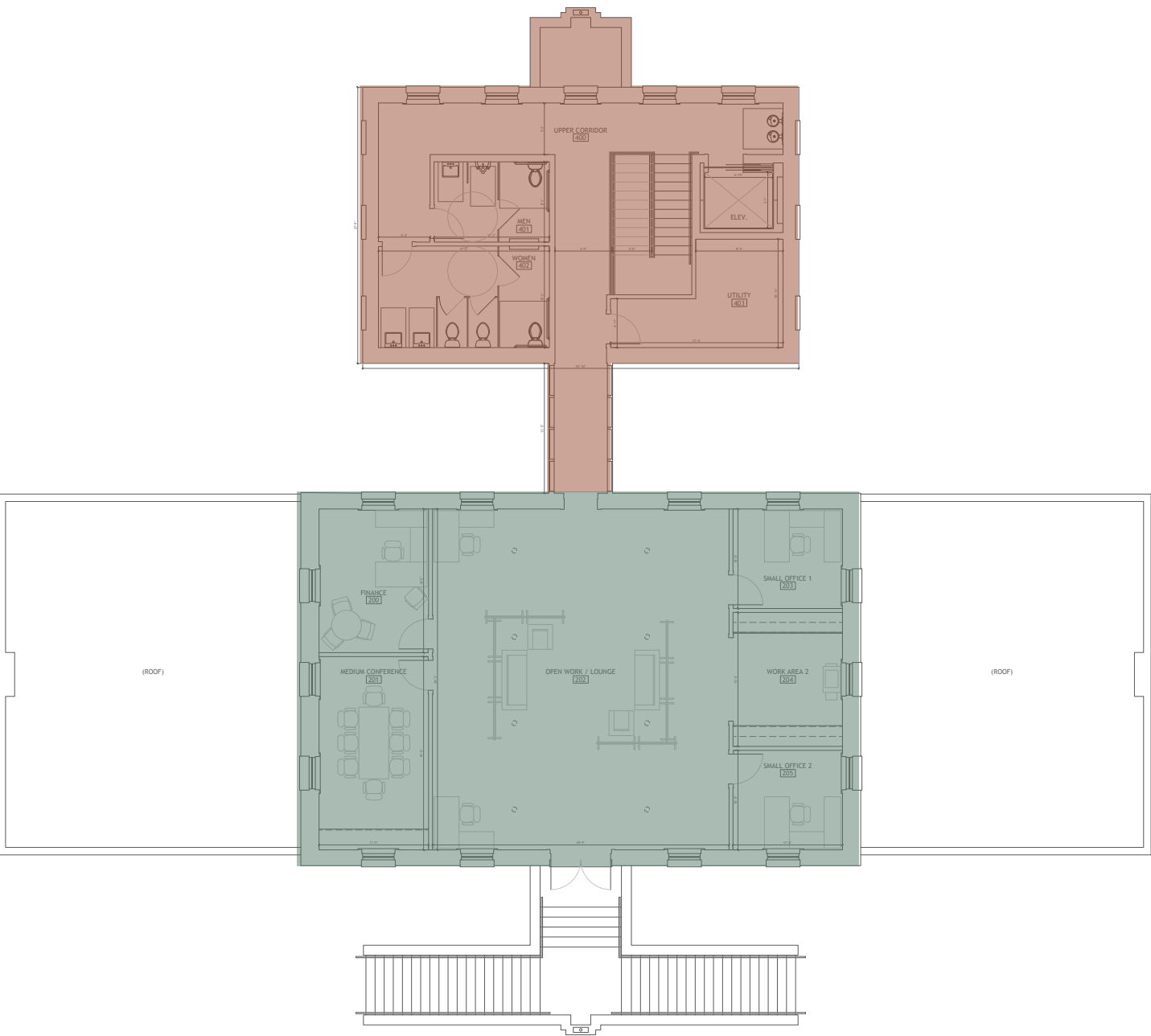
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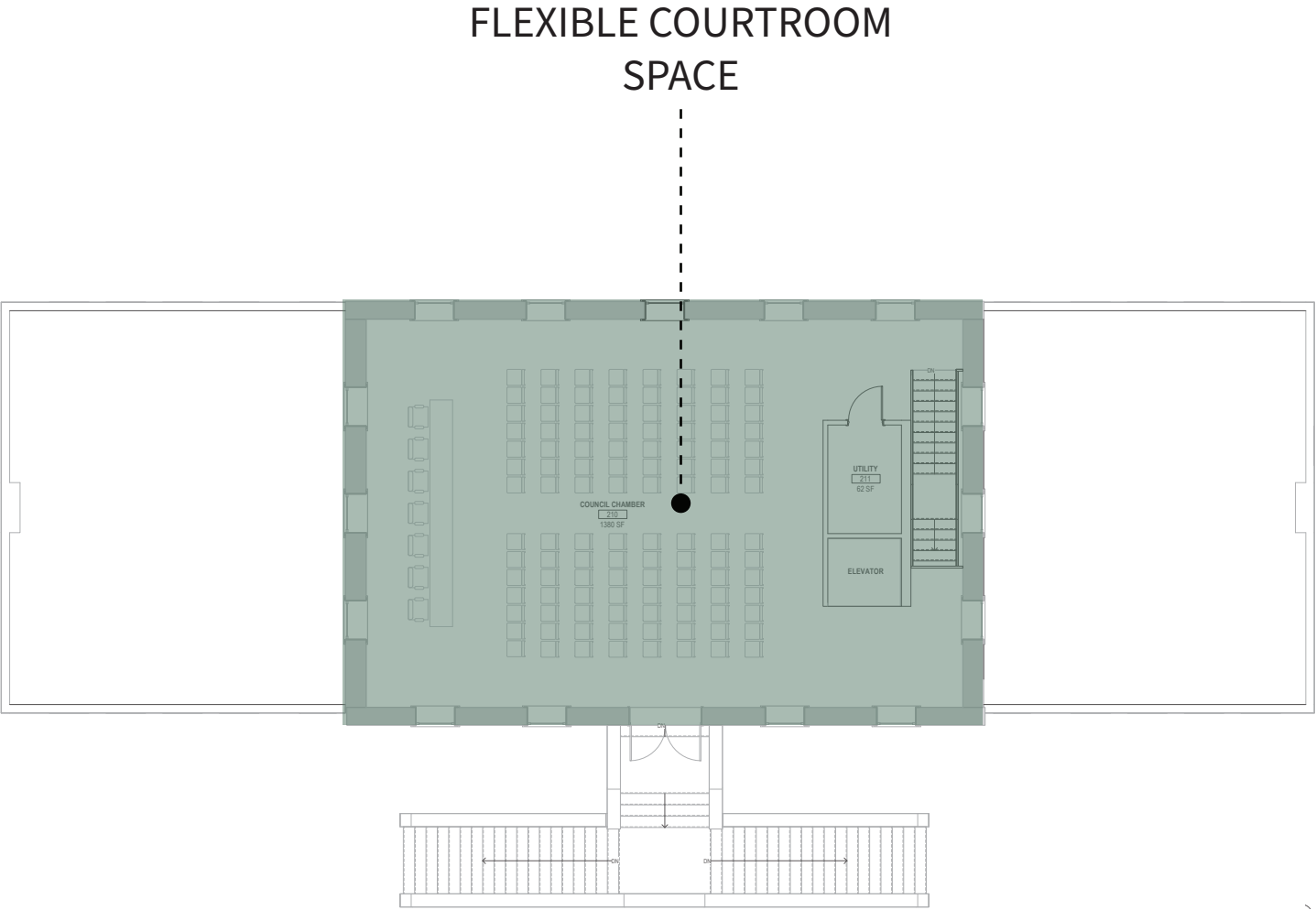


CITY HALL OPTIONS

OPTION A



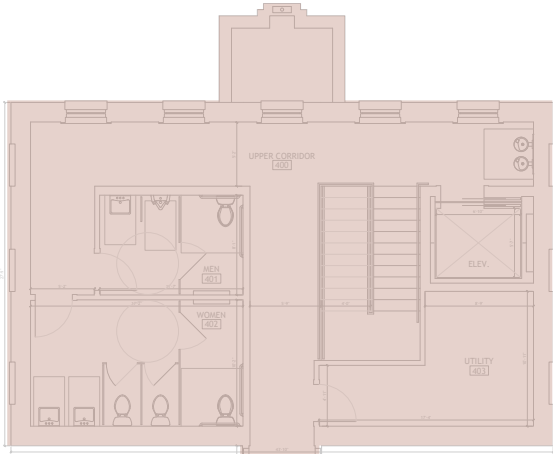
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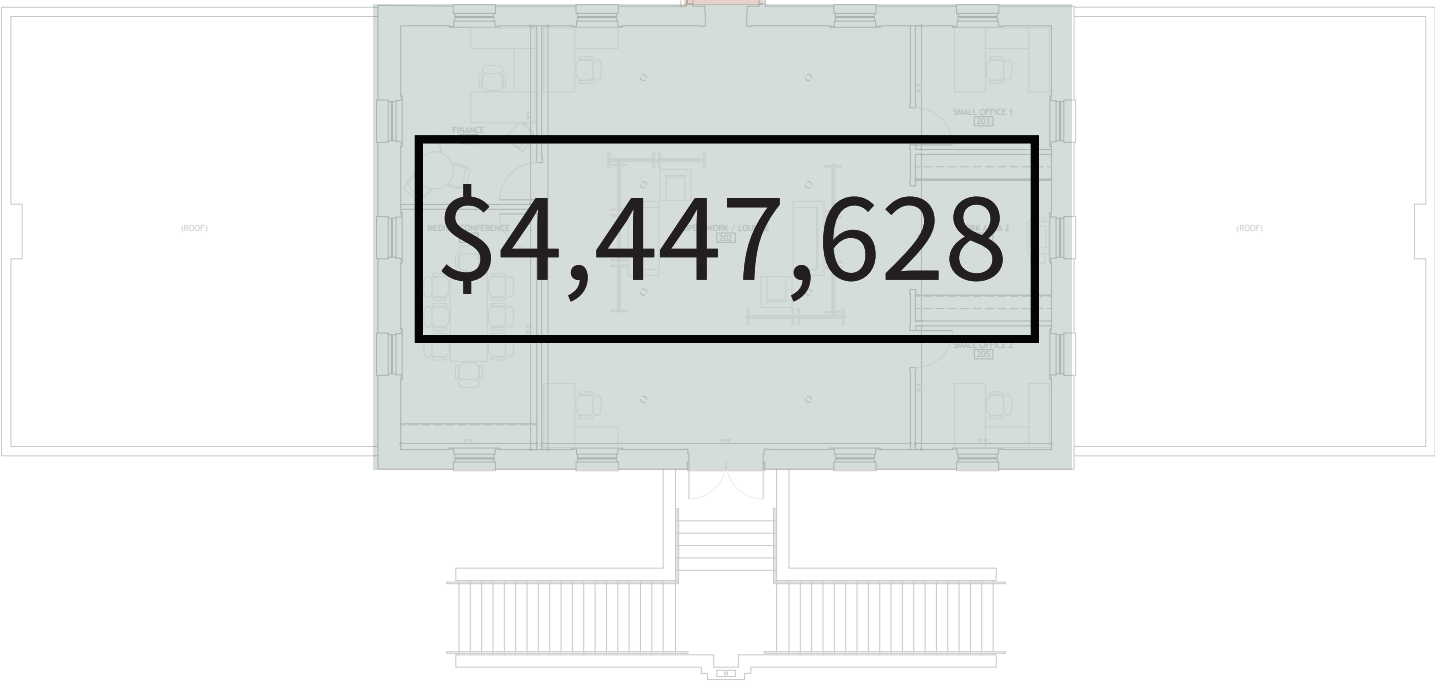
CITY HALL OPTIONS

OPTION A

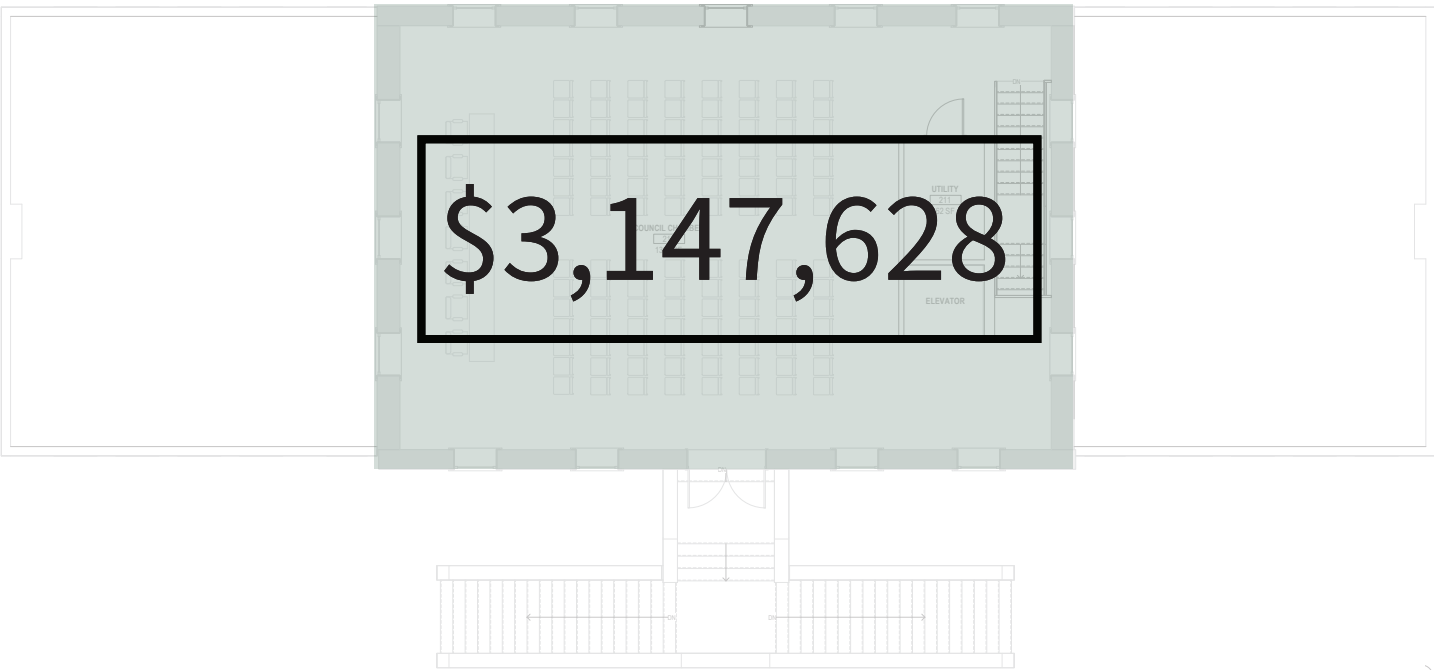


OPTION B

- \$1,300,000



\$4,447,628



\$3,147,628

ADDITION REMAINS AS IS

**CITY OF CASTROVILLE CITY COUNCIL
SPECIAL CALLED COUNCIL MEETING
1209 Fiorella
City Council Chambers
November 19, 2025
Tuesday
5:00 P.M.
MINUTES**

I. CALL TO ORDER

Mayor Alexander called the meeting to order at 5:00 p.m.

Mayor Alexander acknowledged there was a quorum present.

Mayor Alexander recessed the meeting to go into executive session at 5:01 p.m.

II. EXECUTIVE SESSION

The City Council will convene in closed session pursuant to the Texas Open Meetings Act, Chapter 551 of the Texas Government Code for one or more of the following authorized reasons:

- a. Executive session pursuant to Texas Government Code § 551.071(2) on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter, concerning legal issues related to the proposed desalination project, construction contracts, including, but not limited to, design and build procedures and the legal status of the City's discussions with entities proposing a desalination plant and other potential water sources as well as regulatory and financing matters.

Opened: 5:04 p.m.

Closed: 5:40 p.m.

- b. Executive session pursuant to Texas Government Code § 551.071(2) on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter, pertaining to any pro bono work performed by city council members as well as the potential for conflicting loyalties and self-employment incompatibilities, and any other matters which may arise.

Opened: 5:41 p.m.

Closed: 5:56 p.m.

III. RECONVENE IN OPEN SESSION

Mayor Alexander reconvened in open session at 6:00 p.m.

IV. ROLL CALL

Present:

Mayor Bruce Alexander

Mayor Pro Tem Sheena Martinez

Councilmember Houston Marchman

Councilmember Phil King

Councilmember David Merz

Councilmember Robert Lee

Scott Dixon, City Administrator

Debra Howe, City Secretary

Breana Soto, Community Development Director

Mike Haley, Airport Manager

Others in attendance:

Daniel Jones, City Attorney, Denton, Navarro, Rodrigues, Santee, Benal & Zech

V. PLEDGE OF ALLEIGENCE

VI. INVOCATION

Pastor Rick Steinert, Discover Church gave the invocation.

VII. CITIZENS COMMENTS

The City Council will hear comments from any citizen or visitor. Speakers must address their comments to the presiding officer rather than individual council members or staff; stand at the podium, speak clearly into the microphone, and state your name and residential address before speaking. Speakers will be allowed a maximum of 3 minutes for testimony. Speakers making personal, impertinent, profane, or slanderous remarks will be given one warning before losing the privilege to speak or may be removed from the room. In accordance with the State Open Meetings Act, the City Council is restricted from discussing or taking action on items not listed on the agenda. Action can only be taken at a future meeting.

Stacy Janette Constantino, 626 Falcon Cove, San Antonio, spoke to the City Council on her work as a teacher, a veteran, and a student in communications at UTSA. Ms. Constantino said she was tasked to speak at a public meeting and had chosen to come to Castroville to do her assignment. Ms. Constantino gave a brief overview of the Arts and the ways Arts could benefit others.

Pete Markwardt, owner of Hillside Hotel, spoke as the sole owner of the hotel as of the first of the year. Mr. Markwardt said he wanted the City Council to support local businesses and asked the community to support the hotel. Mr. Markwardt spoke on the current water restrictions and rate increases for high usage not being good for his type of business and wished to have this looked at for exceptions. Mr. Markwardt also wanted accountability of the HOT Taxes now that the Tourism/Business Development Director had left the city. Mr. Markwardt said he would like to meet with the City Administrator to discuss some ideas he had on promoting tourism. Mr. Markwardt ended with inviting the City Council and community to a ribbon cutting at 4:15 pm the following day at the Hotel.

Larry and Charlotte Arnold, 101 Karm Street, spoke to the City Council about the years of drainage issues he had with water coming on to his property from the Steinbach Hus property. Mr. Arnold said the drainage design caused the rainwater to be diverted on to his property and had gotten into his home. Mr. and Mrs. Arnold wanted the City to take care of the damage or they would be seeking legal action.

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Priscilla Garrett, 702 Florence, spoke on her application to be reappointed to the Historic Landmark Commission. Ms. Garrett said due to the change in the memberships of the Historic Landmark Commission and the Planning and Zoning she had submitted her resignation from the Planning and Zoning Commission. Ms. Garrett wished to continue to serve the community through the Historic Landmark Commission.

Kyle McVay, 307 Madrid, spoke on agenda item 13 and said she and Jeff Gardner had been approached to serve as the chairman of the HLC. Ms. McVay said she felt Mr. Gardner would be an excellent choice as chairman with his knowledge and past experience as Mayor and presiding over City Council meetings. Ms. McVay also made her regular request for the City Council to look at a future animal shelter when discussing CIP projects. Ms. McVay said she may be coming back to the City with a presentation for a proposed shelter once she gets more information.

Jerry Hoge, 18425 Cr 4711, Castroville, spoke on his support of the zoning change to accommodate a new school located on the Moye Center property. Mr. Hoge said he had the history on the current school thriving and in the future they would be adding grades.

VIII. PROCLAMATION

- a. Proclamation recognizing Mrs. Carole Romano for her years of service and dedication to the community of Castroville

Mayor Alexander recognized Mrs. Carole Romano for her service and dedication to Castroville over her life time living in Castroville. Mayor Alexander gave a history of the Romano's on restoring their home, Ms. Romano's many commitments to Castroville by serving on various boards, including the founding of the Castroville Conservation Committee. Mayor Alexander said he had been her neighbor for over 30 years and provided stories of his children growing up next to the Romanos. Councilmembers King and Lee also spoke on their interactions with Ms. Romano through her love of historic preservation. Ray Romano, one of her three children was present and accepted the proclamation on behalf of the family.

IX. PRESENTATIONS

- a. Presentation by the Medina Valley Youth Baseball Association on current facilities, potential improvements and future use of the complex

Justin Menoz, President of the MVYBA, spoke on behalf of the association about improvements to the ball fields. Mr. Menoz said they would like to have the City's approval to upgrade lighting, install no parking signage, repair fencing and install new nets. Mr. Menzo said the association just wanted a safe environment for the children. Mr. Menzo invited the City Council members to come out in March and throw out the first pitch. Mr. Menzo said with the City's support they could preserve the fields for future members. Councilmember Martinez asked about the new lighting and FAA approval. City Administrator Dixon said he would speak with Mr. Menzo further and work on the lighting. Councilmember Lee agreed with the presentation suggesting the City look at a larger area for a future Sports Complex and work with them for an expansion.

X. Consider possible action(s) resulting from items posted and legally discussed in Executive Session

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A motion was made by Councilmember King and duly seconded by Councilmember Marchman to request a written proposal from Seven Seas for City Council review. A vote was taken (5:0 all ayes) the motion carried by all present.

XI. PUBLIC HEARING

- a. Public Hearing on a zoning change request for approximately 2.318 acres located north of Highway 90, east of Naples, and south of Paris St., at 702 Paris St. Castroville, TX 78009. The current zoning of the property is HE, Historic District (Residential). The proposed zoning for the property is C-G, Historic Central Business District or CH-C, Central Commercial District**

Councilmember Merz recused himself from this item as he was a member of the Board requesting the change. Mr. Merz stepped down from the diocese.

Open: 6:38 p.m.

Community Development Director Breana Soto briefed the City Council on the request for a zoning change. Ms. Soto said at the previous council meeting Lance Rothe had spoken on the request outlining the project of bringing back a school to the Moye Center. Ms. Soto said the property was currently zoned HE - residential and the applicant was asking for either CG-HE Business or CH- Commercial. Ms. Soto said the ideal zone would be Institutional that allowed schools, but the City currently did not have that zoning option. The zone being looked at was Historic Commercial District with the Historic Landmark Commission having per view over the property. Ms. Soto said the Planning and Zoning Commission recommended approval. No one requested to speak.

Closed: 6:43 p.m.

VIII. CONSENT AGENDA

- a. Minutes for October 14, 2025, Special Called Meeting**
- b. Minutes for October 28, 2025, Regular Called Meeting**
- c. Approve casting of the city votes (104) for City nominee Cynthia Malone for a seat on the Board of Directors for Medina Central Appraisal District 2026-2027.**
- d. Approve the nomination of Polly Edlund for re-appointment to the Medina County 9-1-1 Emergency Communications District Board of Managers.**
- e. Adoption of an Ordinance amending Comprehensive Fee Ordinance No. 2025-020 for the City of Castroville, Texas; more particularly the kiosk utility fees at the City of Castroville Public Library; providing for severability and codification; and establishing an effective date.**
- f. Adopting of an Ordinance amending Ordinance 2009-009, Code of Ordinances, Chapter 2, Article IV. Section 2-77. Boards and Commissions and Committees, adding (d) prohibiting a person from serving on the Historic Landmark Commission and the Planning and Zoning Commission at the same time.**

Councilmember King requested Item F. be removed for further discussion. Councilmember Martinez requested Item E. be removed for further discussion.

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A motion was made by Councilmember King and duly seconded by Councilmember Martinez to approve the Consent Agenda Items A through D. A vote was taken (5:0 all ayes) the motion carried by all present.

Mayor Alexander said Item E. regarding Kiosk fees had been discussed at the last meeting. Councilmember Martinez asked when the fees would go into effect and Ms. Martinez felt the City should inform the citizens of the new convenience fees when paying at the Kiosk before they were implicated.

A motion was made by Councilmember Martinez and duly seconded by Councilmember Marchman to adopt an Ordinance amending Comprehensive Fee Ordinance No. 2025-020 for the City of Castroville, Texas; more particularly the kiosk utility fees at the City of Castroville Public Library; providing for severability and codification; and establishing an effective date of January 1, 2026. A vote was taken (5:0 all ayes) the motion carried by all present.

Councilmember King requested Item F regarding limiting membership on P & Z and HLC, clarifying the ordinance only pertained to the Planning and Zoning Commission and the Historic Landmark Commission. Councilmember Martinez said the policies and guidelines of the Boards and Commissions stated the Historic Landmark Commission was to have a Planning and Zoning Commission representative.

A motion was made by Councilmember King and duly seconded by Councilmember Marchman to adopt an Ordinance amending Ordinance 2009-009, Code of Ordinances, Chapter 2, Article IV. Section 2-77. Boards and Commissions and Committees, adding (d) prohibiting a person from serving on the Historic Landmark Commission and the Planning and Zoning Commission at the same time.

Further discussion followed. Councilmember Lee said he did not agree with the language shown in the ordinance. Mr. Lee said the ordinance heading spoke to the P & Z and HLC but the language in the body of the ordinance stated all boards would be governed by the ordinance and that was not what the City Council agreed on at the previous meeting. Mr. Lee wanted wording clarification and City Attorney Jones said it was standard legal language but could remove and bring back with language better tailored to the two boards. Mr. Lee did not want the ordinance to go into effect until June 2026 for a smoother transition. Councilmember King called the question which ended all discussion.

A vote was taken for calling the question (3ayes: 2nays (Merz and Lee)) the motion passed by a majority to end discussion.

Mayor Alexander called for a vote on the motion made by Councilmember King and Duly seconded by Councilmember Marchman to adopt an Ordinance limiting persons from serving on both P & Z and HLC at the same time.

A vote was taken (3ayes: 2nays (Merz and Lee)) the motion carried by a majority vote.

XI. DISCUSSION AND ACTION ITEMS

- a. Discussion and appropriate action on a zoning change request for approximately 2.318 acres located north of Highway 90, east of Naples, and south of Paris St., at 702 Paris St. Castroville, TX 78009. The current zoning of the property is HE, Historic District (Residential). The proposed zoning for the property is C-G, Historic Central Business District or CH-C, Central Commercial District

Mayor Alexander spoke on his support for a school but did not agree with changing the zone. Mayor Alexander said they could have the school but do it by a Specific Use Permit and leave the zone as is.

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(Cont.)

Mayor Alexander said with the zone change it would open the area up to commercial use if the school was to fail. Mayor Alexander read off past failures of the schools, and he wanted them to go a different path.

A motion was made by Councilmember King and duly seconded by Councilmember Lee to approve a zoning change request for approximately 2.318 acres located north of Highway 90, east of Naples, and south of Paris St., at 702 Paris St. Castroville, TX 78009 to C-G, Historic Central Business District. Discussion followed.

Councilmember Martinez asked City Attorney if the City Council could go with a Specific Use Permit for the property. City Attorney Jones said they could but the process would be lengthy and the requestor may not meet their deadline of opening in August. Community Development Director Soto said there were no Specific Use Permits allowed in that area and they would have to go back and go through the process of changing the ordinance and then go through the public process for a Specific Use Permit. Ms. Soto said the property would have to go through the HLC to make any changes with this zoning change. Councilmember King said it could not be residential and said the property, if used for commercial would look like the current downtown area. City Administrator Dixon suggested the City Council look at adding an Institutional Zone for the future. Mr. Dixon said once in place this property could be rezoned, Institutional with no issues. Councilmember King was in agreement with looking at an Institutional zone. Councilmember Lee was appreciative of the Mayor's caution on changes to this property by looking at a Specific Use Permit option for better safeguards. Mr. Lee asked if they went through the changing of the CZO and allowed a Specific Use Permit would a three month delay still meet their deadline. Mr. Hoge said they would not meet the August opening with this option.

A vote was taken (4ayes: 1abstain(Merz)) the motion carried by a majority vote.

- b. Consider and take appropriate action on acceptance of Board resignations and applications submitted for open positions on the City Boards and Commissions

City Secretary Debra Howe spoke on the City receiving two applications from Priscilla Garrett and Jenny Andermatt for open positions on the Historic Landmark Commission and an application from Troy Griggs for an open position on the Planning and Zoning Commission. Ms. Howe said included in the materials was a resignation letter from Priscilla Garrett resigning from the Planning and Zoning Commission to meet the ordinance recently passed to only serve on either HLC or P & Z. Both ladies were in attendance. Ms. Andermatt introduced herself and spoke on her knowledge of historic values and willingness to serve on the HLC. Ms. Garrett had spoken earlier in the meeting on her commitment to serving.

A motion was made by Councilmember Martinez and duly seconded by Councilmember Marchman to appoint Priscilla Garrett to full board position #6 and Jenny Andermatt to full board position #7 with terms ending June 2027. A vote was taken (5:0 all ayes) the motion carried by all present.

Troy Griggs had been in attendance earlier in the meeting but was not present during the appointment item. Some of the City Council knew Mr. Griggs and moved forward with the appointment.

A motion was made by Councilmember King and duly seconded by Councilmember Marchman to appoint Troy Griggs to a full board position #1 for a term ending June 2026.

Councilmember Merz felt the applicant, which he did not know, should come before the City Council as all others to be introduced.

A vote was taken (4ayes:1nay (Merz)) the motion carried by a majority vote.

c. Consider and take appropriate action on electing a Chairman for the Historic Landmark Commission

Mayor Alexander said the current ordinance stated the City Council would appoint a chairman for the Historic Landmark Commission. Mayor Alexander had requested an invitation be sent to senior members of the Commission, Jeff Gardner and Kyle McVay, to be considered for chairman. Ms. McVay had spoken of her support for former Mayor/ Councilmember Jeff Gardner to serve as chairman.

A motion was made by Councilmember Marchman and duly seconded by Councilmember Martinez to appoint Jeff Gardner as chairman for a term of one year. A vote was taken (5:0 all ayes) the motion carried by all present.

d. Consider and take appropriate action on Airport Agricultural Lease Renewal

Mayor Alexander briefed the City Council on the lease renewal for the land lease at the Airport with Mark Lemon Farms, LLC. Councilmember Martinez said the renewal was presented to the Airport Board and they recommended approval. Councilmember Lee said the renewal lease should come before the City Council for approval and look at language as such for future lease agreements. Mr. Lee was not in favor of automatic renewals. Mr. Lee questioned the fence repairs language and felt it should be more defining. Mr. Lee said the way he read the lease the city would play part for damages that could be caused by the farmer. Mayor Alexander read the terms of the contract for renewal and said Mr. Lemon had exercised his right to renew. No action was required.

e. Consider and take appropriate action to approve a ground lease with Brask T-4 Ranch for construction of a new Hangar located on vacant Airport property south of current Brask Hangar

Mayor Alexander said the Airport Board had reviewed two proposals and had recommended Brask T-4 Ranch for the construction of a new hangar. Jennifer Lamon, General Manager for Brask T-4 and Mike Haley, Airport Manager were present for questions.

A motion was made by Councilmember Martinez and duly seconded by Councilmember King to approve a ground lease with Brask T-4 Ranch for construction of a new Hangar located on vacant Airport property south of current Brask Hangar. A lengthy discussion followed.

Councilmember Lee had concerns on the building placement and the door placement in an imposed image of the hangar in the presentation. Mr. Lee spoke to issues with future uses if the door was not facing the west, open to the taxi way, and enough space to not infringe on ramp space of neighboring hangar. Mr. Lee was concerned about drainage in the area and how it would be addressed. Mr. Lee wanted more information/discussion and a completed lease document with pricing before a ground lease was approved. Airport Manager Mike Haley said he had a hydrological Survey on hand to address drainage with developers and had been in discussion with Brask on having two doors. Mayor Alexander clarified the request was for a ground lease and then they would come back with final approval on a building design. Ms. Lamon said that was correct, they wanted a ground lease agreement with the same terms as the current agreement they had with the city on their current hangar. Mr. Lee said the example shown, it seemed

there was not room for the hangar to function properly. Councilmember Merz asked could the road shown on the google map be moved as an option for space. Mr. Merz also clarified this item was for a ground lease only for the area shown at this time. Mr. Haley said he had spoken with the City's Airport Planner that day and he would be sending for reviewing and it hinged on FAA and TxDOT approval. Councilmember Lee asked for an appraisal of the land to compare with the current leasing amounts. Mr. Lee agreed with a 30 year lease but was not in favor of an additional 10 year option. Mr. Lee questioned the delay of a CPI increase at five years and felt the City was losing money and should go to one to two year on increases. Ms. Lamon said she had researched surrounding airports and the amount her employer paid was a very comparable rate. Mr. Lee asked about the language on allowing the option of selling fuel with permission from the city. Mr. Lee said the tenant could provide their own fuel, but if the City allowed the sell it would open the option to all tenants and not be economically beneficial for the City. Mr. Lee asked Chuck Friesenhahn, former Airport consultant, for his option on the length of the lease agreement. Mr. Friesenhahn said a 30 year lease was standard and FAA approved. The discussion continued with members of the City Council having questions on hangar placement, ramp space, FAA approval, fuel sells language, timing of CPI percentage increase, and options for renewal of lease agreement that City Staff should negotiate a lease agreement and bring back to the City Council.

A motion was made by Councilmember King and duly seconded by Councilmember Martinez to amend the first motion and authorize the City Administrator to work with the Airport Manager and Brask T-4 Ranch to negotiate a ground lease agreement with the recommendations discussed; and send to Airport Board for a recommendation. A vote was taken (5:0 all ayes) the motion carried by all present.

- f. Discussion and possible action regarding the Garcia Creek Drainage Improvement Project and direction to proceed with a design-build delivery approach

Mayor Alexander briefed the City Council on his and Councilmember King recent onsite review of the Garcia Creek Drainage project. Mayor Alexander felt the City would benefit more with a design-build delivery method vs. current design-bid-build plan. Mayor Alexander said the existing data and documentation already prepared by Lochner could be used to solicit proposals to complete the restoration of the drainage channel back to the original 1980's grade and configuration. Mayor Alexander said with the design-build delivery method, Lochner would be required to provide the City with all project work products, calculations, and supporting files including a written recommendation on next steps for completion that the City would use to go out for Request for Qualifications or Proposals.

A motion was made by Councilmember Lee and duly seconded by Councilmember Martinez to direct Lochner Engineering to deliver all project work products completed to date, along with a written technical summary and recommendation; authorize City Staff to develop and issue a request of qualifications or proposals for a design-build solution to complete the Garcia Creek Drainage improvement Project. A vote was taken (5:0 all ayes) the motion carried by all present.

- g. Consider and take appropriate action on improvements to the City Council audio/video system

Councilmember Lee requested this item for discussion on improvements to the audio/video system in the City Council Chambers. Councilmember Lee said the current viewing equipment, large screen televisions, were hard to read and recommended returning to a projector or larger Televisions for presentations. Mr. Lee wanted City staff to bring back recommendations for better equipment with costs.

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 (Cont.)

A motion was made by Councilmember Lee and duly seconded by Councilmember King to authorize staff to bring recommendations to City Council for video projection or larger screen televisions for easier viewing of council presentation materials. A vote was taken (5:0 all ayes) the motion carried by all present.

h. Discussion and appropriate action to select bond counsel services for the City of Castroville

City Administrator Dixon briefed the City Council on the City solicitation for a Bond Counsel services. Mr. Dixon said the City received one proposal from Kelly Hart & Hallman LLP, a firm out of the North Texas area. Mr. Dixon said the firm had extensive municipal finance experience and staff recommended approval.

A motion was made by Councilmember Lee and duly seconded by Councilmember King to appoint Kelly Hart & Hallman LLP as bond counsel for the City of Castroville. A vote was taken (5:0 all ayes) the motion carried by all present.

XIV. CITY COUNCIL LIAISON REPORTS

Airport Advisory Board - Martinez

Historic Landmark Commission - King

Library Advisory Board - Lee

Parks and Recreation Advisory Board - Merz

Planning and Zoning Commission – Marchman

Councilmember Martinez briefed the City Council on the Airport Board committee working on a courtesy car policy and said the Airport was advertising for Request for Qualifications for an Airport Engineer. Ms. Martinez said training at the airport was on hold due to the government shut.

Councilmember King briefed the City Council on the HLC meeting and approving the zoning request for the Moye Center property; the board was looking at the guidelines but wanted more information on what the City Council wanted; looking at permit timelines, how to deal with vacant land, and non-contributing and historic homes. Mr. King said on permits and timelines some citizens did not need building permits and others did but don't always follow through.

Mayor Alexander suggested issuing permits for all projects, some may be without cost and process with Certificate of Appropriateness to have better tracking.

Councilmember Lee said there had been no November meeting of the Library Board but relayed to the City Council there were homeless people sleeping at the Library, working on a strategic Plan, looking at needs for more parking and meeting rooms. Mr. Lee said they had made improvements to the building with painting and was one of 20 Libraries that would be hosting the State Archives.

Councilmember Merz briefed the City Council on the Parks Board held on November 11th with Councilmember Lee attending and speaking on parkland and showers installation at the park. Mr. Merz said the board had a presentation from Kyle McVay on taking on the responsibility of one of the Citywide Yard Sales each year. Mr. Merz said the Regional Park had been awarded the Best of Medina County Award. Mr. Merz said the Parks Board had an additional Special Called meeting that morning at 9 a.m. on the Citywide Yard Sale request, but he was unable to attend.

Councilmember Marchman said there had not been a Planning and Zoning Commission meeting.

XV. CITY ADMINISTRATOR REPORT

The following report topics may be discussed and acted upon:

- a. Drainage Projects
- b. BMA Trail Access
- c. Streets, Maintenance and Paving Plan
- d. WWTP Ponds
- e. CPS Energy Dispute
- f. Community Center Construction
- g. Lions Park Splash Pad
- h. Facilitated Council Workshop
- i. Hwy 90 TxDOT Construction Project
- j. County Streets Plan

City Administrator Dixon briefed the City Council on his report. Mr. Dixon said the Geneva and Gentilz drainage project soil compaction testing would be completed soon. Mr. Dixon said the City was to be on the next BMA agenda to speak on the agreement on the trails. Mr. Dixon said the pavement assessment was complete and being reviewed, staff was working with GoodRoads and would bring back to the City Council for consideration. There were no changes to WWTP Ponds or CPS Energy Dispute. The Community Center Project completion date was updated to February 2026 due to government shut down and payments to contractors were coming in December. The ongoing issues with the Lions Park Splash Pad water lines had a camera review and construction debris had been identified, the city was reaching out to the contractor to resolve. Mr. Dixon said he was working with Mayor Alexander on getting a facilitator and would be scheduling a workshop to establish the Council's Goals and Objectives. Mr. Dixon noted there had been a Christmas House Decoration Contest in the past with Tourism Director Hamm coordinating and had inquires on the contest and who would oversee. Councilmember wished to have it and alert members of the community as soon as possible. Mr. Dixon also gave kudos to Airport Supervisor Pete Norstrum for his quick thinking when a plane crashed at the airport in 2024. Mr. Dixon said the pilot from that crash had written a letter of thanks and praised his actions that helped save him.

XVI. DISCUSSION ON FUTURE AGENDA ITEMS

- a. Set a Date for a City Council and Planning and Zoning Commission Special Called Meeting for prepare/discussion on a Development Agreement Policy.
- b. Set a date for a City Council and Historic Landmark Commission Special Called Meeting to review/discuss the Historic landmark Commission Ordinance and Historic Preservation.
- c. Take action on revisions to Personnel Policies.
- d. Add a Council liaison to work with the Chamber of Commerce.
- e. Fiorella Street Traffic Study.
- f. Discussion on creating an Institutional Zone.
- g. Review Boards and Commissions Policies and Procedures for updates.
- h. Executive Session for possible legal action from Larry Arnold.

XVII. ADJORN

Mayor Alexander adjourned the meeting at 9:08 p.m.

Mayor

ATTEST:

City Secretary



Agenda Report

Agenda of: December 16, 2025

Department: Administration

Subject: CONSENT – Adopt Ordinance Amending Ordinance 2009-009 to clarify that no individual may serve simultaneously on both the Planning and Zoning Commission and the Historic Landmark Commission.

Recommended Motion:

Motion to adopt the consent agenda items (minutes and ordinance).

Background:

Ordinance 2009-009 established general provisions governing service on City boards and commissions, including limits intended to increase public participation and avoid overlapping service that may affect quorum, workload, or decision-making independence.

The **purpose of the attached ordinance amendment** is to clarify and correct the applicability of the membership restriction by:

1. **Specifying that the limitation on dual service applies only to two boards:**
 - The **Planning & Zoning Commission (P&Z)**, and
 - The **Historic Landmark Commission (HLC)**.
2. **Removing broader language** from the prior ordinance that could be interpreted as applying the restriction to all boards and commissions.
3. **Ensuring consistency with Council intent:**

The Mayor asked whether the purpose was to remove conflicting statements and confirm that the restriction applies only to simultaneous service on P&Z and HLC. The City Secretary confirmed that the wording was revised specifically to reflect that *only those two boards* are affected and that the revision may be placed on the Consent Agenda.

The attached ordinance amendment explicitly states:

- *“No person shall serve on the Planning and Zoning Commission and the Historic Landmark Commission at the same time.”*
- And clarifies that this rule **governs only these two boards**, consistent with Council direction.

This revision aligns the ordinance with current practice, avoids conflicting interpretations, and reinforces the City Council's desire to increase broader public involvement in Castroville's advisory bodies.

STAFF RECOMMENDATION

Staff recommends adoption of the ordinance.

Fiscal Impact:

None.

☒ **Budgeted** ☐ **Requires Budget Amendment**

Source of Funding:

Urgency (0-5 = Low Urgency to High Urgency): 2

Impact (0-5 = Low Impact to High Impact): 3

Submitted by: R. Scott Dixon

Attachments: Ordinance amending Ordinance 2009-009

AN ORDINANCE AMENDING ORDINANCE NO. 2009-009 TO ENCOURAGE MORE PUBLIC INVOLVEMENT IN THE BOARDS AND COMMISSIONS FOR THE CITY OF CASTROVILLE, TEXAS; LIMITING THE NUMBER OF BOARDS AND COMMISSIONS AN INDIVIDUAL MAY SERVE ON FOR THE CITY OF CASTROVILLE, TEXAS

WHEREAS, the City Council for the City of Castroville wishes to amend Ordinance No. 2009-009 to keep an individual from serving on more than one appointed boards and commissions of the City of Castroville; and

WHEREAS, it is the City Council's desire to have more public involvement with the boards and commissions for the City of Castroville; and

WHEREAS, the boards and commissions for the City of Castroville are very important to the citizens for the City of Castroville; and

WHEREAS, the various boards and commissions are appointed by City Council to advise and oversee important matters for the City of Castroville; and

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CASTROVILLE, TEXAS:

Section 1. The following sentence in Ordinance No. 2009-009 is added to state the following:

No person shall serve on the Planning and Zoning Commission and the Historic Landmark Commission at the same time.

Section 2. It is the intent of the City Council that this statement will govern only the Planning and Zoning Commission and the Historic Landmark Commission regarding the City of Castroville, Texas.

Section 3. The City Council hereby approves said changes to include the statement in Section 1, and was passed and approved by the City Council to the date of the enactment of this ordinance.

PASSED AND APPROVED this 16th day of December 2025.

ATTEST:

Debra Howe, City Secretary

Bruce Alexander, Mayor

APPROVED AS TO FORM:

Daniel C. Jones, City Attorney



Agenda Report

Agenda of:	December 16, 2025
Department:	Administration
Subject:	Discussion and possible action on a resolution authorizing a TxCDBG grant amendment and conducting a public hearing regarding the proposed changes to the project scope for Texas Department of Agriculture Contract No. CDV23-0365

Recommended Motion:

Move to approve the resolution authorizing submission of a major amendment to the Texas Department of Agriculture (TDA) for TxCDBG Contract No. CDV23-0365.

Background:

The City of Castroville received a Texas Community Development Block Grant (TxCDBG) from the Texas Department of Agriculture (TDA) under Contract No. CDV23-0365 for water system improvements within a designated low-to-moderate income (LMI) target area.

Following bid award and construction progress, it was determined that there are **unallocated (“extra”) grant funds** remaining under the contract. TDA has advised that:

- Any remaining funds must be used **within the same approved project limits and LMI benefit area**; and
- Only certain types of improvements are **eligible activities** under TxCDBG rules.

Through coordination among the City, the engineer (RESPEC), the contractor (Aetos), and GrantWorks, the City proposes to use the remaining funds to add **eligible sewer improvements (e.g., sewer lateral cleanouts within the public right-of-way)** that directly benefit the same LMI area already approved for the original project.

TDA has also advised that certain other proposed items (e.g., manhole rehabilitation for inflow and infiltration reduction) **do not qualify** as eligible activities under this grant, because they are treated as citywide benefit or ongoing operations and maintenance. As a result, the scope has been refined through multiple rounds of correspondence to focus solely on **eligible, location-specific sewer improvements**.

Because the City is adding a new activity (sewer laterals) to an existing TxCDBG water project, TDA requires a **major amendment**, which in turn requires:

1. A **public hearing** to inform residents and receive public comment on the proposed use of remaining funds in the LMI area; and
2. A **City Council resolution** authorizing submission of the amendment to TDA, including the revised project description, performance statement, updated maps, and justification letter.

The proposed resolution:

- Formally authorizes the amendment request to TDA;
- Confirms that the additional sewer improvements will occur **within the same LMI project area** and will not change the beneficiary population; and
- Authorizes the Mayor/City Administrator and staff to execute all related documents necessary to complete the amendment and proceed with construction and closeout.

STAFF RECOMMENDATION

Staff recommends adoption of the proposed resolution.

Fiscal Impact:

There is no new local cost associated with this action. The amendment reallocates existing TxCDBG grant funds within the approved contract amount. Local match, if any, remains unchanged.

☒ **Budgeted** ☐ **Requires Budget Amendment**

Source of Funding: TxCDBG grant funds

Urgency (0-5 = Low Urgency to High Urgency): 5

Impact (0-5 = Low Impact to High Impact): 3

Submitted by: R. Scott Dixon

Attachments: Resolution authorizing submission of a major amendment to the Texas Department of Agriculture (TDA) for TxCDBG Contract No. CDV23-0365

RESOLUTION NO. _____

A RESOLUTION OF THE CITY OF CASTROVILLE, TEXAS, AUTHORIZING THE SUBMISSION OF A CONTRACT AMENDMENT REQUEST FOR TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (TxCDBG) CONTRACT NUMBER CDV23-0365 BETWEEN THE CITY AND THE TEXAS DEPARTMENT OF AGRICULTURE.

WHEREAS, the City entered into a Texas CDBG contract with the Texas Department of Agriculture to make water system improvements on Alsace Ave and Berlin St;

WHEREAS, during the course of project engineering and construction, changes to the original project scope and budget were deemed necessary to utilize the full amount of available grant funding;

WHEREAS, the changes add sewer improvement benefits to the existing water improvements benefit area, namely the replacement of deteriorated sewer lateral cleanouts along Berlin St;

WHEREAS, the City has held a hearing open to members of the public to discuss the proposed changes and considered all comments received in making this decision; and

WHEREAS, the City desires to amend its contract to reflect these changes for the general improvement of water and sewer service in the area.

NOW, THEREFORE, BE IT RESOLVED:

1. The City Council authorizes a contract amendment request to be submitted to the Texas Department of Agriculture for the modifications to its Texas CDBG Contract CDV23-0365 Performance Statement and Budget described in Attachment A, attached hereto and incorporated herein.
2. The City Council directs and authorizes the Mayor to execute all necessary documents as may be required to initiate and process this contract amendment request.

PASSED AND APPROVED at a meeting of the City Council of Castroville, Texas, on the 16th day of December, 2025.

Bruce Alexander, Mayor

ATTEST:

City Secretary



Agenda Report

Agenda of:	December 16, 2025
Department:	Community Development
Subject:	Discussion and appropriate action on the Victory Lane Development Agreement.

Recommended Motion:

I move to recommend that City Council review and consider further negotiation of the Victory Lane Development Agreement based on the comments and concerns discussed.

Background:

The developer, Victory Lane Partners, submitted a proposed **Development Agreement (DA)** on August 27, 2025, for annexation and commercial development of approximately **50.4 acres along U.S. Highway 90**. A revised version, dated October 23, 2025, was provided following staff review and comment. The Planning & Zoning Commission considered the revised DA on **December 3, 2025**, and **recommended approval**, subject to further City Council review and negotiation.

The P&Z packet included a detailed **Summary of Key Points**, outlining improvements made to the agreement—such as a reduced interest rate, better inspection controls, clearer utility responsibilities, stronger maintenance bond language, and the addition of a project schedule—as well as several **outstanding concerns** that were not resolved in the revised draft, including:

- No cap on total reimbursable interest;
- City retaining only 25% of new tax revenue;
- No performance milestones tied to reimbursement;
- TxDOT improvements listed as reimbursable items;
- No annual reporting requirement;
- Limited design or aesthetic standards; and
- Expanded vested rights protections.

STAFF RECOMMENDATION

Staff acknowledges P&Z's recommendation and appreciates the Commission's thorough review; however, given the complexity of the DA, the financial and long-term land-use implications, and the number of unresolved issues, staff recommends the Council **not take action at this time**.

The City recently engaged **P3 & Associates**, a municipal development advisory firm with expertise in reviewing, structuring, and negotiating development agreements. Staff recommends referring the draft DA to P3 & Associates for a **comprehensive review and recommended revisions** prior to any Council action.

This Council meeting provides an opportunity for:

1. Council to receive P&Z’s recommendation;
2. Council to provide **initial feedback, concerns, or direction** regarding the proposed agreement; and
3. Staff to obtain authorization to work with P3 & Associates to revise the DA based on Council’s policy priorities.

Fiscal Impact:

None at this stage. Fiscal impacts related to reimbursement, interest, and public infrastructure obligations will be analyzed in detail once P3 & Associates completes its review and recommendations.

☒ **Budgeted** ☐ **Requires Budget Amendment**

Source of Funding: TBD

Urgency (0-5 = Low Urgency to High Urgency): 4

Impact (0-5 = Low Impact to High Impact): 3

Submitted by: Breana Soto

Attachments: Victory Lane Development Agreement with exhibits, Summary Page

Victory Lane Development Agreement – Summary of the Key Points

1. What the Developer Changed (Good for the City)

These items were added or improved in the new version of the agreement:

Lower Interest Rate

- I misspoke in the first summary sent out for the October meeting, that said the other DA's did not have a financing rate.
 - Alsatian Oaks - 6% rate
 - Flat Creek – up to 10%
 - This means:
 - If their real cost of capital is 6%, they can only claim 6%.
 - If their real cost of capital is 12%, they can only claim 10% because of the cap.
 - The City never pays more than the 10% cap regardless of what interest rates do in the real world.
 - Heights of Castroville – 8.5%
- Originally: 8.5% interest, which was very high.
- New version: Prime Rate + 1%, which is usually lower.
- This saves the City money.

Date (effective)	Prime Rate	Date (effective)	Prime Rate
Dec 17, 2015	3.50 % (Wikipedia)	Dec 20, 2018	5.50 % (Wikipedia)
Dec 15, 2016	3.75 % (Wikipedia)	Aug 01, 2019	5.25 % (Wikipedia)
Mar 16, 2017	4.00 % (Wikipedia)	Sep 19, 2019	5.00 % (Wikipedia)
Jun 15, 2017	4.25 % (Wikipedia)	Oct 31, 2019	4.75 % (Wikipedia)
Dec 14, 2017	4.50 % (Wikipedia)	Mar 04, 2020	4.25 % (Wikipedia)
Mar 22, 2018	4.75 % (Wikipedia)	Mar 16, 2020	3.25 % (Wikipedia)
Jun 14, 2018	5.00 % (Wikipedia)	2021 (unchanged)	3.25 % (Wikipedia)
Sep 27, 2018	5.25 % (Wikipedia)	Mar 17, 2022	3.50 % (Wikipedia)

Date (effective)	Prime Rate	Date (effective)	Prime Rate
May 05, 2022	4.00 % (Wikipedia)	May 04, 2023	8.25 % (JPMorgan Chase)
Jun 16, 2022	4.75 % (Wikipedia)	Jul 27, 2023	8.50 % — peak recently (Bank of America)
Jul 28, 2022	5.50 % (Wikipedia)	Sep 19, 2024	8.00 % (JPMorgan Chase)
Sep 22, 2022	6.25 % (Wikipedia)	Nov 08, 2024	7.75 % (Bank of America)
Nov 03, 2022	7.00 % (Wikipedia)	Dec 19, 2024	7.50 % (Bank of America)
Dec 15, 2022	7.50 % (Wikipedia)	Sep 18, 2025	7.25 % (FRED)
Feb 02, 2023	7.75 % (JPMorgan Chase)	Oct 30, 2025	7.00 % (current as of latest update) (FRED)
Mar 23, 2023	8.00 % (JPMorgan Chase)		

Better Inspection Rules

- The City now has more power to approve or remove construction inspectors.
- This helps ensure the work is done correctly.

A Real Project Schedule

- A full construction timeline (Exhibit G) was added.
- This creates accountability for the developer.

Stronger Maintenance Bond Protection

- Bonds are now clearly assignable to the City.
- Ensures the developer fixes issues after construction.

Clearer Utility Responsibilities

- The agreement now spells out the developer's responsibilities for Phase II water/wastewater improvements.

2. What Did NOT Change (Still Concerns for the City)

These were staff recommendations, but the developer did not include them:

No Cap on Total Interest

- Interest can still add up without a maximum limit.
- The \$6M cap applies only to construction cost, not the interest on top of it.

City Still Only Keeps 25% of New Taxes

- The developer gets 75% of the new taxes until reimbursed.
- Staff asked for a better split, but this was not changed.

No Performance Requirements

- Developer reimbursement is not tied to milestones, such as:
 - Completing the MTP road
 - Creating a certain amount of taxable value
 - Achieving certain occupancy or sales levels

TxDOT Improvements Not Excluded

- The agreement does not clearly state that TxDOT-required improvements are *not reimbursable*.
- Some TxDOT items even appear in Exhibit E, which increases financial risk.

No Annual Reporting Requirement

- Staff asked for yearly updates to track tax revenue and reimbursement.
- This was not added.

No Upgraded Design Requirements

- Staff asked for better building materials, landscaping, or appearance if the City is helping fund infrastructure.
- Developer did not agree to any new design standards.

Developer Vested Rights Increased

- The new agreement gives the developer even stronger protections, making it harder for the City to apply future regulations.

3. Major Differences Between the Old and New Versions

Here are the big changes in simple terms:

Interest Rate Changed

- From 8.5% → Prime +1%
- Better for the City, but still no limit on how high total interest can go.

Financing Costs Are Now Separated

- The \$6M limit is only for construction.
- Interest is added on top, increasing total cost.

More Detailed Public Infrastructure List

- Exhibit E now lists water, sewer, drainage, roadways, sidewalks, plus some TxDOT improvements.

New Project Schedule

- Exhibit G shows expected construction timelines into 2028.

Developer Protections Expanded

- New language makes it harder for the City to change regulations later.

4. Why the Deal Is Still Good for the City

In simple terms:

- The developer builds everything upfront.
 - The City doesn't borrow money or take on any debt.
 - If the project underperforms, the City is not financially exposed.
 - The City keeps 25% of new tax revenue immediately.
 - The project brings annexation, utilities, a new commercial tax base, and a Highway 90 gateway sign.
-

5. How the Deal Could Be Even Better

Here are the key improvements the City could still consider pushing for:

- Cap the total interest or lower it further, like the Flat Creek Development Agreement.
- Let the City keep more than 25% of taxes.
- Exclude TxDOT-related costs from reimbursement.
- Tie reimbursements to performance milestones.
- Add better building design requirements.
- Require annual reporting.
- Scale back the very strong vested rights language.

6. Bottom Line

Improvements That Help the City

- Lower interest
- Better inspection control
- Defined project schedule
- Clear utility responsibilities
- Stronger maintenance protections

Major Issues Still Unresolved

- No limit on interest
- City still only keeps 25% of revenue
- No performance requirements
- TxDOT improvements not excluded
- No yearly reporting
- Developer gained stronger legal protections
- No better design standards

STATE OF TEXAS §
 §
COUNTY OF MEDINA §

**ECONOMIC DEVELOPMENT AGREEMENT
BETWEEN
CITY OF CASTROVILLE, TEXAS AND VICTORY LANE PARTNERS, LTD.**

This Economic Development Agreement (“Agreement”) is entered into by and between the City of Castroville, Texas (as further defined herein, the “City”), and Victory Lane Partners, Ltd. (as further defined herein, “Developer”) and is effective as of the Effective Date for the duration of the Term.

RECITALS

WHEREAS, the City is authorized under Chapter 380 of the Texas Local Government Code to offer certain economic development incentives for public purposes, including the promotion of local economic development and the stimulation of business and commercial activity within the City; and

WHEREAS, City actively seeks economic development prospects in Castroville through participation in and establishment of an economic development program; and

WHEREAS, City desires to stimulate business, property tax base, sales and use tax base, and utility system customer base, creating additional commercial opportunities for City residents, and providing the City with a manner for acquiring additional and necessary public infrastructure and public improvements; and

WHEREAS, Developer owns approximately 50.40 acres of real property, as more particularly described by metes and bounds and location map attached hereto as **Exhibit A** (the “Property”); and

WHEREAS, Developer intends to develop the Property for commercial and other uses, to include associated infrastructure and other public improvements (as further described herein, the “Project”); and

WHEREAS, Developer has agreed, in exchange and as consideration for certain incentives from the City, to accommodate the provisions of the Major Thoroughfare Plan (“MTP”) that impacts the Property and to dedicate to the City (or another political subdivision or agency of the State as directed by the City) right-of-way for said MTP; and

WHEREAS, the Parties intend that the Property be developed (i) as a high-quality commercial development and Developer plans to develop the Project at its sole cost, as is required of the Developer by the City of Castroville ordinances, and shall convey applicable public

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infrastructure to the City; and

WHEREAS, in exchange for the performance of the duties and obligations herein imposed, the City will deliver to the Developer the financial incentives herein described; and

WHEREAS, this Agreement is an economic development agreement of the type described under Chapter 380; and

WHEREAS, the City has, in the Authorizing Ordinance, determined that the financial incentives herein provided to Developer are made in accordance with and pursuant to the Economic Development Program heretofore established by the City; and

WHEREAS, the City and Developer agree that the provisions of this Agreement substantially advance a legitimate interest of the City by providing public infrastructure and public improvements, and right-of-way, expanding the City's ad valorem tax, sales and use tax, and utility system customer bases, increasing employment and City population, and promoting economic development; and

WHEREAS, the City Council has found that development of the Property in compliance with this Agreement will serve a public purpose and benefit the economy of the City and is in the best interests of the residents of the City; and

NOW, THEREFORE, for and in consideration of the above stated recitals, which are made a part of this Agreement for all purposes, the benefits described below, and the mutual promises expressed herein, the sufficiency of which is hereby acknowledged by the Parties, the Parties hereby contract, covenant, and agree as follows:

ARTICLE 1 DEFINED TERMS

1.01 Construction of Terms. All terms and phrases defined herein shall have the meanings and definitions ascribed thereto. Terms that have well known technical, municipal, or construction or development industry meanings are used in accordance with such recognized meanings, unless otherwise defined herein or unless the context clearly indicates a different meaning. If appropriate in the context of this Agreement, words of the singular shall be considered to include the plural, words of the plural shall be considered to include the singular, and words of the masculine, feminine, or neuter gender shall be considered to include the other genders.

1.02 Definition of Certain Terms. The following terms used in this Agreement have the meaning ascribed thereto:

"Ad Valorem Tax Grants" means Grants funded from the City Ad Valorem Tax Proceeds Subaccount.

"Affidavit of Payment" means an affidavit of payment from any contractor, subcontractor, material supplier, and/or laborer that has provided goods and/or services in relation to any Public

Improvement or Public Infrastructure and that is the subject of a Developer's Reimbursement Request submitted by Developer to the City in accordance with Section 4.05 hereof.

"Agreement" has the meaning ascribed thereto in the first paragraph hereof.

"Approved Plats" means final plats for portions of the Property that are approved, from time to time, by the City Council or City staff, as applicable, in accordance with the Governing Regulations.

"Authorizing Ordinance" means the ordinance adopted by the City Council on _____, 202__, which ordinance authorizes the City's entering into this Agreement and authorizes other matters necessary or incidental to the foregoing, all in accordance with Chapter 380.

"Bankruptcy Event" means (a) commencement of an involuntary proceeding or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of Developer or of a substantial part of the assets of the Developer under any insolvency or debtor relief law or (ii) the appointment of a receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official for the Developer or a substantial part of the Developer's assets and, in any case referred to in the foregoing clauses (i) and (ii), such proceeding or petition shall continue undismissed for sixty (60) days or an order or decree approving or ordering any of the foregoing shall be entered; or (b) Developer shall (i) apply for or consent to the appointment of a receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official for the Developer or for a substantial part of the Developer's assets, or (ii) generally not be paying its debts as they become due unless such debts are the subject of a bona fide dispute, or (iii) make a general assignment for the benefit of creditors, or (iv) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition with respect to it described in clause (b)(i) of this definition, or (v) commence a voluntary proceeding under any insolvency or debtor relief law, or file a voluntary petition seeking liquidation, reorganization, an arrangement with creditors or an order for relief under any insolvency debtor relief law, or (i) file an answer admitting the material allegations of a petition filed against it in any proceeding referred to in the foregoing clauses (i) through (v), inclusive, of this part (b), and, in any case referred to in the foregoing clauses (i) through (v), such action has not been cured within twenty (20) days thereafter.

"Capital Costs" means an amount equal to the lesser of (i) six million dollars (\$6,000,000) and (ii) the Developer's actual capital costs incurred resultant from annexing the Property, designing, constructing, developing, and acquiring the Public Infrastructure and the Public Improvements, paying to the City amounts specified in the USA that are contributed toward satisfaction of costs associated with Phase I System Improvements, and delivering the Developer's Capital Contribution, as evidenced in the schedule attached hereto as **Exhibit B** (and pursuant to the provisions hereafter described, as, if, and to the extent applicable), which the Developer anticipates recouping from the City in the form of Grants. For avoidance of doubt, the amount of the Capital Costs shall not exceed, and shall be reduced as and if necessary to reflect, the actual amount incurred by Developer with respect to its delivery of or payment for the items hereinbefore described. The term Capital Costs specifically excludes Financing Costs.

"Certified Inspector" has the meaning ascribed thereto in Section 3.01(a) hereof.

“Chapter 43” means Chapter 43, as amended, Texas Local Government Code.

“Chapter 245” means Chapter 245, as amended, Texas Local Government Code.

“Chapter 380” means Chapter 380, as amended, Texas Local Government Code.

“City” means the City of Castroville, Texas, a Texas General Law Type A Municipality, located in the County.

“City Ad Valorem Tax Proceeds Subaccount” means the “City of Castroville, Texas Victory Lane Development Ad Valorem Tax Proceeds Collection Subaccount,” being a subaccount of the Grant Proceeds Collection Account, established, created, and required to be maintained by the City pursuant to the Authorizing Ordinance.

“City Ad Valorem Taxes” means the City revenues derived from those annual maintenance and operations ad valorem taxes levied upon the Property during the Term and collected by the City through the Reimbursement Period from the Property owners, but which term specifically excludes any and all City annual ad valorem taxes levied and collected for payment of debt service on City ad valorem tax supported indebtedness now or hereafter outstanding.

“City Council” means the City Council of the City, as its governing body.

“City Representative” means the City Administrator of the City or another official or representative of the City, as the City representative designated by the City Council to undertake certain duties and obligations hereunder on the City’s behalf.

“City Sales Taxes” means the City sales and use tax revenues derived from its direct or indirect imposition and collection of sales and use tax on commerce involving Taxable Items within the Property.

“City Sales Tax Proceeds Subaccount” means the “City of Castroville, Texas Victory Lane Development Sales Tax Proceeds Collection Subaccount,” being a subaccount of the Grant Proceeds Collection Account, established, created, and required to be maintained by the City pursuant to the Authorizing Ordinance.

“City Takeover Event” has the meaning ascribed thereto in Section 4.07 hereof.

“Code” means the City Code of Ordinances, as from time to time amended by the City Council.

“Commercial Area” means those portions of the Project identified as “Commercial/Retail.”

“County” means Medina County, Texas.

“Design Criteria” means the City’s Castroville Design Criteria for Commercial Buildings Located in the Commercial Districts Along U.S. Highway 90 Version 1.4, adopted March 13, 2006.

“Developer” means Victory Lane Partners, Ltd., a Texas limited partnership, its successors, transfers, and assigns.

“Developer Capital Contribution” has the meaning ascribed thereto in Section 3.04(a) hereof.

“Developer’s Costs” means, together, the Capital Costs and the Financing Costs.

“Developer’s Engineer” means one or more engineering firms licensed by the Texas Board of Professional Engineers from time to time engaged by Developer to serve as the engineer of record for the Project, initially being Pape-Dawson Engineers.

“Developer’s Reimbursement Request” means a Grant Installment payment request made by Developer for Developer’s Costs incurred, which request shall be in the form attached hereto as **Exhibit D** and shall include the requirements specified in Section 4.04 hereof.

“Economic Development Program” means a program for making loans and grants of public money to promote state or local economic development and to stimulate business and commercial activity in the City, as authorized by and in compliance with Article III, Section 52-a of the Texas Constitution and Section 380.001, as amended, Texas Local Government Code, as established by the City in Ordinance No. 2019-014 adopted on September 24, 2019, which encompasses and contemplates economic development projects such as the Project and pursuant to which the Grants are made.

“Effective Date” means _____, 20__, being the date of this Agreement’s effectiveness.

“Final Grant Installment Payment Date” means the date that is the earlier to occur of (i) the Grant Installment Payment Date that is the last day of the Reimbursement Period, (ii) the regularly scheduled Grant Installment Payment Date upon which the aggregate amount of all Grant Installments paid to Developer under this Agreement totals the Maximum Disbursement Amount, and (iii) the regularly scheduled Grant Installment Payment Date that occurs in conjunction with a City Takeover Event.

“Financing Costs” means that portion of the Developer’s Costs attributable to its financing the Capital Costs, being the sum of interest accruing (at a floating rate equal to a per annum the Prime Interest Rate, plus a 1% margin rate of 8.5%) on Capital Costs from their actual date of payment by the Developer through and until reimbursement by the City in the form of Grants; provided, however, that the amount of the Financing Costs shall not exceed and, as and if necessary shall be reduced to reflect, the actual costs incurred by Developer with respect to the foregoing.

“Force Majeure” means the occurrence of war, act of terrorism, acts of God, civil commotion, fire, severe flood, hurricane, tornado, explosion, court order, pandemic or change in legal requirements applicable to the Project other than those in existence as of the Effective Date, but only to the extent that such events or circumstances delay development of the Project by the Developer (as and if applicable) or otherwise make Developer’s development of the Project (as and if applicable) impracticable or impossible, in such responsible Party’s commercially

reasonable judgement, after taking reasonable steps to mitigate the effects thereof.

“Form 1295” has the meaning ascribed thereto in Section 11.03(r) hereof.

“Governing Regulations” except as specifically provided in this Agreement, shall mean the following regulations (together, the “Governing Regulations”):

- (i) this Agreement;
- (ii) the Code;
- (iii) the Comprehensive Zoning Ordinance;
- (iv) the Approved Plats; and
- (v) the 2006 International Building Codes, heretofore adopted by the City.
- ~~(v)~~(vi) the Design Criteria.

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“Grant Installment” has the meaning ascribed thereto in Section 4.04 hereof.

“Grant Installment Payment Date” means (i) March 15, June 15, September 15, and December 1~~st~~ of each year, commencing on the first such payment date to occur after the Initial Infrastructure Completion Date, and (ii) the last day of the Reimbursement Period.

“Grant Proceeds Collection Account” means the “City of Castroville, Texas Victory Lane Development Grant Proceeds Collection Account” established, created, and required to be maintained by the City pursuant to the Authorizing Ordinance.

“Grants” means the Ad Valorem Tax Grant and the Sales Tax Grant, in the combined, aggregate amount (calculated as of each Grant Installment Payment Date) not to exceed the Maximum Disbursement Amount.

“Indemnified Parties” has the meaning ascribed thereto in Article 13 hereof.

“Major Thoroughfare Plan” or “MTP” means the City’s Major Thoroughfare Plan that identifies, among other matters, an alternative traffic route around the City, generally in the north-northwest direction, and which includes the MTP Segment.

“Maximum Disbursement Amount” means the maximum amount of Grants that Developer is eligible to receive hereunder, calculated on the basis and as the sum of the maximum amount of Capital Costs and Financing Costs, respectively.

“MTP Segment” means that portion of the street and road improvements included in the Major Thoroughfare Plan that traverses the Property.

“Party” or “Parties” means the City and Developer, collectively or (as applicable and in

context) singularly.

“Phase” means a segment of Project development relating to a portion of the Project.

“Phase I System Improvements” means those System Improvements that are currently under design by the City and anticipated to be complete on or before _____, 20__.

“Phase II System Improvements” means those System Improvements that the City determines remain necessary, after taking into account the impact of the Phase I System Improvements, to permit the orderly development of the general area of the City’s water and wastewater certificate of convenience and necessity in which the Property resides, including completion of the Project that is not facilitated by the Phase I System Improvements.

“Prime Interest Rate” means the rate of interest publicly announced from time to time by J.P. Morgan Chase as its prime rate (or base rate) for U.S. dollar loans. If such bank ceases to announce a prime rate, the “Prime Interest Rate” shall mean the prime rate published in The Wall Street Journal under “Money Rate” or a comparable replacement publication or source reasonably selected by the Parties.

“Project” means the development of the Property that includes commercial retail, office, and other commercial development and associated parking and access roads, Public Infrastructure and Public Improvements.

“Project Commencement Date” means the date on which the Developer commences site work on the Property to facilitate the acquisition, installation, or construction of Public Improvements or Public Infrastructure.

“Property” has the meaning ascribed thereto in the recitals of this Agreement.

“Public Improvements” means sidewalks, open space and other improvements accessible and enjoyed by the general public, as the same are identified and described in **Exhibit E** hereto, the design, construction, acquisition, development, and payment of which are the responsibility of the Developer (as herein provided).

“Public Infrastructure” means the on-site and off-site water, wastewater, natural gas, electric power, drainage, streets and roadway improvements (including the MTP Segment) and other public infrastructure necessary or incidental to serve the Property, as the same are identified and described in **Exhibit E** hereto, the design, construction, acquisition, development, and payment of which are the responsibility of the Developer (as herein provided).

“Reimbursement Period” means the period of time during which the City collects City Sales Taxes and City Ad Valorem Taxes that are subject to the City’s obligation to make, and the source of the City’s payment of, Ad Valorem Tax Grants and Sales Tax Grants, which period of time includes the Term and the remainder of the calendar year of the year in which occurs the Termination Date; provided, however, that the Reimbursement Period ends on the Termination Date if the Termination Date’s occurrence results from a City Takeover Event.

“Retail Municipal Utility Service” means potable water, sewer, gas, and garbage services

provided by the City to the Property.

“Retail Municipal Utility Service Rate Ordinance” means any City ordinance from time to time adopted that establishes the then-current rate schedule for the retail provision of any Retail Municipal Utility Service.

“Sales Tax Grant” means Grants funded from the City’s Sales Tax Proceeds subaccount.

“Sign” shall mean the sign on the Property to be built and located generally as depicted in **Exhibit F**.

“State” shall mean the State of Texas.

“System Improvements” means, as applicable, the improvements to the City’s water and wastewater to permit the City’s provision of retail water and wastewater services to the Property and surrounding properties as necessary to support the Property’s development in accordance with this Agreement, as well as the orderly development of the surrounding properties.

“Taxable Items” has the meaning given to such term in Section 151.010, as amended, Texas Tax Code.

“Term” means the period of time beginning on the Effective Date and ending on the Termination Date.

“Termination Date” means the date that is the first to occur of (i) (1) the twentieth (20th) anniversary of the Effective Date; (ii) the City’s payment to Developer of the Maximum Disbursement Amount; or (iii) the date of a City Takeover Event.

ARTICLE 2 AUTHORITY AND TERM

2.01 Authority. The City enters into this Agreement pursuant to the authority granted thereto under the Constitution and general laws of the State of Texas, including (particularly) Article III, Section 52-a of the Texas Constitution, and Chapter 380, and the Authorizing Ordinance. Developer enters into this Agreement pursuant to its general corporate powers exercised pursuant to a resolution of its governing body.

2.02 Term. This Agreement shall become effective and enforceable on the Effective Date and shall continue through the Termination Date. If the Termination Date is the date specified in Clause (i) of the definition of such term given in Section 1.02 hereof, then this Agreement shall terminate notwithstanding the City’s ~~not having~~ having not paid to Developer the Maximum Disbursement Amount (or that such payment in full is not expected to be made through conclusion of the Reimbursement Period).

ARTICLE 3
PUBLIC IMPROVEMENTS AND PUBLIC INFRASTRUCTURE, MTP, ~~AND CITY~~
SIGN, ~~AND COMMERCIAL PROJECT~~

3.01 Public Improvement and Public Infrastructure.

(a) ~~Design Standards; Inspection.~~ Public Infrastructure and Public Improvements shall be designed to comply with the Governing Regulations, and no construction or installation of Public Infrastructure or Public Improvements shall begin until plans and specifications thereafter have been approved by the City.

The Governing Regulations are exclusive, and no other ordinances, rules, regulations, standards, policies, orders, guidelines, or other City-adopted or City-enforced requirements of any kind (including but not limited to any development moratorium adopted by the City after the Effective Date) apply to the development of the Property. Notwithstanding the foregoing, and to the extent consistent with the provisions of this Agreement, the Developer may exercise rights under Chapter 245. The Parties hereby agree that the Effective Date shall be the date for establishment of the Developer's rights under Chapter 245, pursuant to Section 245.002(a-1) of such Chapter. The Developer may not take advantage of any changes to laws, rules, regulations, or ordinances of the City or other regulatory agency occurring after the Effective Date that are inconsistent with the terms of this Agreement without prior receipt of the City's consent (such consent not to be unreasonably withheld), which shall be reflected in the form of an amendment to this Agreement made in accordance with Section 13.05 hereof. For the avoidance of doubt, the foregoing restriction shall not prohibit the Developer from taking advantage of prospective changes in laws, rules, regulations, or City ordinances that do not otherwise conflict with the provisions of this Agreement.

All Public Infrastructure and Public Improvements shall be constructed and installed in compliance with the Governing Regulations and shall be inspected by inspectors (certified and State-licensed, to the extent required by law) that have been approved by the City and that have agreed, in writing, to be bound by this Agreement and to follow State bond submittal inspection requirements, as and to the extent applicable (each, a "Certified Inspector"). The cost for such inspections shall be paid for by the owner of the property on which the work is being performed. All Public Infrastructure and Public Improvements constructed by Developer or by any person or entity on behalf of or in the name of Developer shall have a maintenance bond with an expiration period of two years after completion and City acceptance of such Public Infrastructure or Public Improvement. Maintenance bonds shall name the City as a co-beneficiary and shall be assignable to the City.

Each Certified Inspector shall maintain a permanent record of all Public Infrastructure and Public Improvements inspected. All such records shall be available for copying by the City and Developer. All such records shall be kept in a form reasonably approved by the City. Each Certified Inspector shall provide to the City and Developer a copy of each Public Infrastructure and Public Improvement inspection report within ten (10) days after the inspection is performed (including reports that identify deficiencies and subsequent corrective action). Unless the City shall have objected in writing with reasonable specificity to Developer within thirty (30) days of the City's receipt of copies of such certificates, records, or reports, then such certificates, records, or reports

shall be deemed accepted and approved by the City for all purposes.

The City and Developer each shall have the right to terminate any Certified Inspector for failure to properly perform any duty or for failure to provide inspection reports, all as required by this Agreement (after written notice to the Certified Inspector and the other Party and the failure of the Certified Inspector to cure the failure within ten (10) days); provided, however, that Developer shall have no right to terminate the employment of any City employee then serving in the capacity of a Certified Inspector, but may only terminate such City employee's engagement as Certified Inspector of the Public Infrastructure and Public Improvements. Upon any such termination, the City, at its option, may allow the use of another Certified Inspector or may elect to perform some or all of the duties of the Certified Inspectors (unless such terminated Certified Inspector was a City employee, in which case the replacement Certified Inspector shall be a qualified third-party engaged to serve in such capacity). If the City elects to perform any of those duties, such duties shall be performed (and reports provided to Developer) in the same manner as would be applicable to the Certified Inspectors, and the actual, reasonable costs and expenses paid or incurred by the City in performing the duties shall be paid by Developer (or the contractor or builder or by the owner of the property on which the work is being performed). Notwithstanding the foregoing, Developer shall have no right to terminate a Certified Inspector provided at the sole cost and expense of the City.

The City shall have the right, at its sole cost and expense, to conduct additional inspections, from time to time, of the construction of any Public Infrastructure or Public Improvement. If the City determines that any Public Infrastructure or Public Improvement is not being constructed in compliance with the Governing Regulations and the contractor or builder fails to correct the non-compliance within a reasonable period of time after notice thereof, the City shall have the right to enforce compliance and to stop new work on the Public Infrastructure or Public Improvement by the issuance of a "stop-work order" until the non-compliance is corrected to the reasonable satisfaction of the City.

(b) Dedication of Public Infrastructure and Public Improvements to City. Upon completion, Public Infrastructure and Public Improvements shall be dedicated and conveyed to, and accepted by, the City. As a condition to the City's final acceptance of any Public Infrastructure or Public Improvement, the following shall be delivered to the City:

- (i) a report of a Certified Inspector concerning the subject Public Infrastructure or Public Improvement, in form satisfactory to the City in its reasonable judgment;
- (ii) executed Affidavit of Payment, bills of sale, assignments, or other instruments of transfer (and evidence of recordation thereof in the deed records of the County) reasonably requested by the City;
- (iii) utility, drainage, and other easements or rights-of-way (and evidence of recordation thereof in the deed records of the County) that are related to or necessary for use of the subject Public Infrastructure or Public Improvement; and

- (iv) all bonds, warranties, guarantees, and other assurances of performance, “record” drawings in both hard copy and digital (PDF and CAD) and sealed by the Developer’s Engineer pursuant to Chapter 1001, as amended, Texas Occupations Code, easements, project manuals and all other documentation related to subject Public Infrastructure or Public Improvement.

After delivery of the foregoing, and upon the City issuing to Developer a letter indicating satisfaction of the conditions precedent to such acceptance pursuant to and in accordance with this Agreement, Developer shall, by proper instrument (as agreed to by the City and Developer), dedicate the subject Public Infrastructure or Public Improvement to the City and cause such dedication to be recorded in the deed records of the County. The City shall then accept each such completed Public Infrastructure or Public Improvement for ownership, operation, and maintenance within twenty (20) business days of such dedication.

(c) City to Own, Operate and Maintain Dedicated Public Improvements and Public Infrastructure. From and after the time of the City’s final acceptance of Public Infrastructure or a Public Improvement, the City will own, operate, and maintain each such Public Infrastructure or Public Improvement and shall be responsible for all costs associated therewith.

(d) Developer Access to Dedicated Public Infrastructure and Public Improvements. Upon the City’s acceptance of Public Infrastructure or a Public Improvement within a particular Approved Plat, Developer shall be allowed to connect, access or otherwise utilize the dedicated Public Infrastructure or Public Improvement in such a manner to serve lots or tracts within the particular Phase, subject to (i) payment to the City of applicable Impact Fees, rates, charges and other connection fees, as and to the extent applicable, and (ii) satisfaction of any such connection, access, or use requirements of any Governing Regulation.

3.02 Water and Wastewater Service.

(a) To provide for delivery of retail water and wastewater service to the Property, the City and the Developer shall enter into the USA.

(b) For water service capacity (in the form of living unit equivalents (“LUEs”) to be allocated to the Property, the Developer has entered into the Multi-Party Agreement to facilitate City water system expansion to enable provision of service to the Project. The terms by which the Developer may access this capacity, which includes the Developer’s payment (or its causing to be paid) the water system capacity allocation charge, shall be specified in the USA.

(c) For the wastewater service capacity (in the form of LUEs) to be allocated to the Property, which capacity the City is in the process of obtaining, the Developer shall pay to the City the applicable Impact Fees, in accordance with, at the times and in the amounts specified in the Code, as further specified in the USA.

(d) The Developer shall, at its expense, design, construct, acquire and install all offsite (relative to the Property) improvements necessary to connect to the Phase I System Improvements to permit retail water and wastewater service to the Property. The design of these offsite improvements shall be coordinated with and approved by the City engineer. Subject to the

City's reimbursement to the Developer of the incremental cost associated therewith, the offsite improvements that are the subject of this Subsection (c) shall include capacity oversizing requirements as and to the extent required by the City, if at all.

(e) To permit adequate water and wastewater service capacity available to the Property, in addition to the capacity initially allocated thereto from the Phase I System Improvements as described above, to allow complete Project development as herein contemplated, the Developer shall participate in the City's development of the Phase II System Improvements. This participation shall include (but not be limited to) notification to the City of the additional capacity (in LUEs) required for completed Project development, the general timing of the need for such additional capacity, assisting the City in the design and identification of the optimal location of components of the Phase II System Improvements, modifying (to the extent necessary or reasonably required) the final Project design to accommodate Phase II System Improvements design, and providing necessary easements, rights of way, leases, or other real property interests on those portions of the Property that have been identified in the design process as optimal locations for components of the Phase II System Improvements. As evidence of its commitment to participate in the development of the Phase II System Improvements, the Developer has entered into that certain Multi-Party Agreement to Pay Costs of Due Diligence Associated with Planned City Utility System Expansion, dated as of September 14, 2021, the terms of which shall control regarding the subject matter of this Section 3.05(d).

3.03 Commitment to Major Thoroughfare Plan.

(a) The Developer hereby commits to and agrees to accommodate the provisions of the Major Thoroughfare Plan that impact the Property, to be reflected in the final Project designs, plans, specifications, and plats.

(b) The Major Thoroughfare Plan identifies the general thoroughfare route that traverses the Property. The City shall, not later than 180 days after the Effective Date, deliver to the Developer the final route for the portion of the Major Thoroughfare Plan that impacts the Property (the *Final Route*) to permit the Developer to complete the Project's design.

(c) The Developer hereby agrees to dedicate to the City (or another political subdivision or agency of the State as directed by the City) right-of-way of not more than 120 feet in width for the East/West component of the MTP Segment and approximately 70 feet for the North/South component of the MTP Segment to accommodate the MTP.

(d) Notwithstanding any provision hereof to the contrary regarding timing, the Developer shall, if requested by the City and (if so), upon the timing specified thereby, cause the construction of the MTP Segment in accordance with the plans and specifications thereto provided by the City; provided, however, that in lieu of the Developer itself developing and constructing the MTP Segment, the Developer shall, if requested by the City, deliver the amount it had budgeted toward this cost to the City or another political subdivision that has assumed or been assigned responsibility for developing and constructing all or any part of the MTP (including the MTP Segment).

3.04 City Sign; Developer Capital Contribution.

(a) As additional consideration for the City's entering into this Agreement, the Developer has agreed, at an actual cost not to exceed \$25,000 to design and construct on a portion of the Property and, upon completion, dedicate to the City a sign and monument welcoming vehicular traffic to the City as generally located as indicated in **Exhibit F** attached hereto (such sign and monument, the *Sign*; the Developer's efforts and payment of costs to deliver the Sign, the *Developer's Capital Contribution*).

(b) Developer representatives and consultants shall coordinate with City staff, working by and through the City Administrator, to complete the design, construction, and dedication of the Sign.

(c) The City shall have full control over final approval of the Sign's design. The Developer shall coordinate design renderings to the City and submit for approval by the City Council not later than the first (1st) anniversary of the Effective Date. Thereafter, the Developer shall undertake development activities relative to the Sign (which shall be completed and dedicated to the City not later than the first (1st) anniversary of the City Council's approval of the Sign's design).

(d) Following dedication, the City will own, operate, and maintain the Sign.

3.05 Commercial Project Construction Standards.

Structures within the Commercial Area shall be constructed pursuant to and in accordance with the Governing Regulations and in a manner that will accommodate and facilitate commercial development of the general type that will enhance the business and retail opportunities and amenities of the City's residents, to include restaurants, retail, and medical and other professional office space. Compliance with the Design Criteria shall be achieved by development of facilities within the Commercial Area in accordance with the site plan.

(a) Specific Standards. The Developer shall incorporate or cause to be incorporated into the Project's development the following attributes:

- (i) Utilities. Service line utility extensions for electrical, telephone and broadband internet shall be permitted to be installed overhead along the perimeter of the private lots. Utilities to service structures on each individual lot shall be underground.
- (ii) All outdoor lighting fixtures shall be designed and installed to minimize light spill, glare and skyglow.
- (iii) Landscaping. The Developer shall comply with the City's landscaping standards as of the Effective Date.
- (iv) Safety and way-finding signage incorporating the following elements:

(1) Blades:

a. Printed on 080 Aluminum, 100% coverage in prismatic

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color, reflective, UV rated;

b. 9" tall, using oversized bracket detail to eliminate tilt; and

c. Blades can either have standard or wrap around assembly.

(2) Poles:

a. Lighter gauge round pole, made to bend if hit by car (cheaper and easier to replace);

b. 2-3/8" round tube BWG-T poles (option provided by Texas Department of Transportation) galvanized or painted (vinyl guard coated if required); and

c. topped with a matching "ball cap".

(3) Sign foundation to be built so that if a sign needs to be replaced, the foundation can be reused.

(b) Prohibited Uses. The following uses shall not be permitted within the Project: i) sexually oriented business, or shops dedicated primarily to the sale of drug or tobacco paraphernalia, ii) vape shops, iii) unlicensed massage parlors, iv) flea markets, v) bingo halls, vi) pawn shops, vii) payday lenders, and viii) truck stops.

(d) _____

ARTICLE 4 CHAPTER 380 PROGRAM

4.01 Generally. Other than their inclusion as a Capital Cost and Financing Cost respectively, as herein described, the Public Infrastructure and Public Improvements shall be developed, constructed, and dedicated by the Developer at no expense to the City, and the Developer Capital Contribution is made available to the City with no payment or reimbursement obligation of the City. These Project-related public financial benefits, when combined with the potential population increase, increased property tax revenue, increased sales and use tax revenue, increased utility service customer base, and other benefits potentially created by the Project, are intended to provide a catalyst to the economy of the City in numerous ways. In exchange for delivery of these Project-related public financial benefits, the City agrees to provide Developer with the economic development incentives as outlined below.

4.02 Grants. In exchange for Developer's satisfaction of its duties and obligations hereunder, the City shall grant, convey and deliver to Developer, at the times, in the amounts, subject to the limitations and otherwise in accordance with the terms hereafter provided, financial incentives, in an amount equal to the Developer's Costs, in the form of the Grants. The Grants are made, granted, conveyed, and delivered to Developer pursuant to and in furtherance of the

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Economic Development Program established in the Authorizing Ordinance.

Grants shall be funded by the City solely from, and subject to the availability of, City Ad Valorem Taxes and City Sales Taxes in amounts sufficient to fund the Ad Valorem Tax Grant and the Sales Tax Grant (being the amounts at such time on deposit in the City Ad Valorem Tax Proceeds Subaccount and City Sales Tax Proceeds Subaccount, respectively, of the Grant Proceeds Collection Account), and from no other source of City funds or revenues. The City makes no representations or warranties as to the sufficiency or availability of City Ad Valorem Taxes and City Sales Taxes to fund the Grants and because this City payment obligation is so limited as to source and amount as heretofore described, Developer and City agree that the City's obligation to pay Grants to Developer does not result in the creation of a City debt as prohibited by the state constitution. No lien is granted, nor does Developer possess any right of access, priority, or preference to the City Ad Valorem Taxes or the City Sales Taxes or amounts from time to time on deposit and held in the Grant Proceeds Collections Account or the subaccounts thereof.

As stated above, Grants shall only be paid to Developer subject to the availability of City Ad Valorem Taxes and City Sales Taxes to fund the Grants from amounts at such time on deposit in the Grant Proceeds Collection Account. Further, Grants shall only be made to Developer for those Developer's Costs actually incurred and, regarding Public Infrastructure and Public Improvements with respect to which the subject Developer's Costs relate, such Public Infrastructure or Public Improvements shall have been conveyed to and accepted by the City or other applicable or appropriate local governmental entity pursuant to Section 3.04 hereof.

4.03 Grant Proceeds Collection Account. In the Authorizing Ordinance, the City has established the Grant Proceeds Collection Account and, within such Account, the City Ad Valorem Tax Proceeds Subaccount, and the City Sales Tax Proceeds Subaccount. As required by the Authorizing Ordinance, the City shall deposit to the applicable subaccount of the Grant Proceeds Collection Account, as received, City Ad Valorem Taxes and City Sales Taxes, an amount equal to ~~seventy-five~~^{seventy-five} percent (75%) of the City Ad Valorem Taxes and the City Sales Taxes, respectively. Upon receipt, (i) City Ad Valorem Taxes shall be deposited to the City Ad Valorem Tax Proceeds Subaccount of the Grant Proceeds Collection Account and (ii) City Sales Taxes shall be deposited to the City Sales Tax Proceeds Subaccount of the Grant Proceeds Collection Account.

4.04 Payment of Grants; Grant Installment Payment Dates. Grants shall be funded in installments (each, a "Grant Installment") on each Grant Installment Payment Date solely from and to the extent of availability of funds on deposit in the Grant Proceeds Collection Account. Each Grant Installment shall equal to the lesser of (i) the amount of eligible Developer's Costs included in a Developer's Reimbursement Request (defined herein) received by City from Developer in accordance with Section 5.05 hereof prior to the subject Grant Installment Payment Date, plus any eligible Developer's Costs included in any previously-submitted Developer's Reimbursement Request that remain unpaid because of unavailability of funds in the Grant Proceeds Collection Account, and (ii) the amount of funds at such time on deposit in the Grant Proceeds Collection Account. The City shall make Grant Installment payments on each Grant Installment Payment Date by withdrawing from the Grant Proceeds Collections Account an amount of money equal to the Grant Installment to be paid on such date, calculated in the manner hereinbefore described, and delivering such sum to Developer, by check, to the address identified in Section 8.04 hereof.

4.05 Developer Reports; Requests for Grant Installment Payment. When Developer has incurred Developer's Costs pursuant to the terms of this Agreement, and unless such Developer's Costs are the subject of a previously-submitted Developer's Reimbursement Request, Developer shall, not later than the fifteenth (15th) calendar day of the month preceding the month in which occurs the next Grant Installment Payment Date, deliver to the City a Developer's Reimbursement Request, which request shall be substantially in the form attached hereto as **Exhibit D** and include:

- (a) the amount of Developer's Costs;
- (b) a statement of no default hereunder;
- (c) documentation evidencing the name and address of the entity or entities that performed the work or service for which such Developer's Costs were incurred, a description of the contract pursuant to which the payment is made, the amount of such payment, the original contract amount, total payments made to date on such contract, adequate proof of payment (i.e., cancelled checks and invoices for said payments, if available, or properly executed Affidavit of Payment);
- (d) an estimate of remaining work to be completed on the specific Phase, the cost of such remaining work, and the anticipated timing of its completion;
- (e) if the Developer's Reimbursement Request relates to Developer's Costs incurred with respect to any Public Infrastructure or Public Improvements; and
- (f) with respect to any Developer's Costs included in the Developer's Reimbursement Request that are Financing Costs, appropriate receipts, ledgers, or other documentation evidencing Developer's incurrence of such Financing Costs.

The City is not obligated to fund any Developer's Reimbursement Request until such time as all documentation required by this Section shall have been submitted to the City and determined, in the City's reasonable judgment, to be accurate and complete. The City shall have ten (10) calendar days after receipt of a Developer's Reimbursement Request to object to any matter contained therein, after which Developer may remedy such objection(s) and resubmit the Reimbursement Request. Upon determination of satisfactory completion of the requirements under this Section, the City shall fund the Developer's Reimbursement Request on the next occurring Grant Installment Payment Date that is at least five (5) calendar days after the date of the City's determination of satisfaction.

4.06 Continued Delivery of Developer's Reimbursement Requests; City's Continuing Obligation to Pay. Developer shall continue to submit Developer's Reimbursement Requests until such time as the total amount of Developer's Costs included in all Developer's Reimbursement Requests equal to the Maximum Disbursement Amount have been reimbursed. Subject to the amounts at such time held in the Grant Proceeds Collection Account, the City shall pay Grant Installments on each Grant Installment Payment Date through the Final Grant Installment Payment Date; provided, however, that if, on the Final Grant Installment Payment Date, the aggregate amount of Grant Installments total an amount less than the Maximum Disbursement Amount, the City shall have no obligation to reimburse Developer for Developer's

Costs that at such time remain unreimbursed. As of the Final Grant Installment Payment Date, the City shall have no continuing obligation to fund Grants from the Grant Proceeds Collection Account and those City Ad Valorem Taxes and City Sales Taxes that have previously been required to be deposited to the Grant Proceeds Collection Account shall be available for use by the City and shall immediately be transferred to the City's General Fund for utilization for any lawful purpose.

4.07 City Takeover. Not later than the thirtieth (30th) day prior to any Grant Installment Payment Date, the City may provide written notice to Developer of its intent to assume the financial responsibility for delivering Public Improvements and Public Infrastructure that have not yet been completed by Developer (such event, a "City Takeover Event"). Any such notice shall be accompanied by action of the City Council evidencing the City's agreement to complete any incomplete Public Infrastructure and Public Improvements and (ii) pay to Developer on the next occurring Grant Installment Payment Date, all Developer's Costs that at such time remain outstanding and unpaid and Developer's development costs for Public Infrastructure and Public Improvements that are at such time in progress but incomplete or not yet conveyed and dedicated to the City. After receipt of notice of a City Takeover Event, the Developer shall include in the next Developer's Reimbursement Request all expenses of the type heretofore described for review, approval, and payment by the City on the applicable Grant Installment Payment Date. The City shall pay amounts owed to Developer on the Grant Installment Payment Date that occurs after delivery to Developer of a notice of City Takeover Event from funds on deposit in the Grant Proceeds Collection Account or any other source of funds that are lawfully available to the City.

ARTICLE 5 GENERAL REQUIREMENTS

5.01 Developer agrees as good and valuable consideration for this Agreement that construction of the Improvements by Developer will be in accordance with all applicable federal, state, and local laws, city codes, ordinances, rules and regulations.

5.02 Construction plans for the Improvements constructed on the Property by the Developer will be filed with the City, which shall be deemed to be incorporated by reference herein and made a part hereof for all purposes.

5.03 Developer agrees to maintain the Improvements owned by it during the term of this Agreement in accordance with all applicable federal, state and local laws, city codes, ordinances, rules and regulations.

ARTICLE 6 ANNEXATION

6.01 Petition for Annexation into City. Developer hereby agrees to the voluntary, full-purpose annexation of any portion of the Property outside the corporate limits of the City into the City and shall submit a petition requesting the annexation of the Property in the form attached

hereto as **Exhibit H** (the “Petition”).

6.02 City Council Action. City action initiating Property annexation shall occur as soon as practicable after the Effective Date and after the City’s receipt of the completed Petition, which shall include the steps required under Chapter 43 for the full-purpose annexation of all Property. Notwithstanding its full-purpose annexation of the Property, provision of City services, including extension of Public Infrastructure, to the Property shall be made subject to this Agreement and no other agreement, regulation, or law.

ARTICLE 7 MUNICIPAL SERVICES

7.01 Retail Municipal Utility Services. The City shall provide Retail Municipal Utility Services to lots within the Property and will connect each structure to the City’s water, sewer, and gas system upon payment of applicable fees and issuance of a certificate of occupancy for the structure. Retail Municipal Utility Services will be delivered pursuant to and in accordance with State law and the Governing Regulations, and rates and charges for such services imposed pursuant to and in accordance with the Retail Municipal Utility Services Rate Ordinance.

7.02 Police Services. The City shall, upon annexation (and not before), provide police service to the Property.

7.03 Electric Service. Retail electric service shall be provided to the Property by City Public Service Board of San Antonio, Texas, also known as CPS Energy, subject to a franchise fee paid by CPS Energy to the City.

7.04 Fire and Emergency Response Services. Fire and emergency response services to the Property will be provided by a Texas political subdivision having jurisdiction over such area and charged with the responsibility of providing such services, initially being the Medina County Emergency Services District No. 1.

ARTICLE 8 ASSIGNMENT OF COMMITMENTS AND OBLIGATIONS; SUCCESSORS

8.01 Assignment of Developer Rights. Developer may assign in whole or part its rights and obligations under this Agreement to persons purchasing all of the Property or a part of the Property. In the event Developer assigns all of its respective rights under this Agreement in conjunction with the conveyance of any unplatted portion of the Property, a written assignment of said rights must be filed of record in the Official Public Records of the County in order to be effective.

Because the City’s entering into this Agreement with Developer is conditioned, in part, on Developer’s demonstrated skill, expertise, and financial resources with respect to the development of projects similar to the Project, demonstrating its ability to satisfy its obligations arising under

this Agreement, any assignment by Developer of its rights hereunder shall be subject to the City's approval, not to be unreasonably withheld; provided, however, an assignment by Developer to any Developer-affiliated entity does not require approval by the City. In connection with any request for approval of assignment Developer shall provide to the City evidence of the assignee's similar experience, resources, and financial resources that are demonstrative of such assignee's ability to complete Project development in a manner at least equal to those of Developer.

8.02 Lot Conveyance Not an Assignment. The mere conveyance of a lot or any portion of the Property without a written assignment of the Developer rights under this Agreement shall not be sufficient to constitute an assignment of the rights or obligations of Developer hereunder, unless specifically provided herein.

8.03 Agreement Binding on Assigns. In the event of an assignment of this Agreement, Developer shall be released from any obligations of this Agreement, provided the successors or assigns agree in writing to all terms and conditions of this Agreement. Any reference to Developer or Parties shall be deemed to and will include the successors or assigns thereof, and all the covenants and agreements in this Agreement shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

ARTICLE 9 DEFAULT AND NOTICE

9.01 Notice and Opportunity to Cure. If either Party defaults in its obligations under this Agreement, the other Party must, prior to exercising a remedy available to that Party due to the default, give written notice to the defaulting Party, specifying the nature of the alleged default and the manner in which it can be satisfactorily cured, and extend to the defaulting Party at least thirty (30) calendar days from receipt of the notice to cure the default. If the nature of the default is such that it cannot reasonably be cured within the thirty (30) calendar day period, the commencement of the cure within the thirty (30) calendar day period and the diligent prosecution of the cure to completion will be deemed a cure within the cure period. Notwithstanding the foregoing, the occurrence of a Bankruptcy Event shall result in immediate default hereunder without opportunity to cure.

9.02 Enforcement. The Parties may enforce this Agreement by any proceeding at law or equity. Failure of either Party to enforce this Agreement shall not be deemed a waiver to enforce the provisions of this Agreement thereafter. The Parties agree that monetary damages are not a sufficient remedy for a default of this Agreement. As a remedy for default, the non-defaulting party shall be entitled to equitable relief, including specific performance of this Agreement, but not monetary damages. In addition to the foregoing, a remedy to each Party for the other's default hereunder, after compliance with Section 9.01 hereof, shall be termination of this Agreement; provided, however, that no termination of this Agreement by a Party as a result of the other Party's default shall allow the reduction or elimination of the Developer's right to receive Grants equal to the amount of Capital Costs as of such time of termination incurred, plus, with respect to Capital Costs, Financing Costs accrued or to accrue thereon until such time of reimbursement in the form of Grants in accordance with the applicable terms of this Agreement. The City shall be under no

obligation to honor a Developer's Reimbursement Request while Developer's default under the terms of this Agreement has occurred and is at such time continuing and uncured.

9.03 Litigation. In the event of any third-party lawsuit or other claim relating to the validity of this Agreement or any actions taken by the Parties hereunder, Developer and the City intend to cooperate in the defense of such suit or claim, and to use their respective best efforts to resolve the suit or claim without diminution of their respective rights and obligations under this Agreement. The City's participation in the defense of such a lawsuit is expressly conditioned on budgetary appropriations for such action by the City Council and shall be covered by Article 12 hereof, as applicable. The filing of any third-party lawsuit relating to this Agreement or the development of the Project will not delay, stop or otherwise affect the development of the Project or the City's processing or issuance of any approvals for the Project or Project development or Grant Installment Payments, unless otherwise required by a court of competent jurisdiction.

9.04 Notices. Any notice required or permitted to be delivered hereunder shall be in writing and shall be deemed received on the earlier of (i) actual receipt by mail, Federal Express or other delivery service, fax, email or hand delivery; or (ii) three (3) business days after being sent by United States mail, postage prepaid, certified mail, return receipt requested, addressed to City or Developer, as the case may be, at the address stated below.

Any notice mailed to the City shall be addressed:

City of Castroville
Attn.: City Administrator
1209 Fiorella St.
Castroville, Texas 78009

With a copy to:

Daniel C. Jones
Denton, Navarro, Rodriguez, Bernal,
Santee & Zech, P.C.
~~2517 North Main Avenue 2500 W.-~~
~~William Cannon Dr., Suite 609~~
~~San Antonio, Austin, Texas~~
~~78212745~~

Any notice mailed to the Developer shall be addressed:

Victory Lane Partners, Ltd.
Attn: Greg Gibson
9311 San Pedro, Suite 850
San Antonio, Texas 78216

With a copy to:

Killen, Griffin & Farrimond, PLLC
Attn: Rob Killen

10101 Reunion Place, Suite 250
San Antonio, Texas 78216

Any Party may change the address for notice to it by giving notice of such change in accordance with the provisions of this paragraph.

ARTICLE 10 CERTIFICATE OF COMPLIANCE

Within thirty (30) calendar days of written request by either Party given to the other Party requesting a statement of compliance with this Agreement, the other Party will execute and deliver to the requesting Party a statement certifying that:

- (a) this Agreement is unmodified and in full force and effect, or if there have been modifications, that this Agreement is in full force and effect as modified and stating the date and nature of each modification; and
- (b) there are no current uncured defaults under this Agreement, or specifying the date and nature of each default.

ARTICLE 11 REPRESENTATIONS, WARRANTIES, AND COVENANTS

11.01 Mutual Representations, Warranties and Covenants of the Parties. The Parties acknowledge that each Party is acting in reliance upon the other Party's performance of its obligations under this Agreement in making the decision to commit substantial resources and money to the Project's development. In recognition of such mutual reliance, each Party represents and warrants to the other that it shall employ commercially reasonable efforts to perform its duties and obligations hereunder and shall adhere to the requirements of this Agreement.

11.02 City Representations, Warranties and Covenants.

(a) The City covenants, represents and warrants to Developer that the City has and shall exercise *sole* and exclusive jurisdiction over the review and approval of preliminary and final plats, the inspection of Public Infrastructure and Public Improvements (except to the extent that such inspection responsibilities are undertaken by a Certified Inspector pursuant to Section 3.01(a) hereof) and the issuance of Certificates of Occupancy for Structures.

(b) As stated in Article 5, the City shall pay, but only from and to the extent of the availability of amounts from time to time *held* in the Grant Proceeds Collection Account, respectively, the Developer's Costs, in the form of Grants, as and when required by (but subject to the limitations of) this Agreement.

(c) The City shall place no lien on, pledge, or otherwise encumber the City Ad Valorem

Taxes or City Sales Taxes required to be deposited to the Grant Proceeds Collection Account or the amounts from time to time on deposit in the Grant Proceeds Collection Account.

(d) The City recognizes this Agreement as a development agreement under Subchapter G of Chapter 212.

(e) The City recognizes this Agreement as an economic development agreement under Chapter 380.

(f) To the extent required to implement Project development, the City shall provide necessary waivers and variances to the Code as herein provided.

(g) The City has, pursuant to the Authorizing Ordinance, taken all requisite and necessary actions to enter into this Agreement, and this Agreement represents a valid and binding agreement of the City, subject to governmental immunity and principles of bankruptcy, insolvency, reorganization, or other similar laws affecting the enforcement of creditors' rights in general and by general principles of equity.

(h) To the extent (but only to the extent) its obligations are not uncertain or in dispute, the City is not entitled to claim immunity on the grounds of sovereignty from (i) relief by writ of mandamus to perform its obligations hereunder or (ii) enforcement by writ of mandamus of its payment obligations with respect to amounts due to Developer pursuant to the terms of this Agreement.

11.03 Developer Representations, Warranties and Covenants.

(a) The Developer hereby represents to the City that it owns the Property, free and clear of any and all liens or mortgages

(b) The Developer hereby warrants and covenants to the City that any prospective lien, mortgage, or encumbrance on any portion of the Property shall be made subject to the dedication of Public Infrastructure and Public Improvements, as indicated on the Approved Plat that is applicable to the portion of the Property to be subject to any such lien, mortgage, or encumbrance.

(c) Developer agrees to dutifully, diligently, and continually work to develop the Property and shall complete, or cause to be completed, the Public Infrastructure and Public Improvements and pay their costs, notwithstanding the actual costs of those Public Infrastructure and Public Improvements exceeding the Capital Costs therefor identified herein.

(d) Developer shall deliver to the City the Public Infrastructure, the Public Improvements, and the Developer's Capital Contribution at the times, in the amounts, and in the condition required by the terms of this Agreement.

(e) Developer shall provide, or cause to be provided, all materials, labor, and services for completing the Public Infrastructure and Public Improvements, which materials, labor, and services shall be of adequate quality when graded against industry standards.

(f) Developer agrees to obtain or cause to be obtained all necessary permits and

approvals required by any Governing Regulation from the City and/or all other governmental entities having jurisdiction or regulatory authority over the construction, installation, operation, or maintenance of improvements within the Property and, with respect thereto, pay or cause to be paid all applicable permit, or similar, license fees.

(g) Developer acknowledges and agrees that, pursuant to State law, Developer is required to make information regarding its contractual relationships regarding construction or acquisition of Public Infrastructure and Public Improvements generally available as public records and, with respect thereto, Developer acknowledges and agrees that any information provided by Developer to the City with respect to the Public Infrastructure and Public Improvements, this Agreement, and any work performed by Developer, a contractor, or a subcontractor for any Public Infrastructure and Public Improvements (including pricing and payment information) may be subject to public disclosure by the City pursuant to applicable law.

(h) Developer shall use good faith, commercially-reasonable efforts to obtain the best price (taking into account the reputation of relevant contractors and vendors and all other reasonable factors) and quality of goods and services (including from Developer affiliates) in connection with the development, construction, financing and acquisition of any Public Infrastructure and Public Improvements.

(i) Developer shall notify the City of any change in Developer's Engineer.

(j) Developer shall prepare, or cause to be prepared, for each Phase of the Project, plats that are compliant with applicable provisions of the Governing Regulations and shall submit such plats to, and have such plats approved by, the City prior to starting any construction in said Phase.

(k) Developer shall supervise the construction of the Project and cause the construction to be performed in accordance any Approved Plats.

(l) If substantial completion of the Project is delayed by reason of Force Majeure, governmental restrictions, regulations, fire or other casualty, court injunction, necessary condemnation proceedings, interference by third parties or drop in overall economic conditions, or any circumstances reasonably beyond Developer's control, then following written request of Developer made to the City (which request shall document the relied-upon reason for delay), the deadlines set forth in the construction schedule shall be extended by the period of each such delay (which period shall be evidenced in the aforementioned request).

(m) Development services that are performed by the Developer hereunder shall be enforced in compliance with the Governing Regulations.

(n) all personnel supplied or used by Developer in the performance of its obligations arising under this Agreement shall be deemed employees, contractors or subcontractors of the Developer and shall not be considered employees, agents, or subcontractors of the City for any purpose whatsoever. The Developer shall be solely responsible for the compensation of all such personnel.

(o) Developer acknowledges and agrees that it is subject as an employer to all applicable unemployment compensation statutes and agrees to indemnify and hold harmless the

City from any and all responsibilities thereunder toward employees of Developer.

(p) As and to the extent applicable, Developer shall comply with all regulations concerning employment of labor required by law (including, but not limited to, Chapter 2258 requiring the Developer to pay prevailing wages to workers, which shall be determined using the wage scales from time to time published online by Wage Determinations online at www.wdol.gov/wdol/scafiles/davisbacon/tx.html). The reference to this source of prevailing wages is not a warranty, guaranty or other representation by the City that adequate numbers of skilled or unskilled workers are actually available in the local market to perform the required services or that workers may be hired for the wages identified in the such prevailing wage schedule.

(q) Developer hereby represents, warrants, and covenants for the benefit of the City:

- (i) Developer is a limited partnership, duly organized and validly existing under the laws of the State of Texas, is in compliance with the laws of the State of Texas, and has the power and authority to own its properties and assets and to carry on its business as now being conducted and as now contemplated;
- (ii) Developer has the power and authority to enter into this Agreement, and has taken all action necessary to cause this Agreement to be executed and delivered, and this Agreement has been duly and validly executed and delivered on behalf of the Developer;
- (iii) this Agreement is a valid and enforceable obligation of the Developer and is enforceable against the Developer in accordance with its terms, subject to bankruptcy, insolvency, reorganization, or other similar laws affecting the enforcement of creditors' rights in general and by general principles of equity;
- (iv) Developer will not include any costs that are not Developer's Costs in any Developer Reimbursement Request;
- (v) Developer will diligently follow all procedures set forth in this Agreement with respect to its request for payment of Grant Installments;
- (vi) Developer understands the duties, limitations, and responsibilities imposed upon the City under the applicable State law having application to matters that are the subject of this Agreement, including Project development, its making of the Grants, and the development, construction, and dedication of the Public Infrastructure and Public Improvements; and
- (vii) Developer has sufficient knowledge, experience, and financial resources to perform its obligations under this Agreement in accordance with all duties, obligations, regulations, Governing Regulation requirements, and other applicable law affecting or required to perform the development work with respect to the Project and, in this regard, the Developer shall bid, procure, supervise, manage, perform, and from time to time provide

information relating to such development work regarding Project development in compliance with all duties, obligations, regulations, code and legal requirements arising under any Governing Regulation with jurisdiction over the subject development work and the Project.

(r) Developer has delivered, unless exempted under State law, the Certificate of Interested Parties Form 1295 (“Form 1295”) and certification of filing generated by the Texas Ethics Commission’s electronic portal, signed by an authorized agent, prior to the execution of this Agreement by the City and Developer. Developer and the City understand that none of the City or any City representative, consultant, or advisor have the ability to verify the information included in Form 1295, and none of the City or any City employee, official consultant, or advisor have an obligation, nor have undertaken any responsibility, for advising Developer with respect to the proper completion of Form 1295 other than providing the identification numbers required for the completion of Form 1295.

(s) Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Agreement is a contract for goods or services, will not boycott Israel during the term of this Agreement. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, as amended, and to the extent such section does not contravene applicable Texas or federal law. As used in the foregoing verification, “boycott Israel” means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. Developer understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with Developer and exists to make a profit.

(t) Developer represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, as amended, and posted on any of the following pages of such officer’s Internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,

<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or

<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, as amended, and to the extent such Section does not contravene applicable Texas or federal law and excludes Developer and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. Developer understands “affiliate” to mean any entity that controls, is controlled by, or is under common control with Developer and

exists to make a profit.

(u) To the extent this Agreement constitutes a contract for goods or services for which a written verification statement is required under Section 2274.002 (as added by Senate Bill 13 in the 87th Texas Legislative Session), Texas Government Code, as amended, the Developer hereby verifies that it and its parent company, wholly- or majority- owned subsidiaries, and other affiliates, if any, do not boycott energy companies and, will not boycott energy companies during the term of this Agreement. The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code does not contravene applicable Texas or federal law. As used in the foregoing verification, “boycott energy companies” shall mean, without an ordinary business purpose, refusing to *deal* with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company (A) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or (B) does business with a company described by (A) above. The Developer understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit.

(v) To the extent this Agreement constitutes a contract for goods or services for which a written verification statement is required under Section 2274.002 (as added by Senate Bill 19 in the 87th Texas Legislative Session, “SB 19”), Texas Government Code, as amended, the Developer hereby verifies that it and its parent company, wholly- or majority- owned subsidiaries, and other affiliates, if any,

- (1) do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association; and
- (2) will not discriminate during the term of this Agreement against a firearm entity or firearm trade association.

The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code does not contravene applicable Texas or federal law. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” (A) means, with respect to the entity or association, to (i) refuse to engage in the trade of any goods or services with the entity or association based solely on its status as a firearm entity or firearm trade association; (ii) refrain from continuing an existing business relationship with the entity or association based solely on its status as a firearm entity or firearm trade association; or (iii) terminate an existing business relationship with the entity or association based solely on its status as a firearm entity or firearm trade association; and (B) does not include: (i) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories; and (ii) a company’s refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship: (aa) to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency; or (bb) for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity’s or association’s status as a

firearm entity or firearm trade association. The Developer understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit.

ARTICLE 12 TAX INCREMENT REINVESTMENT ZONE

Prior to the Initial Infrastructure Completion Date, Developer shall, if requested by the City, take such necessary steps to allow the City’s designation of all or part of the Property as a Tax Increment Reinvestment Zone under Chapter 311. If the City so elects, and other taxing units whose jurisdiction includes the Property or such portion thereof participate in such a Zone, then the City shall be permitted to utilize any incremental tax revenues thereunder generated as a source of payment of Developer’s Costs that are reimbursable to the Developer hereunder in the form of Grants and such payment shall relieve the City from its obligation to fund Grants, in such amount of these other available funds, from City Ad Valorem Taxes and City Sales Taxes; provided, however, that such methodology of reimbursement shall not otherwise impact, modify, or lessen the City’s obligations hereunder or impose obligations on the Developer in addition to any that are herein described (unless specifically agreed to by each of the Parties and memorialized in an amendment to this Agreement in the manner specified in Section 14.05). The City agrees that if it exercises its option to create a Tax Increment Reinvestment Zone, no additional costs or fees will be imposed upon Developer other than such costs, fees, and contributions explicitly provided for herein.

ARTICLE 13 INDEMNIFICATION

DEVELOPER COVENANTS AND AGREES TO FULLY INDEMNIFY AND HOLD HARMLESS THE CITY, THE CITY COUNCIL, AND ANY OTHER OFFICIAL, EMPLOYEE, AGENT, ATTORNEY, OR REPRESENTATIVE OF ANY OF THE FOREGOING (TOGETHER, THE “INDEMNIFIED PARTIES”) FROM AND AGAINST ANY AND ALL COSTS, CLAIMS, LIENS, DAMAGES, LOSSES, EXPENSES, FEES, FINES, PENALTIES, PROCEEDINGS, ACTIONS, DEMANDS, CAUSES OF ACTION, LIABILITY AND SUITS OF ANY KIND AND NATURE BROUGHT BY A THIRD PARTY, INCLUDING BUT NOT LIMITED TO, PERSONAL OR BODILY INJURY, DEATH AND PROPERTY DAMAGE, MADE UPON ANY INDEMNIFIED PARTY DIRECTLY OR INDIRECTLY ARISING OUT OF, RESULTING FROM OR RELATED TO DEVELOPER’S ACTIVITIES UNDER THIS AGREEMENT, INCLUDING ANY ACTS OR OMISSIONS OF THE DEVELOPER, ANY AGENT, OFFICER, DIRECTOR, REPRESENTATIVE, EMPLOYEE, CONSULTANT OR SUBCONTRACTOR OF DEVELOPER, AND THEIR RESPECTIVE OFFICERS, AGENTS, EMPLOYEES, DIRECTORS AND REPRESENTATIVES, WHILE IN THE EXERCISE OF PERFORMANCE OF THE RIGHTS OR DUTIES UNDER THIS AGREEMENT. THE INDEMNITY PROVIDED FOR IN THIS PARAGRAPH SHALL NOT APPLY TO ANY LIABILITY RESULTING FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT

OF ANY INDEMNIFIED PARTY. IN THE EVENT THE DEVELOPER AND AN INDEMNIFIED PARTY ARE FOUND JOINTLY LIABLE, BECAUSE OF THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF AN INDEMNIFIED PARTY, BY A COURT OF COMPETENT JURISDICTION, LIABILITY SHALL BE APPORTIONED COMPARATIVELY IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT, HOWEVER, WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO ANY SUCH INDEMNIFIED PARTY UNDER APPLICABLE TEXAS LAW AND WITHOUT WAIVING ANY DEFENSES OF THE PARTIES HERETO UNDER TEXAS LAW AS TO SAID

CLAIMANTS. THE PROVISIONS OF THIS INDEMNIFICATION ARE SOLELY FOR THE BENEFIT OF THE PARTIES HERETO AND NOT INTENDED TO CREATE OR GRANT ANY RIGHTS, CONTRACTUAL OR OTHERWISE, TO ANY OTHER PERSON OR ENTITY. DEVELOPER SHALL IMMEDIATELY ADVISE THE CITY, IN WRITING, OF ANY CLAIM OR DEMAND AGAINST DEVELOPER OR AN INDEMNIFIED PARTY, TO THE EXTENT AND WHEN KNOWN TO THE DEVELOPER, RELATED TO OR ARISING OUT OF DEVELOPER'S ACTIVITIES UNDER THIS AGREEMENT.

In addition to the indemnification provided above, Developer shall also require each of its general contractors working on the Project to indemnify each Indemnified Party from and against any and all claims, losses, damages, causes of actions, suits and liabilities arising out of their actions related to the performance of this Agreement, utilizing (in its entirety) the same indemnification language contained herein.

ARTICLE 14 MISCELLANEOUS

14.01 Multiple Originals. The Parties may execute this Agreement in one or more duplicate originals, each of equal dignity.

14.02 Entire Agreement; Parties in Interest. This Agreement, together with any exhibits attached hereto, constitutes the entire agreement between Parties with respect to its subject matter, and may not be amended except by a writing signed by all Parties with authority to sign and dated subsequent to the date hereof. There are no other agreements, oral or written, except as expressly set forth herein. No person, other than a Party, shall acquire or have any right hereunder or by virtue hereof.

14.03 Recordation. A copy of this Agreement will be recorded in the Official Public Records of the County by the City.

14.04 Governing Law; Venue. This Agreement shall be governed by and construed in accordance with the laws of the State. This Agreement is performable in the County. Any legal action or proceeding brought or maintained, directly or indirectly, as a result of this Agreement shall be heard and determined in a court of competent jurisdiction located in the County. Notwithstanding the foregoing, the parties hereto agree that any dispute that may arise under this Agreement shall first be submitted to non-binding mediation, or to alternative dispute resolution

proceedings, before litigation is filed in court.

14.05 Termination or Amendment by Agreement. This Agreement may only be terminated prior to the Termination Date or its terms amended by mutual written consent of the Parties.

14.06 No Oral or Implied Waiver. The Parties may waive any of their respective rights or conditions contained herein or any of the obligations of the other Party hereunder, but unless this Agreement expressly provides that a condition, right, or obligation is deemed waived, any such waiver will be effective only if in writing and signed by the party waiving such condition, right, or obligation. The failure of either party to insist at any time upon the strict performance of any covenant or agreement in this Agreement or to exercise any right, power, or remedy contained in this Agreement will not be construed as a waiver or a relinquishment thereof for the future.

14.07 No Third-Party Beneficiary. This Agreement is not intended, nor will it be construed, to create any third-party beneficiary rights in any person or entity who is not a Party, unless expressly otherwise provided herein.

14.08 No Personal Liability. None of the members of the City Council, nor any officer, agent, or employee of the City, shall be charged personally by Developer with any liability, or be held liable to Developer under any term or provision of this Agreement, or because of execution or attempted execution, or because of any breach or attempted or alleged breach, of this Agreement.

14.09 Severability. If any provision of this Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provision of any Constitution, statute, rule of public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatever.

14.10 Section Headings. Section headings have been inserted in this Agreement as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Agreement and will not be used in the interpretation of any provisions of this Agreement.

* * *

DEVELOPER:

Victory Lane Partners, Ltd.,
A Texas limited partnership

BY: Victory Lane Partners GP, LLC,
a Texas limited liability company

By: _____

Name: _____

Title: _____

Date: _____

THE STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on _____, 2025, by
_____, _____ of _____.

Notary Public in and for the State of Texas

CITY OF CASTROVILLE, TEXAS

By: _____,
_____, Mayor

Date: _____

THE STATE OF TEXAS §
 §
COUNTY OF MEDINA §

This instrument was acknowledged before me on _____, 2025, by
_____, _____ of City of Castroville, Texas.

Notary Public in and for the State of Texas

INDEX TO EXHIBITS

Exhibit A..... Property Description (Metes and Bounds and Location Map)

Exhibit B..... Schedule of Capital Costs

Exhibit C Commercial Area [Concept Site Plan](#), ~~Elevation Renderings, and Design Criteria~~

Exhibit D.....Developer’s Reimbursement Request

Exhibit E..... Public Infrastructure and Public Improvements

Exhibit F..... Sign

Exhibit G..... Project Development Schedule

Exhibit H.....Petition for Annexation

Exhibit A
Property Description (Metes and Bounds and Location Map)

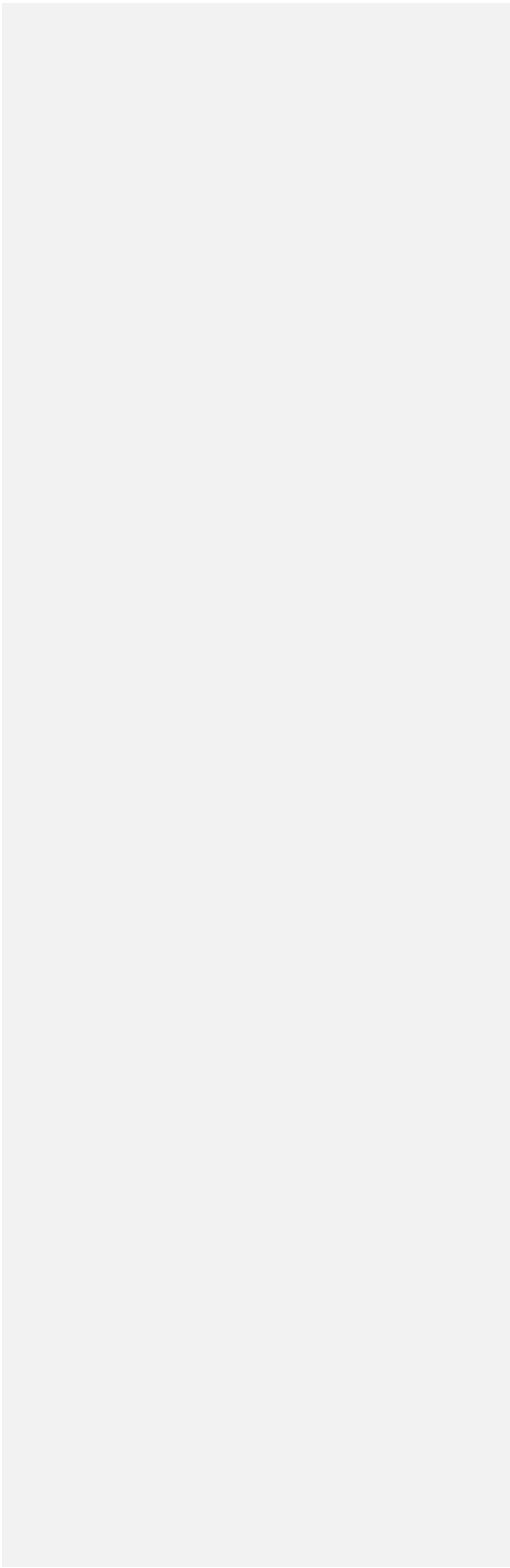


Exhibit B
Schedule of Capital Costs

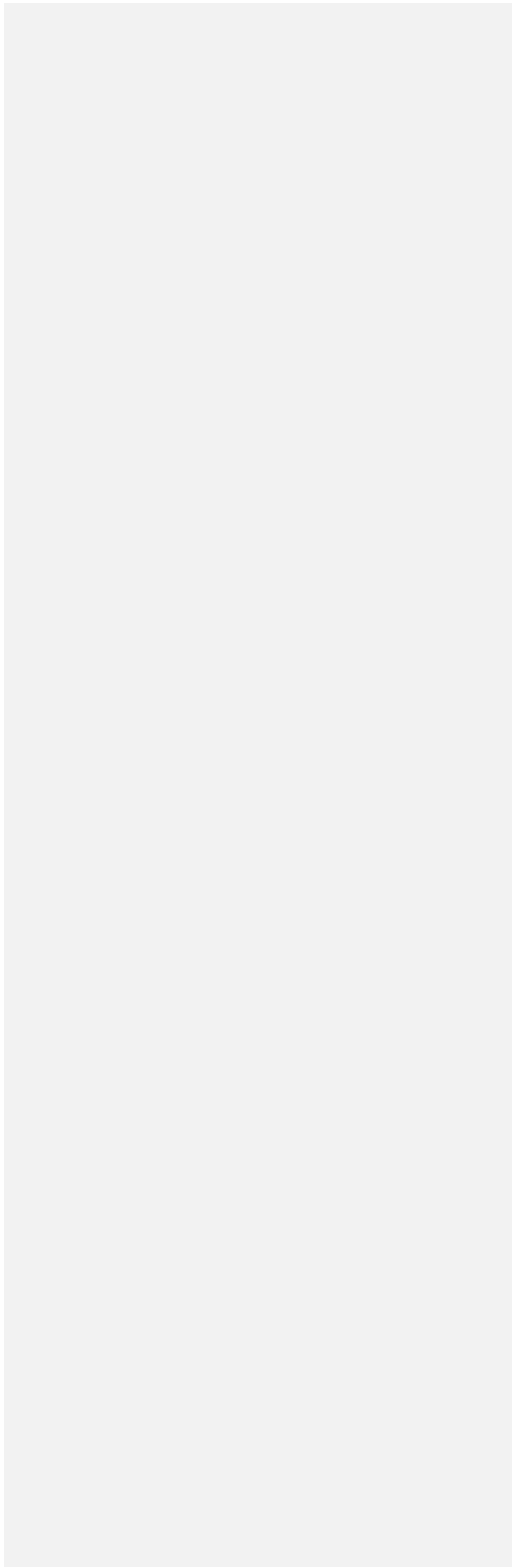


Exhibit C
Commercial Area Site Plan, Elevation Renderings, and Design Criteria

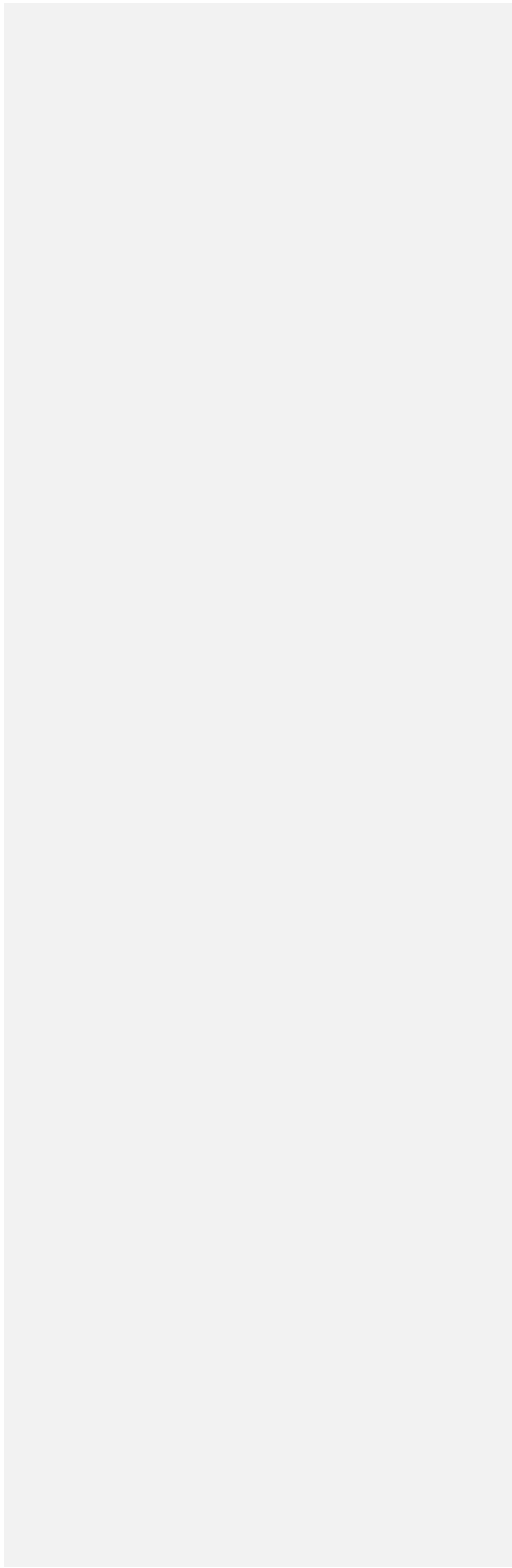


Exhibit D
Developer's Reimbursement Request

THE STATE OF TEXAS §
 §
 COUNTY OF MEDINA §

I, the undersigned, being an authorized representative of Victory Lane Partners, Ltd. (the "Developer"), in such capacity and in connection with this Developer's Reimbursement Request (this "Request"), made under that certain Development Agreement (the "Agreement"), dated and effective as of _____, 2025, by and among Developer and City of Castroville, Texas, do hereby request reimbursement for the hereinafter-described Developer's Costs actually incurred, which reimbursement shall be in the form of Grants, in the amount of \$ _____, and in connection with this Request, I DO HEREBY CERTIFY:

(i) There now exists no default under the Agreement and no event has occurred which, with the giving of notice, passage of time, or otherwise would constitute an event of default under the Agreement.

(ii) The representations and warranties made in the Agreement are true and correct in all material respects as of this date.

(iii) The Developer's Costs that are the subject of this Request represent actual costs incurred by Developer, as evidenced by the invoices, executed releases or waivers of mechanics' and materialmen's liens and receipted bills showing payment of all amounts due to all parties who have furnished materials or services or performed labor of any kind in connection with the Developer's Costs heretofore referenced that are attached hereto and included herewith.

(iv) To the date hereof, approximately __% of the current Phase has been completed and the estimated completion date of all work relative to such Phase is _____, 20__.

(v) All work in furtherance of Project completion performed to the date hereof has been performed in a good and workmanlike manner.

(vi) With respect to Developer's Costs of Public Infrastructure or Public Improvements that are the subject of this request,

(1) There are no liens or encumbrances against the Public Infrastructure or Public Improvements.

(2) Attached herewith are the items described in Section 4.05 of the Agreement.

Capitalized terms used herein without definition have the meanings ascribed thereto in the Agreement.

DATED as of this, the _____ day of _____, 20__.

Victory Lane Partners, Ltd

By: _____

Name: _____

Title: _____

Exhibit E
Public Infrastructure and Public Improvements

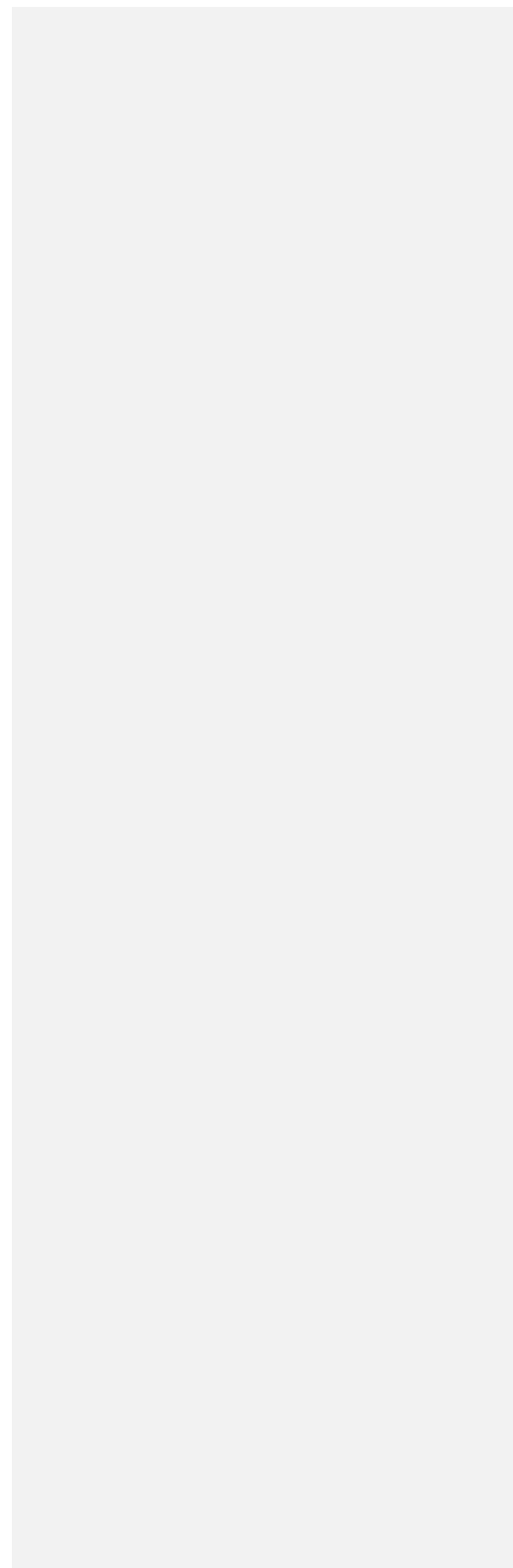


Exhibit F
Sign

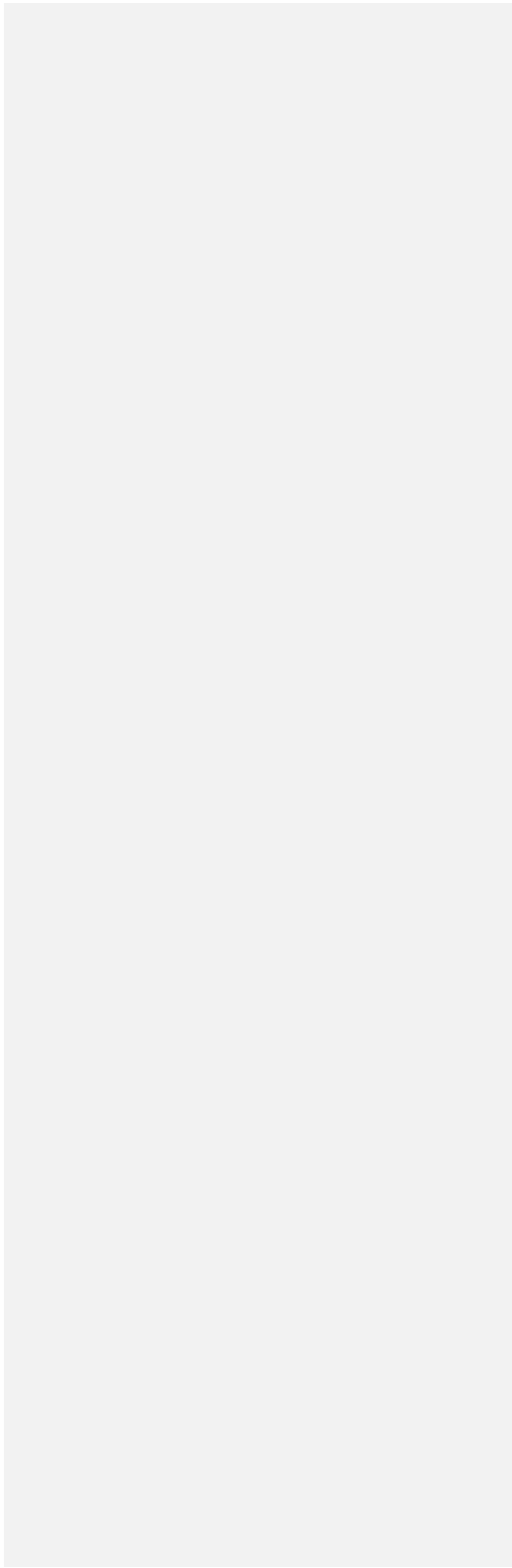


Exhibit G
Project Development Schedule

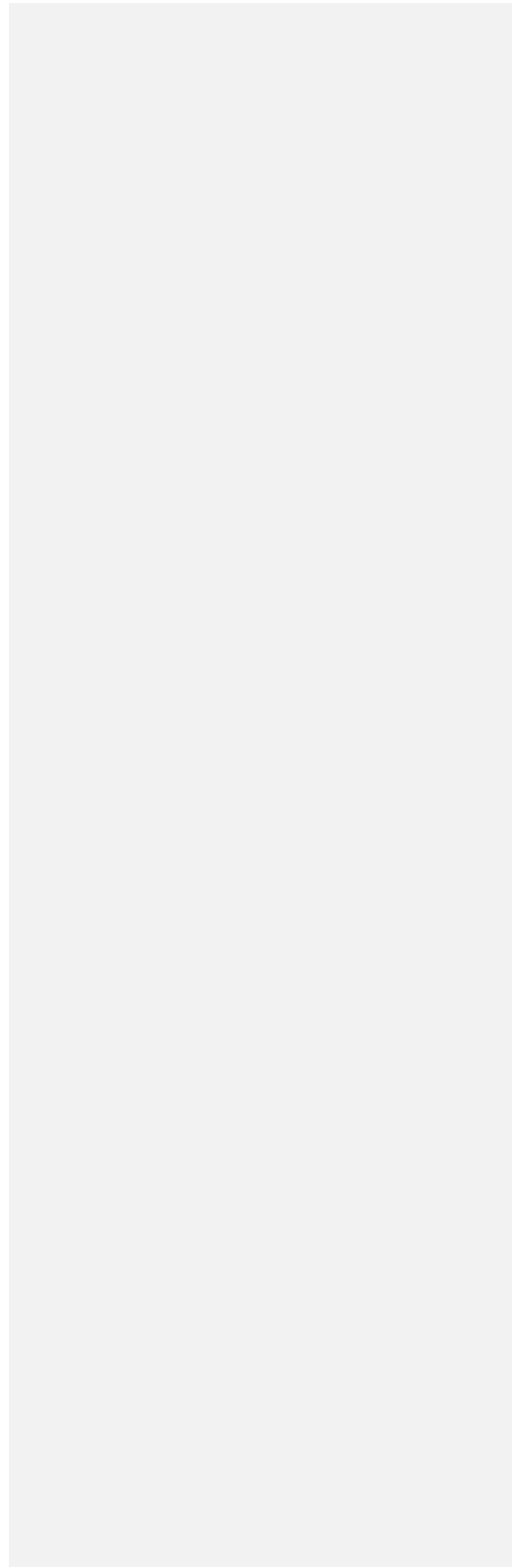


Exhibit H
Petition for Annexation

PETITION FOR ANNEXATION
OF LAND INTO THE CITY OF CASTROVILLE

TO THE HONORABLE CITY COUNCIL, CITY OF CASTROVILLE, TEXAS:

We, Victory Lane Partners, Ltd., owner(s) of the land described below by metes and bounds and, being adjacent land and territory to the present corporate limits of the City of Castroville, Texas, hereby request annexation of the described land into the City of Castroville. We understand that the request does not necessarily mean that the land will be annexed, but that the City will consider the request based upon requests received from other landowners and an evaluation of services to be provided.

Name: _____

Address: _____

City/State/Zip: _____

***{INSERT LEGAL DESCRIPTION AND/OR ATTACH PLAT & METES AND BOUNDS
DESCRIPTION}***

Wherefore, petitioners respectfully request that the hereinabove described land be forthwith incorporated into and become a part of the territory of the municipal corporation of the City of Castroville, Medina County, Texas.

Respectfully Submitted,

Petitioner(s) Signature

STATE OF TEXAS
COUNTY OF MEDINA

BEFORE ME, the undersigned authority, on this day personally appeared _____, who having knowledge of the facts contained herein acknowledged to me that he executed the same for the purposes and consideration therein expressed, on this _____ day of _____, 2025.

Notary Public

Exhibit A

Property Description

Romanus Whitman Survey 4, Abstract 1348

Miller Francis Survey 9, Abstract 1450

Joseph Schneider Survey 10, Abstract 1335

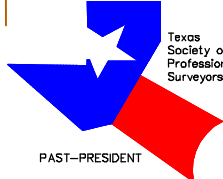
50.40 Acres

Estate Partition Survey of
50.40 Acres of Land out of a "91.9602 Acre" tract described in Volume 302 on page 645 of the Deed Records, and comprising approximately 14.3 acres out of the Joseph Schneider Survey 10, Abstract 1335 and 36.1 acres out of the Miller Francis Survey 9, Abstract 1450, Medina County, Texas.

Legend
concrete
wood fence
chain link fence
wire fence
steel fence
overhead electric

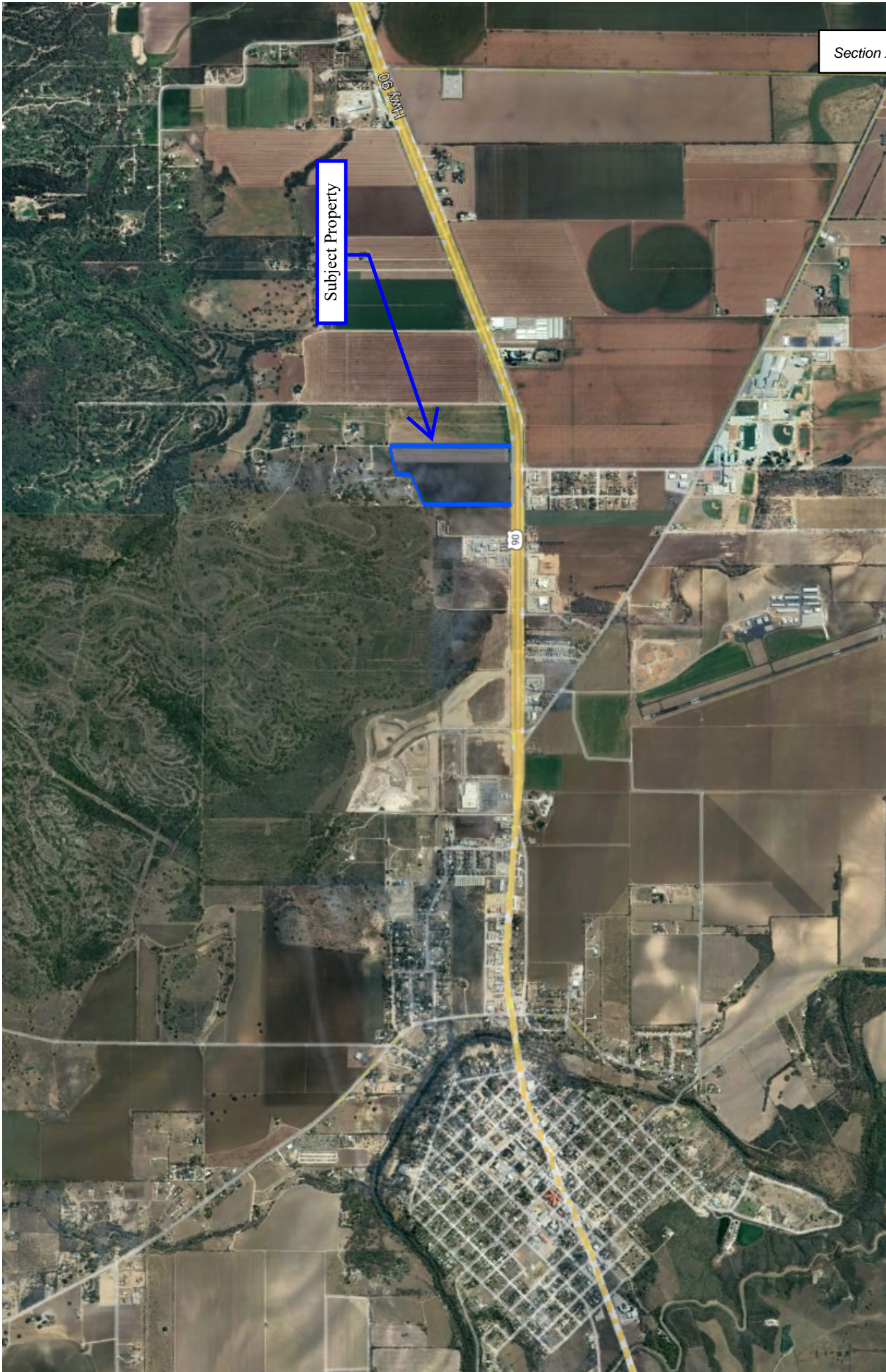
Surveyed: March 14, April 16, 2017
Released: April 18, 2017
Requested by: Hilda Persyn
City/County: Exeter/Hill
Deliver to: Hilda Persyn
Reference #: none
Revised: August 17, 2017
Updated: February 8, 2019
File Number: 1023

A Metes and Bounds description accompanies this Survey.
All "SET" corners are marked with a red plastic cap stamped "CAVEY 4454".
Record Owners, shown in RED, refer to Volume 302, page 645 and other cited adjacencies.
Bearings are based on Grid North according to the Texas Coordinate System, South Central Zone, North American Datum, 1983.
Professional and Ethical Standards governed by Texas Board of Professional Land Surveying, 12100 Park 35 Circle, Suite 156, MC230, Austin, TX 78753, Ph: 512.339.5263

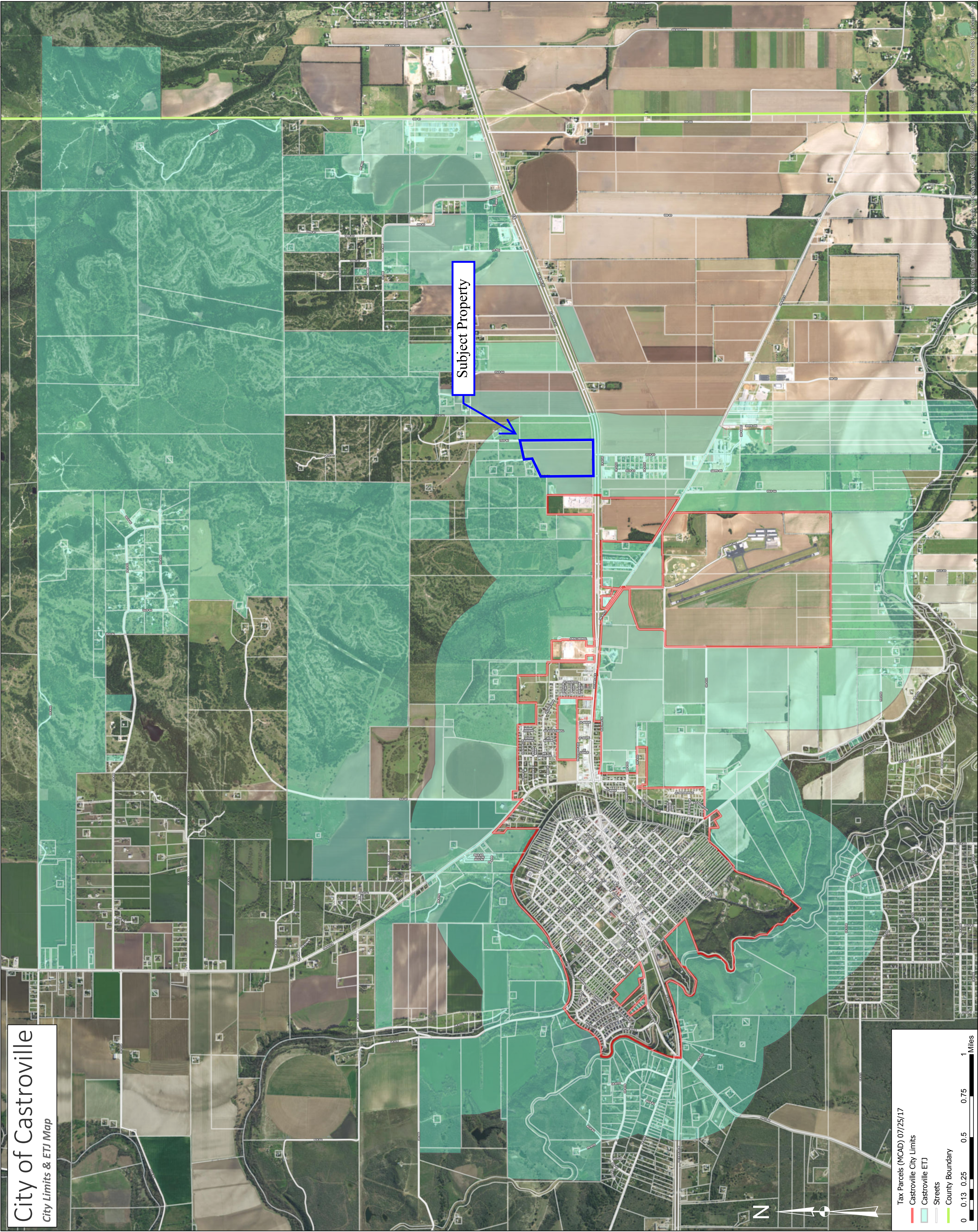


MEDINA VALLEY SURVEYS
Surveying Texas Since 1985
P.O. Box 1189, Groesbeke, Texas 75008
830-338-6427 • MedinaValleySurveys.com
19153 tsmf 10000000

0 1" = 100' (U. S. Survey Feet)
STATE OF TEXAS
COUNTY OF MEDINA
I HEREBY CERTIFY THAT THIS ORIGINAL PLAT WAS PREPARED FROM AN ACTUAL SURVEY MADE ON THE GROUND BY ME AND THAT THERE ARE NO VISIBLE ENCROACHMENTS OR DISCREPANCIES DEPICTED AS SHOWN.
79
Paul T. Carey, Registered Professional Land Surveyor
License #284 (Land Surveyor, Texas Registration Number: 445)



Map Printed 11/06/2017



City of Castroville

City Limits & ETJ Map

Subject Property

Tax Parcels (MCAD) 07/25/17

- Castroville City Limits
- Castroville ETJ
- Streets
- County Boundary

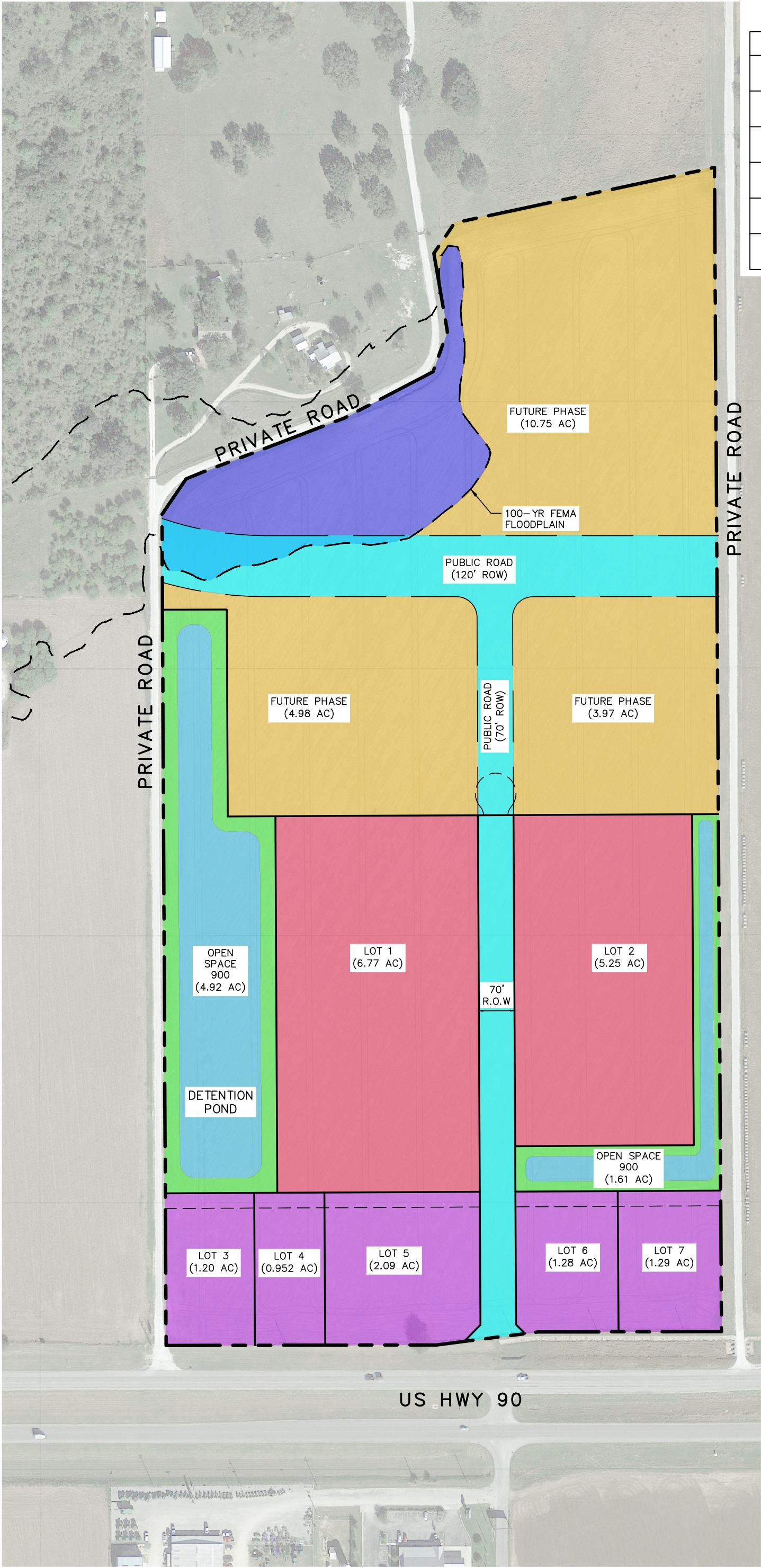
0 0.13 0.25 0.5 0.75 1 Miles

Disclaimer – The City of Castroville (City) does not guarantee the accuracy, adequacy, completeness, or usefulness of this information. The map is not a legal representation of the depicted data. Data is derived from public records that are constantly undergoing revision. Under no circumstances should this map be used for final design purposes. City provides this information on an "as is" basis without warranty of any kind, express or implied, and assumes no responsibility for anyone's use of the information. The appropriate City department should always be contacted for official and current information.

SCHEDULE OF CAPITAL COSTS

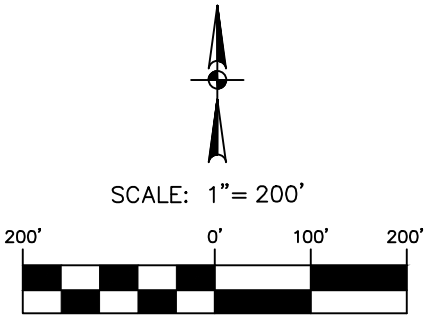
On-site Public Streets	\$2,800,000
Off-site Street Improvements	2,900,000
On-site Public sidewalks	290,000
Public utilities	635,000
Public drainage	<u>1,035,000</u>
	\$7,660,000
Engineering & Surveying (10%)	766,000
Management Fee (10%)	<u>843,000</u>
SUBTOTAL	\$9,269,000

NOTE – Above amounts are estimates and subject to change. As per the Agreement, in no event shall the total reimbursement amount exceed \$6,000,000.

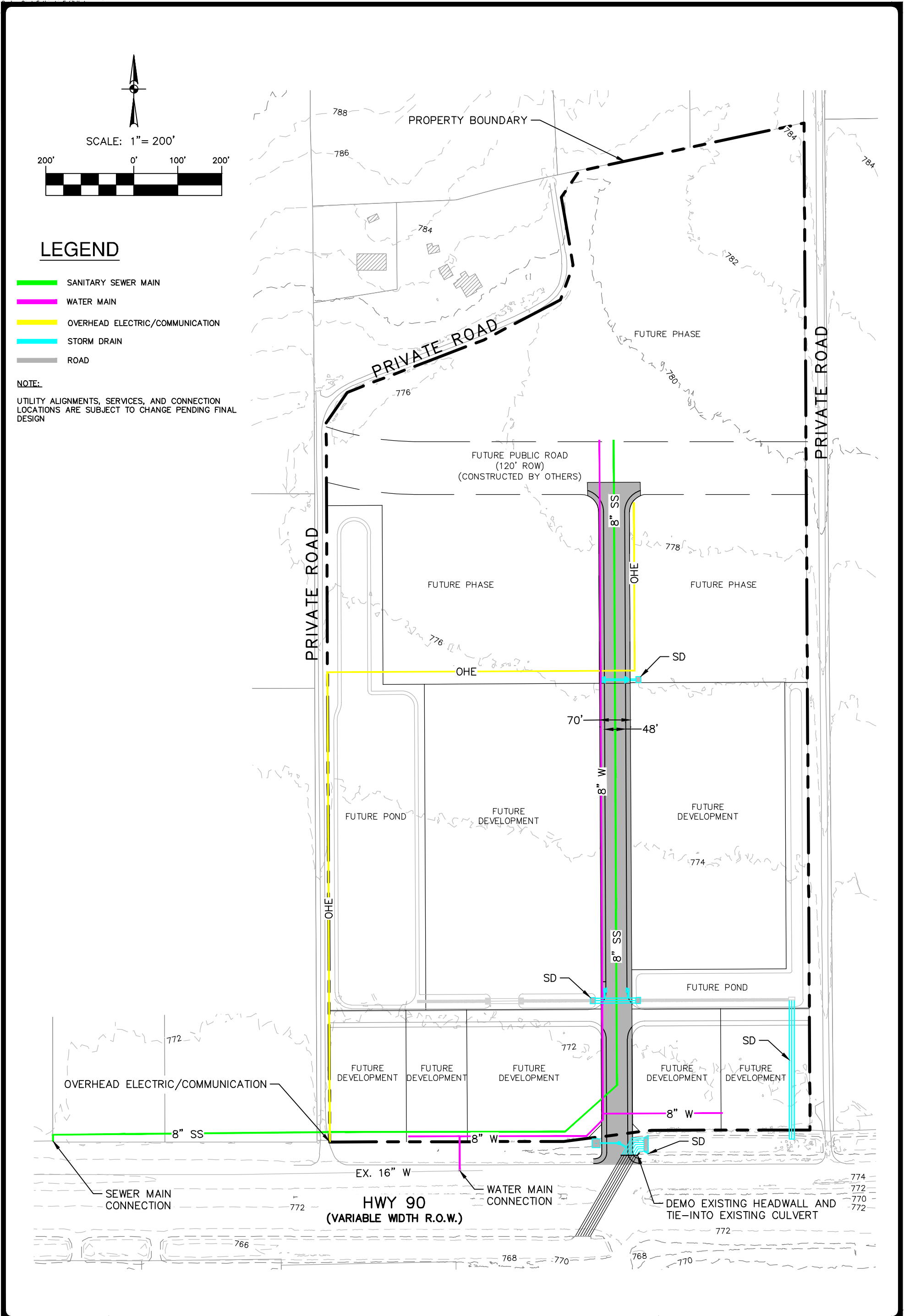


LAND USE SUMMARY		
Legend	Land Use	± Area (ac)
<div></div>	Small Commercial	6.8
<div></div>	Large Commercial	12.0
<div></div>	Detention/Open Space	6.5
<div></div>	Large Commercial/ Multi-family	16.6
<div></div>	Right-of-Way	5.4
<div></div>	Floodplain	3.6

AELVOET TRACT
MEDINA COUNTY, TEXAS
LOT LAYOUT



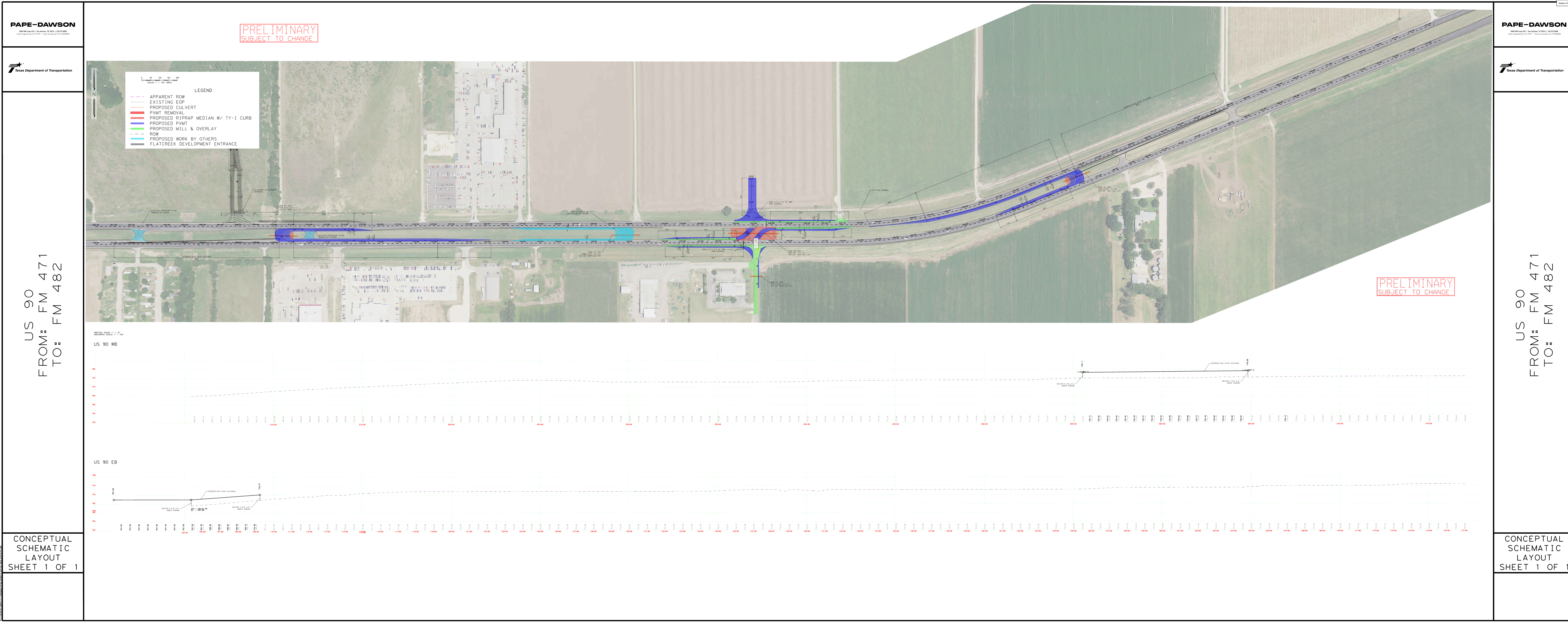
PAPE-DAWSON
2000 NW LOOP 410 | SAN ANTONIO, TX 78213 | 210.375.9000
TEXAS ENGINEERING FIRM #470 | TEXAS SURVEYING FIRM #10028800

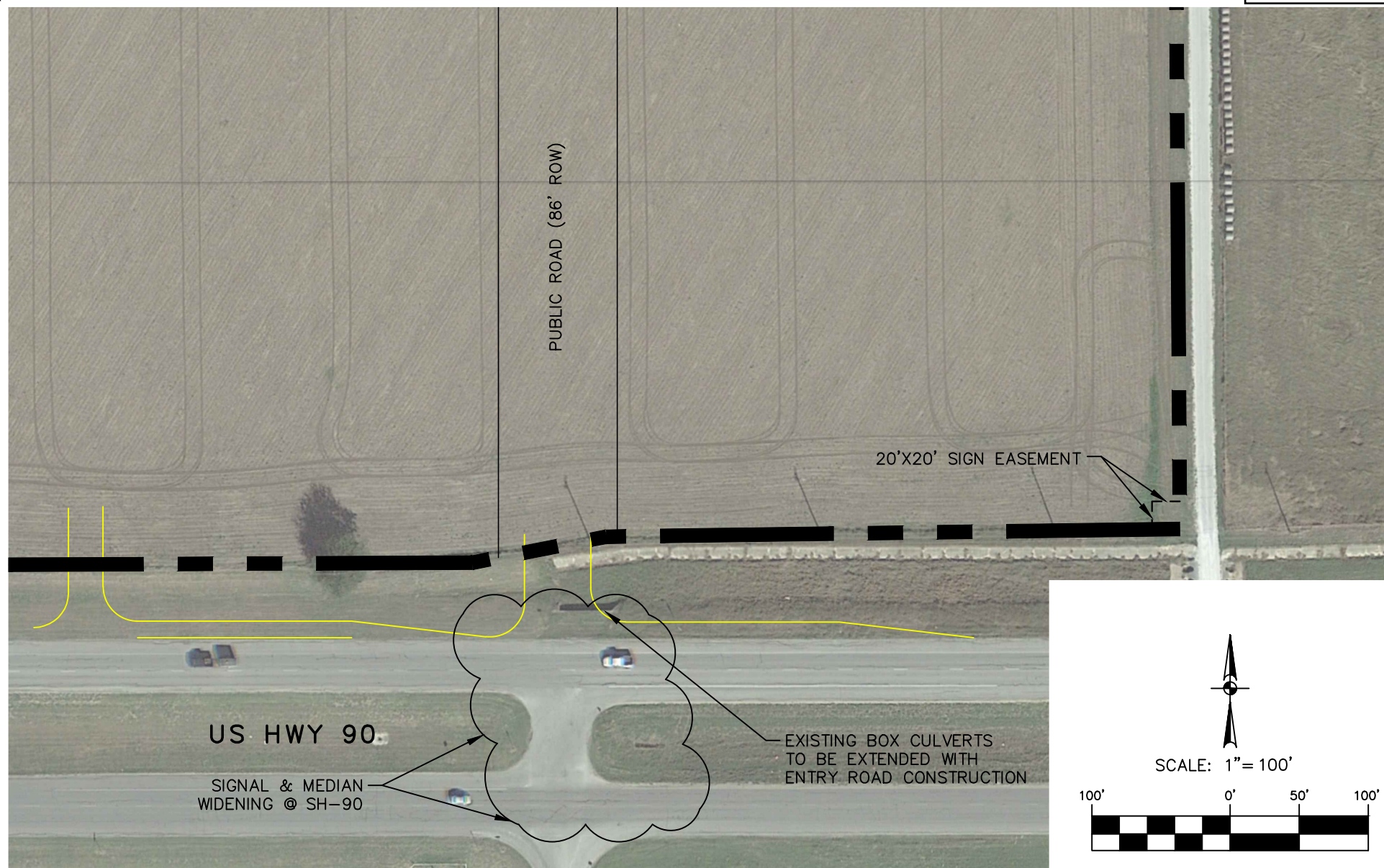


JOB NO. 11845-01
DATE SEPTEMBER 2023
DESIGNER JS
CHECKED VS DRAWN PW
SHEET 1 of 1

AELVOET TRACT
CASTROVILLE, TEXAS
PUBLIC INFRASTRUCTURE EXHIBIT

PAPE-DAWSON
ENGINEERS
2000 NW LOOP 410 | SAN ANTONIO, TX 78213 | 210.375.9000
TEXAS ENGINEERING FIRM #470 | TEXAS SURVEYING FIRM #10028800



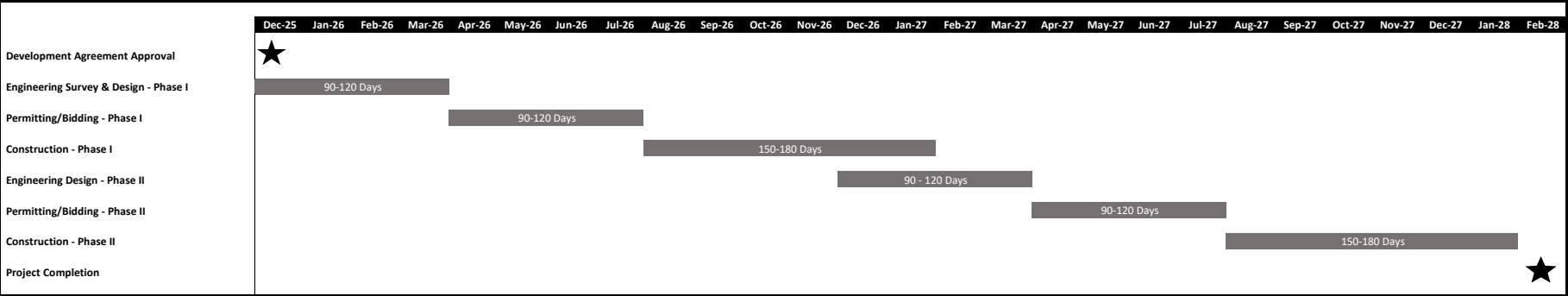


JOB NO. 11845-00
 DATE SEP 2021
 DESIGNER AA
 CHECKED JW DRAWN AA
 SHEET 1 of 1

±50 ACRE TRACT
CASTROVILLE, TEXAS
SIGN EASEMENT EXHIBIT

PAPE-DAWSON
ENGINEERS
 SAN ANTONIO | AUSTIN | HOUSTON | FORT WORTH | DALLAS
 2000 NW LOOP 410 | SAN ANTONIO, TX 78213 | 210.375.9000
 TBPE FIRM REGISTRATION #470 | TBPLS FIRM REGISTRATION #10028800

Victory Lane
Project Development Schedule
10/31/2025





Agenda Report

Agenda of: December 16, 2025

Department: Administration

Subject: Consideration and possible action on Resolution No. _____ authorizing the initiation of eminent domain proceedings to acquire right-of-way for the Northern Route thoroughfare connection

Recommended Motion:

Move to approve the resolution authorizing submission of a major amendment to the Texas Department of Agriculture (TDA) for TxCDBG Contract No. CDV23-0365.

Background:

- The City has been working toward construction of the **Northern Route**, a critical transportation corridor that will ultimately connect **U.S. Highway 90 to FM 471**. The project is intended to relieve congestion, support regional mobility, and accommodate existing and future residential and commercial development.
- The subdivision to the east, **Flat Creek**, donated its required **120 feet of right-of-way** to support the planned boulevard-section thoroughfare. However, the adjacent **Alsatian Oaks** development was planned and vested before the Northern Route alignment was established. Under the City's subdivision regulations in effect at the time, Alsatian Oaks was required to dedicate only **60 feet of right-of-way**, and therefore did not anticipate or reserve land for a 120-foot corridor. As a result, the City has been negotiating with the developer to acquire the additional sixty feet of right-of-way necessary to complete the project.
- To support negotiations, the City obtained an independent appraisal establishing the fair market value of the property. The landowner's requested compensation significantly exceeded the appraised value, and despite multiple good-faith discussions, the parties have been unable to reach agreement on purchase terms.
- Because the Northern Route is a public roadway project and the corridor cannot be completed without acquisition of the remaining segment, the City must now determine whether to initiate eminent domain proceedings in accordance with **Chapter 21, Texas Property Code**, and **Chapter 251, Texas Local Government Code**. The attached resolution authorizes the City Administrator to complete necessary surveying and appraisal documentation and authorizes the City Attorney to file condemnation proceedings to acquire the **6.646-acre tract** required for the public right-of-way.

STAFF RECOMMENDATION

Staff recommends adoption of the proposed resolution.

Fiscal Impact:

Costs will include acquisition of the right-of-way at fair market value, statutory relocation or compensation requirements (if applicable), surveying, appraisal, and legal costs associated with eminent domain proceedings. Funding will be addressed through approved capital project appropriations.

☐ **Budgeted** ☒ **Requires Budget Amendment**

Source of Funding: General Fund Reserves

Urgency (0-5 = Low Urgency to High Urgency): 4

Impact (0-5 = Low Impact to High Impact): 4

Submitted by: R. Scott Dixon

Attachments: Resolution authorizing initiation of eminent domain

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CASTROVILLE, TEXAS, AUTHORIZING CERTAIN ACTIONS INCLUDING PROCEEDINGS IN EMINENT DOMAIN TO ACQUIRE CERTAIN PROPERTY TO BE USED FOR CITY RIGHT-OF-WAY FROM HWY 90 CASTROVILLE PARTNERS, LTD.; FINDING SUCH ACQUISITION TO BE NECESSARY FOR THE PUBLIC USE OF STREET RIGHT-OF-WAY; DIRECTING THE CITY ADMINISTRATOR OR THE CITY ADMINISTRATOR'S DESIGNEE TO OBTAIN ALL NECESSARY SURVEYS AND APPRAISALS AND TO EXECUTE ALL DOCUMENTS REQUIRED TO INSTITUTE EMINENT DOMAIN PROCEEDINGS; AND DIRECTING THE CITY ATTORNEY TO INITIATE CONDEMNATION PROCEEDINGS.

WHEREAS, pursuant to Chapter 251, Texas Local Gov't Code, the City of Castroville, Texas, as a Type A general-law in the State of Texas (sometimes the "City") has the authority to exercise the power of eminent domain in order to acquire real property found necessary for a public use; and

WHEREAS, the City Council finds it necessary to acquire certain real property for a public use, the property of which consists of a 6.646-acre tract of land out of 228.59 acres of land, more or less, situated in the L. M. Collard Survey No. 97, Abstract No. 1259, City of Castroville, Medina County, Texas (the 6.646-acre tract of land hereafter referred to as the "Property," and the 228.59-acre tract of land hereafter as the "Parent Tract"); and

WHEREAS, the City finds that public necessity requires the City to acquire the Property from the owner, HWY 90 Castroville Partners, LTD., for the public purpose of installing a thoroughfare for the connection of Highway 90 to Highway 471 (the "Project"); and

WHEREAS, the public purpose of the Project is to provide a reliever route to improve traffic management and circulation, in order to accommodate population growth and the increased traffic expected from current and future residential and commercial development in the area, and to enable the City to acquire the Property in fee, together with ingress and egress rights over and across the Parent Tract, by purchase or through eminent domain pursuant to the City's power of eminent domain; and

WHEREAS eminent domain proceedings in the State of Texas are governed by Chapter 21 of the Texas Property Code; and

WHEREAS, under Chapter 21 of the Texas Property Code, a governmental entity exercising the power of eminent domain must first authorize the initiation of the condemnation proceeding at a public meeting by a record vote adopting a resolution, ordinance, or order; and

WHEREAS, the City of Castroville City Council finds that the City has, through agents and representatives, engaged in bona fide good faith negotiations with HWY 90 Castroville Partners, LTD. or its agents or representatives, to acquire the Property, and has failed to finalize or reach agreement regarding the purchase price or damages; and

WHEREAS, as a result of the failure to reach agreement with HWY 90 Castroville Partners, LTD. regarding the purchase price or damages for the Property, the City Council finds it necessary to authorize the initiation of the condemnation proceeding at a public meeting by a record vote by adopting this resolution; and

WHEREAS, the City Council finds that a public necessity exists and that acquiring the property referenced herein is necessary to accomplish the above-described public purpose and public use.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CASTROVILLE, TEXAS, THAT:

SECTION 1. The foregoing recitals are hereby found to be true and correct and are hereby adopted by the City Council of the City of Castroville, Texas and made a part hereof for all purposes as findings of fact.

SECTION 2. That public necessity requires that the City of Castroville, Texas acquire the Property, consisting of 6.646 acres, along with the right of access to the Property in connection therewith, over, across, upon and under the Parent Tract, to wit:

<u>Landowner</u>	<u>County</u>	<u>Survey</u>	<u>Abstract</u>	<u>Acres Owned (Parent Tract)</u>	<u>Property Subject to Condemnation</u>	<u>Exhibit</u>
HWY 90 Castroville Partners, LTD.	Medina	L. M. Collard Survey 97	A1259	Being a portion of that tract described as 228.59 acres	6.646 acres Access across the Parent Tract only to the extent necessary to access the Property to realize the Project	A

As more fully described in **Exhibit “A”** attached hereto and made a part hereof for all purposes, from said landowner or other persons who are determined to be the owners of the Property, for the public purpose of installing a thoroughfare for the connection of Highway 90 to Highway 471, as a reliever route to accommodate the current and future residential and commercial development and population growth the area has experienced which is expected to continue well into the foreseeable future, and the rights of ingress and egress over and across the Parent Tract to access the Property, either through purchase or by the process of eminent domain, and that the City take all other lawful action necessary and incidental to such purchases or eminent domain proceedings.

SECTION 3: It is hereby determined that representatives of the City of Castroville, Texas have been unable to reach a finalized agreement or the final value of such property interests or the damages to

be paid, if any, with HWY 90 Castroville Partners, LTD., and further settlement negotiations, at this stage, between representatives of both parties have become futile.

SECTION 4. The City Council of the City of Castroville, Texas hereby authorizes, approves, and directs the City Administrator or the City Administrator's Designee, on behalf of the City, to condemn the property interests in the Property described above and to sign and execute all necessary documents to institute eminent domain proceedings for the acquisition of the Property described above and in **Exhibit "A"** herein.

SECTION 5. The City of Castroville City Council authorizes and directs the City Attorney, on behalf of the City, to initiate condemnation proceedings and such other actions as are necessary to acquire the property interest in the Property described above and in **Exhibit "A"** herein, by the exercise of the power of eminent domain.

SECTION 6: All acts and proceedings done or initiated by the employees, agents, and attorneys of the City of Castroville, Texas for the acquisition of such property is hereby authorized, ratified, approved, confirmed, and validated and declared to be valid in all respects as of the respective dates thereof with and in regard to the grantor from whom such rights have been or are being acquired.

SECTION 7. If it is later determined that there are any errors in the descriptions contained herein or if later surveys contain more accurate revised descriptions, the City Attorney is authorized to have such errors corrected or revisions made without the necessity of obtaining a new resolution of the City Council authorizing the condemnation of the corrected or revised Property.

SECTION 8: If any provisions, sections, subsections, sentences, clauses or phrases of this Resolution, or the application of same to any person or set of circumstances is for any reason held to be unconstitutional, void or invalid, the validity of the remaining portions of this Resolution shall not be affected thereby, it being the intent of the City Council of the City of Castroville, Texas in adopting this Resolution that no portion thereof, or provisions or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality or invalidity of any other portion hereof and all provisions of this Resolution are declared to be severable for that purpose.

SECTION 9: All ordinances and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters ordained herein.

SECTION 10: It is officially found, determined, and declared that the meeting at which this Resolution 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 Resolution, was given, all as required by Chapter 551, as amended, Texas Government Code, and that the vote authorizing the adoption of this Resolution and the use of eminent domain power as specified herein was taken in a public meeting by record vote.

SECTION 11. This Resolution shall become effective immediately upon its passage.

<u>Council Member</u>	<u>In Favor</u>	<u>Opposed</u>
Mayor Bruce Alexander	_____	_____
Council Member Sheena Martinez	_____	_____
Council Member Houston Marchman	_____	_____
Council Member Phil King	_____	_____
Council Member David Merz	_____	_____
Council Member Robert Lee	_____	_____

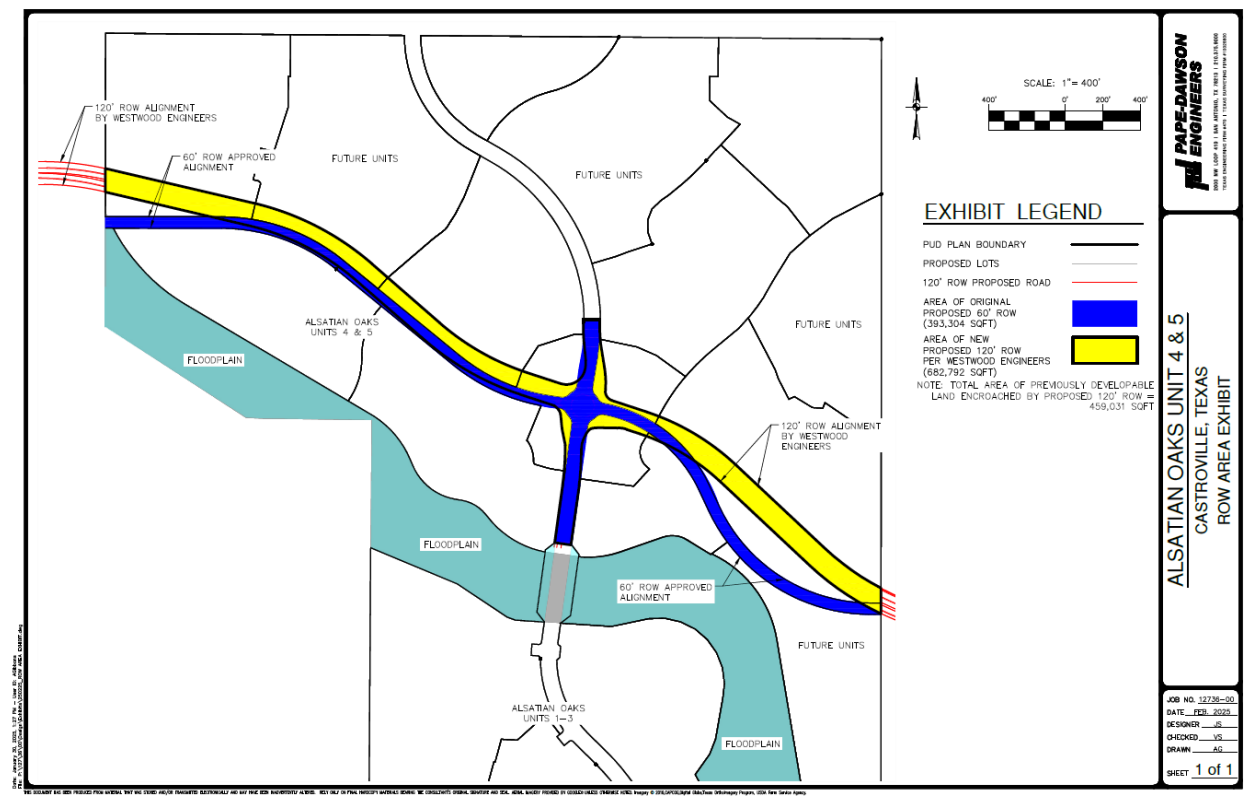
PASSED AND APPROVED on this ____ day of November 2025.

Bruce Alexander, Mayor
City of Castroville, Texas

ATTEST:

Debra Howe, City Secretary

EXHIBIT A





Agenda Report

Agenda of: December 16, 2025

Department: Administration

Subject: Consider and take appropriate action on appointing a City Council member to act as Liaison to the Chamber of Commerce

Recommended Motion:

Move to appoint _____ as Council liaison to the Castroville Chamber of Commerce.

Background:

At the November 19th City Council meeting, the Council briefly discussed establishing a designated liaison to the Castroville Area Chamber of Commerce to support improved communication, coordination, and partnership development. The Mayor has proposed appointing **Councilman Houston Marchman** to serve in this role. Councilman Marchman already serves as liaison to the Planning & Zoning Commission and has been actively engaged with the Chamber in discussions regarding enhanced collaboration.

The purpose of designating a Council liaison is to facilitate consistent dialogue between the City and the Chamber as both organizations explore opportunities to strengthen their working relationship. Current discussions include the potential for the Chamber to provide **contracted services** to the City on a limited basis—such as **social media management, tourism promotion, and event planning/coordination**—in alignment with the City’s economic development and community engagement priorities.

Formal appointment of a liaison will help ensure timely communication, clarity of roles, and continued progress on evaluating the feasibility and scope of any future service contracts.

STAFF RECOMMENDATION

Staff recommends establishing the liaison position as has been proposed.

Fiscal Impact:

None at this time. Any future proposals for contracted services by the Chamber would be presented to the Council separately for review and approval, including associated budget impacts.

☒ **Budgeted** ☐ **Requires Budget Amendment**

Source of Funding: TBD

Urgency (0-5 = Low Urgency to High Urgency): 3

Impact (0-5 = Low Impact to High Impact): 3

Submitted by: R. Scott Dixon

Attachments: None.



Agenda Report

Agenda of:	December 16, 2025
Department:	Administration
Subject:	Consider and take appropriate action on requesting a traffic study be completed by the Police Department for the Downtown Historic Commercial District, including but not limited to Fiorella, Paris, Lafayette, and London Streets.

Recommended Motion:

Move to authorize the Police Department to conduct a formal traffic and speed study of the Downtown Historic Commercial District as discussed.

Background:

At the November 19th City Council meeting, this item was identified under “Future Agenda Items” due to ongoing concerns regarding pedestrian safety and vehicle speeds within the Downtown Historic Commercial District. The area includes Fiorella, Paris, Lafayette, and London Streets—corridors that experience significant pedestrian activity associated with local businesses, tourism, and special events.

Under the City’s **Traffic Calming Policy** (adopted June 24, 2014), formal Council action is required to initiate a traffic study. The policy outlines that traffic-calming requests must begin with data collection—specifically, a speed survey conducted by the Police Department—before any potential improvements or interventions may be evaluated. The policy emphasizes safety for pedestrians and defines speed-study procedures, data requirements, and thresholds for determining whether a speeding problem exists (e.g., use of 85th-percentile speed, timing of surveys, and subsequent analysis).

Conducting a study at this stage will help determine whether measurable speeding or traffic-flow issues exist and will provide the necessary data for any future consideration of signage, enforcement adjustments, crosswalk enhancements, or other traffic-calming strategies.

STAFF RECOMMENDATION

Staff recommends conducting the traffic study as proposed.

Fiscal Impact:

Minimal. The Police Department will perform the traffic-speed surveys using existing personnel and equipment. Should Council later determine that traffic-calming improvements are warranted, costs for

any physical improvements would be brought back to Council for review and budget consideration, as required by policy.

☒ **Budgeted** ☐ **Requires Budget Amendment**

Source of Funding: TBD

Urgency (0-5 = Low Urgency to High Urgency): 3

Impact (0-5 = Low Impact to High Impact): 3

Submitted by: R. Scott Dixon

Attachments: Traffic Calming Policy

CITY OF CASTROVILLE

Traffic Calming Policy
June 24, 2014

This document has been generated as a means of memorializing the rationale, process and engineering specifications which make up the City’s “Traffic Calming Policy”. It is not intended to be an absolute set of rules, but rather a guideline to be followed when responding to traffic calming related issues. In Castroville, the City Council is the final authority for such improvement decisions because they are charged by State law, as a type A General Law City, with the ultimate responsibility for the guardianship on behalf of the public, for all public rights-of-ways within the City boundaries (with the exception of State Highways).

Traffic calming is a proactive attempt to improve the livability of residential neighborhoods. It is an attempt to physically change the character of streets, improve safety and encourage drivers to obey the speed limit. Traffic calming utilizes a variety of physical devices to alter the geometry of a street as well as create visual narrowing to slow down traffic. The following policy has been developed to address traffic speed issues in our neighborhoods.

It is the intention of the City of Castroville Traffic Calming Policy to address traffic problems and concerns on residential streets. While not intended to make streets play areas for children or adults, calming traffic intends to generally improve safety for pedestrians, bicyclists, and others who travel along or across our streets.

A. RATIONALE

Funding a traffic calming program with the limited resources of the City is difficult. Therefore, the following recommendation has been established. When the affected residents desire to change the characteristics of a street in an attempt to slow traffic, without a documented speed problem, they will be responsible for funding the out of pocket costs of such changes. This methodology is consistent with the City’s Subdivision Ordinance.

Normally, a subdivision developer will select the construction type of new neighborhood streets at the time the land is platted and the development is created. The developer then pays for the initial construction. Once the street improvements are built to proper standards, the City will accept the streets for maintenance.

In the case where a documented speed problem does exist, staff will make recommendations on how to best begin the process of eliminating the problem. Less expensive solutions such as *speed monitoring and display equipment* (a temporary device that is primarily used to educate motorists regarding the fact that they may be significantly exceeding the posted speed limit), *increased patrol* (traditional enforcement activity on the part of the Castroville Police Department intended to modify behavior to result in a safer situation for all drivers and

neighbors) and *sign improvements and pavement markings* (if necessary, City staff will install additional signing or striping in the area) should be considered first. The City staff will wait a minimum of forty-five days and a maximum of six months, and then conduct another speed data collection. The data will then be analyzed to determine if the traffic calming measure(s) taken were successful. If the measure(s) were successful, then the traffic calming process will end at that point. If those measures do not work then physical changes should be considered to slow traffic. With approval from Council, City staff will include a budget line item in the following year's budget to cover the estimated cost of those improvements; unless, the City Council directs that the improvements be funded from the current year's budget.

Prior to making any permanent changes to the street, the following procedure has been established to guide the process.

B. PROCEDURE

The definition of the impact area needs to be large enough to cover the residents directly impacted by the improvements, but also must consider that traffic calming is intended to address the needs of the neighborhood and not those of through traffic.

The impact area will be defined as the properties within one block of an intersection project, and all properties fronting the study block of the street in the case of a project at the mid-block of a street. In addition, roads that have their sole access through the study block will be included in the impact area such as dead end streets, which intersect an affected block.

If a neighborhood has an established, active homeowners association, all properties within that association will be included in the impact area. In cases where the street, in the study area, is on the boundary of the association, the study area will not include the entire association, but shall be defined as mentioned in the above paragraph.

C. PROCESS

When the City receives a request for a traffic calming study, the requesting party or association will be required to obtain signatures of a majority of properties within the impact area.

When the required signatures have been presented to the City, a traffic speed survey will be performed on the study street(s). All speed surveys will be conducted while local schools are in session and when weather conditions do not indirectly affect the speed of vehicles in the study area. Staff will schedule the speed surveys so the data can be tabulated and a project can be designed with ample time to include the project in the following year's budget request to City Council; unless, directed otherwise by City Council.

A speeding problem is defined as the 85th percentile speed being 5 MPH or more over the posted speed limit in both directions. If the speed survey indicates a problem, City staff will submit to City Council the findings and make a recommendation on how best to proceed to

begin the process of calming traffic. If the speed survey data collected indicates no speeding problem within the study area, no improvements will be budgeted by the City. If the residents within the study area are still interested in traffic calming improvements without supporting data, they may choose to pay for the improvements including the cost for design, oversight implementation of the improvements and any required project contingency funds as defined in a specific plan developed by City staff with City Council approval of that plan. In formulating the specific plan, City staff shall adhere to the Manual on Uniform Traffic Control Devices (MUTCD) or its equivalent. For the City to approve a project with no supporting speed data there must be documented 80% support from the affected neighborhood.

The traffic calming tools to be considered in the development of a plan are:

1. Sign Improvements and Pavement Markings
2. Increased Enforcement
3. Speed Monitoring and Display Equipment
4. Raised Crosswalks
5. Speed Humps and Tables
6. Pedestrian Improvements
7. Curb Extensions (Bump Outs)
8. Landscape Medians
9. Roundabouts

Speed humps will only be used on local streets, and should not be considered on restricted streets or "residential collector" streets. Restricted streets are defined as streets that allow emergency vehicles to reach all parts of the City without delay.

The City staff will schedule a neighborhood meeting inviting all residents in the impact area to attend. The preliminary plans will be discussed and input from the residents will be considered before developing a final plan. At that point in the process, the plan will be presented to the City Council for consideration. If City Council approves the plan, City staff will include the project estimate in the next year's budget for possible funding; however, the plan may be funded from the current year's budget if approved by the City Council.

The construction of the plan will be scheduled into the next year's budget work program for the Public Services Department, unless directed otherwise. The Department will perform any project components that they are able to. All other work will be contracted out during that year's Street Improvement Program and incorporated into the project scope. In the event that a documented speeding problem exists, the City will attempt to fund all traffic calming improvements in a timely manner. Where there is not a documented speeding problem, the estimated cost of the project performed by contractors, as well as any out of pocket costs to the City, will be the resident's responsibility to fund. The City must receive the amount estimated in advance of any construction. Those funds will be placed in an escrow account and drawn from to pay for the project. Any excess funds will be returned to the residents.

The City may perform the following tasks as part of the Plan:

1. Removal of Existing Asphalt and Concrete for Project Preparation
2. Simple Irrigation Design and Construction in Planning Areas
3. Tree and Shrub Planting
4. Some Concrete Curb and Gutter Construction
5. Most Asphalt Patching
6. Traffic Control for its Own Work
7. Speed Bump Construction
8. Sign Installation

The City may outsource one or more of the tasks below as part of the Plan:

1. Concrete Construction Beyond the Scope of City Staff
2. Asphalt Construction Beyond the Scope of City Staff
3. Irrigation Design and Construction Beyond the Scope of City Staff
4. Engineering Drainage Plan for Improvements
5. Pavement Markings
6. All Materials Needed to Facilitate Construction of the Improvements Including all Asphalt, Concrete, Landscape Materials and Irrigation Equipment

Adopted
6/24/14



Agenda Report

Agenda of:	December 16, 2025
Department:	Administration
Subject:	Consider and take appropriate action to adopt a resolution to update the City of Castroville Personnel Policies and Procedures

Recommended Motion:

Motion to approve the resolution adopting the revisions to the City of Castroville Personnel Policies and Procedures as discussed.

Background:

The City of Castroville’s Personnel Policies were last comprehensively updated in 2014. Since that time, federal and state employment laws have evolved significantly, and the City has implemented multiple administrative and operational changes that were not yet reflected in the adopted handbook.

Over the past several months, staff has conducted a full review of the Personnel Policies, comparing the adopted 2014 version with (1) updates tracked by City staff over time, (2) applicable federal and state requirements, and (3) best practices recommended by the Texas Municipal League (TML) and ADP’s employee handbook guidance.

The resulting draft (v4.2) consolidates these changes and incorporates additional compliance-driven updates needed to maintain legal consistency and operational clarity. Major revisions include:

Updates Required by Federal or State Law

- Expanded **Equal Employment Opportunity (EEO)** provisions to include additional protected classes now recognized under federal and Texas law.
- Expanded **Family and Medical Leave Act (FMLA)** section, including eligibility, intermittent leave, notice requirements, and restoration rights.
- Added **Whistleblower protections** consistent with Texas Government Code Chapter 554.
- Added **First Responder Leave (Police Only)** as required under Texas statute for quarantine, line-of-duty illness/injury, and mental health support.

Administrative and Operational Updates

- Consolidated all **Certification Pay** into Section 9.11—including Police, Public Works, and newly added **Parks & Recreation certification pay**—with standardized eligibility, hourly and monthly structures, and renewal requirements.
- Updated **Longevity Pay** to reflect the City’s current practice of \$100 per year of service, up to 20 years (\$2,000 cap).
- Updated **Overtime** provisions to clarify that holiday hours count toward overtime for hourly employees (excluding police).
- Removed **Compensatory Time** provisions due to ADP system limitations.
- Corrected and clarified **Vacation Leave** accrual steps.
- Updated the City’s official **Holiday Schedule**.
- Added updated **Inclement Weather/Emergency Operations** provisions.
- Removed Council Appeal Process for grievances.

Staff has prepared a redlined version of the Personnel Policies to show all changes and an executive summary to highlight revisions made since 2014. These documents accompany this agenda item.

STAFF RECOMMENDATION

Staff recommends adoption of the proposed policy. However, council may delay taking action for a subsequent meeting in order to allow ample time to review the proposed changes.

Fiscal Impact:

Minimal. The primary pay-related items (longevity, certification pay, police holiday pay) are already part of existing budgeted practices. No new unbudgeted expenditures are anticipated.

☒ **Budgeted** ☐ **Requires Budget Amendment**

Source of Funding:

Urgency (0-5 = Low Urgency to High Urgency): 2

Impact (0-5 = Low Impact to High Impact): 3

Submitted by: R. Scott Dixon

Attachments: Draft Personnel Policies and Procedures, Resolution for Adoption

CITY OF CASTROVILLE
PERSONNEL POLICIES AND PROCEDURES

Amended and Updated **December 16, 2025**

INTRODUCTION

This document sets forth the policies and procedures governing all City of Castroville regular full-time, part-time and temporary employees and is not intended to cover every aspect or situation that might occur. For the purpose of this document, the term City will be used to refer to the City of Castroville. The language used in this document is not intended to create, nor is it to be construed to constitute a contract between the City and any one or all of its employees. This document replaces all administrative rules, regulations and policies adopted prior to the date of this document. The City reserves the right to deviate or depart from, make exceptions to, interpret and apply any of its policies and policy provisions, including those in this document as it sees fit based on particular facts or changing conditions or as it otherwise determines for any reason in its sole judgment. If any conflict arises with these policies and procedures, Texas or Federal law governs respectively, unless such documents specifically state that it is subordinate to these policies and procedures.

Employees have a very important role in the success of the City of Castroville. Through a desire to serve, and with pride in one's job, each employee can contribute to ensuring the City of Castroville remains and improves as a great place to live, work, shop and invest.

The purpose of these rules and policies is to promote a high degree of understanding, cooperation and efficiency among all employees and to provide a good working relationship within a uniform personnel manual.

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CHAPTER 1. SCOPE OF PERSONNEL POLICIES AND PROCEDURES

This document sets forth the Personnel Policies and Procedures governing all City regular full-time, part-time and temporary employees. These policies and procedures replace all administrative rules, regulations and policies adopted prior to the date of this document. If any conflict or inconsistency arises with these policies and procedures, Texas or Federal law governs respectively, unless such documents specifically state that it is subordinate to these policies and procedures.

CHAPTER 2. ORGANIZATIONAL STRUCTURE

SECTION 2.01 City Council

The City Council is the policy-making authority of the City of Castroville. The City Council has the authority to set policy on pay rates, working conditions and employee benefits as they find to be in the public interest.

SECTION 2.02 City Administrator

The City Administrator is responsible for the effective administration of personnel policies and procedures and may delegate such functions as deemed necessary. The City Administrator may adopt, amend or rescind administrative procedures or rules and regulations to implement the provisions of these policies and procedures.

SECTION 2.03 Department Directors

Department Directors are responsible for the day-to-day administration of these Personnel Policies and Procedures. A Department Director may make departmental rules and regulations that govern the conduct and performance of employees. The City Administrator is responsible for reviewing departmental rules for consistency with these policies and procedures. Departmental rules and regulations are published and distributed. They have the full force and effect of rules of that particular department. Disciplinary action, as outlined in Chapter 20, may be based upon violation of any such rule and/or regulation.

SECTION 2.04 Human Resource Functions

The Administrative Services Director is responsible for administering and coordinating the human resource activities of the City.

CHAPTER 3. EQUAL OPPORTUNITY/ACCESSIBLE EMPLOYER

The City is an Equal Opportunity Employer. The City provides equal employment opportunities to all employees and applicants for employment without regard to the person's race, creed, sex, national origin, gender, sexual orientation, genetic information, veteran status, religion, age or any other protected class (as defined by law), or any other non-merit factor, except when specific age, sex or physical requirements constitute a bona-fide occupational qualification (BFOQ).

The City is also an accessible employer and will engage in the interactive process to address reasonable accommodations to maintain accessible working conditions which do not create an undue burden on the City.

CHAPTER 4. TYPES OF EMPLOYMENT

The City hires employees in several different employment types as defined below.

SECTION 4.01 Regular Full-Time Employee

Regular full-time employees are scheduled to work forty (40) hours during the workweek in a budgeted position on a continuous basis and receive benefits as further defined in this document. Regular full-time employees may work a different work period, other than a forty-hour workweek, for example law enforcement.

SECTION 4.02 Regular Part-Time Employee

Regular part-time employees are scheduled to work on average at least 20 hours but fewer than 40 hours during the work week in a budgeted position on a continuous basis and do not receive employee benefits, except as defined by the Texas Municipal Retirement System (TMRS). See TMRS policies for details. These employees may be in exempt or non-exempt positions.

SECTION 4.03 Temporary Employee

Temporary employees may work full-time or part-time and are hired for a specific period of time or for a special job, task or project that is intended to be of limited duration, such as summer months or holidays. Specific budgeted positions do not exist for these employees. These employees work for a specified hourly wage and are not eligible for employee benefits; except as defined by the Texas Municipal Retirement System (TMRS). See TMRS policies for details.

SECTION 4.04 Emergency Temporary Appointments

During an emergency the City Administrator may immediately fill positions without regard to normal selection and hiring processes. These appointments will not exceed 30 working days.

CHAPTER 5. CLASSIFICATION SYSTEM

SECTION 5.01 Job Classification Plan

The Administrative Services Director administers and maintains the classification plan for all positions. The classification plan groups together positions that may be similar in nature, have approximately the same level of difficulty and responsibility, require comparable skills, knowledge and abilities at the time of recruitment, and that may be fairly compensated by a general range of pay.

SECTION 5.02 Job Descriptions

Job descriptions are written and outline the duties, required skills, knowledge and abilities, education and experience requirements, and essential job functions for each job. Job descriptions are meant to include essential job functions but may not be inclusive of all job duties. Employees are entitled to have a copy of the job description for their current position.

SECTION 5.03 Compensation Pay Plan

The purpose of the Compensation Pay Plan is to ensure that the City is able to attract, retain and motivate employees through a compensation plan that is fair, representative of ability and performance, and promotes the City's goals and overall vision.

The City Administrator is responsible for the development of a uniform and equitable Compensation Pay Plan that consists of minimum and maximum pay rates for each classification, subject to the approval of the City Council.

In reviewing salary ranges, consideration is given to the following:

1. Internal alignment
2. Salary survey results
3. Labor market
4. Other benefits received by employees
5. Information on pay adjustments being given in survey jurisdictions for the same period
6. The City's funding ability

SECTION 5.04 Position Reviews

Position reviews may occur if the nature and duties of a position have changed significantly over a period of time. The Administrative Services Director periodically reviews positions and job descriptions to ensure they are accurate and up to date. Position review requests are usually conducted during the budget process each year.

CHAPTER 6. RECRUITMENT - HIRING PROCESS

Applicants may be recruited from existing employees, outside applicants or both. Job announcements state the application deadline or "Open Until Filled". The hiring authority determines the preferred means of recruitment and the application deadline.

SECTION 6.01 In-House Recruitment

Position vacancies are advertised to City employees only. When recruitment is from employees only, the job announcement indicates so and is posted for a minimum of five (5) working days. Interested employees may apply for in-house position vacancies by submitting an application and/or resume as directed in the job announcement.

SECTION 6.02 Open Recruitment

Position vacancies may be advertised on the Internet, in the local paper, etc. These positions are posted for a minimum of ten (10) working days. Applicants, including City employees, may apply for positions by submitting an application and/or resume as directed in the job announcement.

SECTION 6.03 Position Announcements

Announcements of all job openings are distributed to inform interested and qualified applicants and contain the following information when applicable:

- Job title;
- The type of recruitment (in-house or open recruitment);
- Essential job functions including major job duties and requirements;
- Time, place and manner of making application;
- Application closing date or "Open Until Filled"; and
- The statement "An Equal Opportunity Employer" appears on all advertising.

SECTION 6.04 Rejection of Applicants

Applications may be rejected for the following reason(s):

- The applicant does not meet the stated qualifications for the position;
- The application form is incomplete;
- The application form is found to contain false or intentionally misleading statements of material fact;
- The applicant has a record of unsatisfactory employment;
- The applicant has been convicted of a crime that would preclude the applicant from effectively performing the duties of the position applied for; or
- Other valid circumstances that indicate the applicant is unfit for the employment sought.

SECTION 6.05 Selection Process

Applicants for all City positions undergo an appropriate selection process. The process may consist of any or all of the following: A written test of knowledge, a skills or performance examination, an assessment of capabilities needed for the position, a verbal interview, reference checks, physical fitness test, medical examination, drug/alcohol test or any other appropriate

selection process. These are designed to determine as closely as possible the applicant's ability to perform the essential job functions and duties of the position.

CHAPTER 7. AT WILL EMPLOYMENT

Employment with the City is defined “At Will” which means that employment may be terminated at any time, at the will of either party, with or without notice and with or without cause, for any reason or for no reason at all. Employment is for an indefinite period of time and progressive disciplinary procedures as outlined in this document do not imply an employment contract. An employee’s orientation period does not alter “At-Will” status.

CHAPTER 8. APPOINTMENT AND CHANGES IN EMPLOYEE STATUS

SECTION 8.01 Orientation Period

The purpose of the orientation period is to provide an opportunity for the supervisor to train, observe and evaluate the employee's performance. The orientation period begins with the date of employment and has a minimum duration of 6 months. During the orientation period, the employee may be terminated. Employees in this orientation period have no appeal rights for termination.

A performance appraisal is completed by the supervisor at least ten (10) working days prior to the end of the employee's first six months of service. Informal evaluations may be done at any time if necessary or advisable to give the employee feedback sooner.

Upon completion of the final performance evaluation, the supervisor recommends one of the following to the Department Director:

1. That the employee be granted regular status;
2. That the employee's orientation be extended for a period not to exceed six months;
3. That the employee be demoted; or
4. That the employee be terminated.

Action "3" or "4" may be taken at any time during the first six months of employment. If no action is taken by the end of the sixth month of continuous service, the employee is automatically granted regular status.

Employees who are hired to attend and successfully complete classes or training as a condition of employment prior to performing the essential job functions of the positions they were hired for, will serve their six (6) month orientation period after completion of classes or training, for example, Police Cadets.

SECTION 8.02 Promotional Orientation Period

Employees who are promoted within the organization are subject to a six (6) month promotional orientation period that begins with the effective date of the promotion. The purpose of the promotional orientation period is to provide an opportunity for the supervisor to train, observe and evaluate the employee's performance.

A performance appraisal is completed by the supervisor prior to the end of the employee's promotional orientation period. Informal evaluations may be done at any time if necessary or advisable to give the employee feedback sooner.

If the employee does not satisfactorily meet the performance standards of the position, the:

1. Orientation period may be extended 3 more months;
2. The employee may be demoted back to their previous position and rate of pay if it is available and the Department Director agrees to accept the employee, or
3. The employee is terminated.

SECTION 8.03 Promotions

Promotions occur as a result of an employee applying and being selected for a position in a higher pay range. Employees are encouraged to apply for internal promotions.

SECTION 8.04 Transfers

A transfer is the assignment or movement of an employee from one position to another position in the same job classification or pay range in the same or different department. A transfer may be made for administrative reasons or upon written request from the employee for an available opening. The employee must possess the minimum qualifications for the new job. Department Directors may transfer employees in their department within the same classification. Any other transfer from one classification to another or from one department to another must be approved by the City Administrator.

SECTION 8.05 Demotions

Demotions may be either voluntary or involuntary and occur at the discretion of the City Administrator:

1. When the employee's position is eliminated due to a change in organization, funding, or a reduction in workforce;
2. Upon written request of the employee and if the employee meets the minimum qualifications for the position;
3. When it is documented that an employee is unable to satisfactorily perform the duties and responsibilities of their position and is reduced from their current rate of pay and pay range to a lower pay range and job classification; or
4. When the seriousness of an infraction of the Personnel Policies and Procedures is such that disciplinary action must be taken.

SECTION 8.06 Reinstatement

When it is in the best interest of the City, an employee who resigns in good standing may be reinstated to the employee's former position if it is available. Reinstatement is allowable within three months following the resignation without the employee being required to go through the selection process, provided the person remains qualified to perform the essential functions and duties of the position. Employees who resign their employment with the City a second time are not eligible for reinstatement. Tenure or length of service with the City for purposes of length of service and leave calculation do not accrue during the period the employee is gone. However, upon reinstatement, length of service will resume without loss of tenure gained prior to the employee's resignation. Leave balances are not reinstated.

Employees not eligible for reinstatement under the above provisions are eligible to submit an application. If the previous employee is rehired, the employee is treated as a newly hired employee and is required to successfully complete the orientation period. Employees who were previously employed by the City in a regular position for more than five continuous years will have their prior service credited toward their total length of service for leave benefits after the employee has completed twelve continuous months of service in the new position.

CHAPTER 9. PAY AND PAY CHANGES

SECTION 9.01 Employee Appointment Rate

Employees are normally hired at the minimum of the pay range. With written documentation, employees may occasional be hired above the minimum of the pay range if their skills and knowledge are sufficient to allow them to immediately begin performing at a very skilled level or if market conditions warrant a higher salary level as approved by the City Administrator.

SECTION 9.02 Appointment or Separation on a Holiday or Weekend

Unless it is a normal scheduled workday, appointments and separations of duty are not effective on designated City holidays or on weekends.

SECTION 9.03 Pay Days

Employees are paid on a bi-weekly system, twenty-six (26) times in a calendar year. If payday falls on a holiday, payday is the previous regular workday.

SECTION 9.04 Payroll Deductions

The City deducts from each employee's paycheck those amounts required by law such as: Social Security Taxes, Federal withholding income taxes, retirement contributions, and other amounts authorized in writing by the employee. Mandatory deductions may also include those ordered by a court.

SECTION 9.05 Pay Changes

The City provides various types of salary increases to recognize employee performance, market conditions, internal equity, etc. The City Administrator is responsible for administering pay changes and salary increases within established personnel policies, subject to funding as approved in the budget process. The City Administrator may utilize any one or combination of the following policies for administering pay changes or salary increases.

SECTION 9.06 Merit/Performance Increases

Merit/Performance increases are awarded to employees in recognition of their work performance. A merit/performance increase cannot increase any employee's salary beyond the maximum of the position's pay range.

Employees are usually eligible to receive merit increases after the required six (6) month orientation period in the current position is successfully completed. Employees are then eligible to receive merit/performance increases on their anniversary date, which is twelve (12) months of continuous service in their current position.

Each time an employee is promoted to a new position, a new evaluation date is established. These employees are eligible for merit/performance increases after their six (6) month promotional orientation period is successfully completed and then after twelve (12) months in the new position.

A written performance evaluation for each employee must be completed prior to recommendation

for a merit/performance increase. Merit/performance increases are effective on the first day of the pay period following final authorization.

SECTION 9.07 Uniform Salary Adjustment/Compensation Pay Plan Adjustment

During the budget process the City Council may authorize uniform salary adjustments to employees' base rate of pay and changes to the compensation pay plan. Factors such as the Consumer Price Index, inflation and market conditions are considered in setting a specific percentage or dollar amount increase. If a uniform salary adjustment is granted, all employees will receive an adjustment to their base rate of pay so long as they do not exceed the maximum of their pay range. When changes are made to the compensation pay plan, only employees whose pay is below the minimum of the pay range will be moved to the minimum of the pay range for their position.

SECTION 9.08 Lump Sum Adjustments

There may be times when it is appropriate for an employee to receive a one-time lump-sum salary adjustment. Specific reasons for such adjustments must be documented and follow any applicable laws and/or statutes. These adjustments may also be given to employees who have reached the maximum pay of their respective pay grade in lieu of a raise.

SECTION 9.09 Other Salary Adjustments

The City recognizes that other pay adjustments may be necessary at times to address issues of internal equity, competitive market forces or other relevant factors. The City Administrator may authorize other salary adjustments.

SECTION 9.10 Longevity

The City values retaining good employees and recognizes regular full-time employees who have completed one year of continuous service by granting longevity pay of ~~\$3.00 per month for each full month of continuous service~~ **\$100 per year for each full year of continuous service**. Longevity pay is paid the first Friday in December for service earned through the end of the current calendar year. Employees terminating before the first Friday in December are not eligible for longevity pay.

12 months	1 year of service	\$36 \$100
24 months	2 years of service	\$72 \$200
36 months	3 years of service	\$108 \$300
48 months	4 years of service	\$144 \$400
60 months	5 years of service	\$180 \$500
72 months	6 years of service	\$216 \$600
84 months	7 years of service	\$252 \$700
96 months	8 years of service	\$288 \$800
108 months	9 years of service	\$324 \$900
120 months	10 years of service	\$360 \$1,000
132 months	11 years of service	\$396 \$1,100
144 months	12 years of service	\$432 \$1,200
156 months	13 years of service	\$468 \$1,300
168 months	14 years of service	\$504 \$1,400

There is no maximum number of years of longevity pay. ~~The maximum number of years longevity pay is calculated on is 14 years; the maximum paid is \$504.~~

SECTION 9.11 Professional Certification Pay

Employees may qualify for certification pay if they earn a job related certification or license from a professional association or agency that is higher than the level required for the position they hold. The City Administrator determines whether or not to accept any certification for pay purposes on a case by case basis. The certification must require significant study and/or testing of the employee’s skills or knowledge.

Certification pay applies to regular full-time employees and regular part-time permanent employees. Certifications must be relevant to the employee’s position and remain valid, current, and on file with Human Resources.

Employees must submit their certifications to their supervisor. Department Head & Human Resources will review relevance and eligibility. The City Administrator and Finance Director will have final review and approval before pay is applied.

Annual reviews will be conducted during the budget process. Eligible certifications and incentive amounts are subject to change.

Add that employees may be paid certification pay even if performing work for the City not within their respective department.

- ~~Level I ————— \$25 per month~~
- ~~Level II ————— \$50 per month~~
- ~~Level III ————— \$75 per month~~
- ~~Level IV ————— \$100 per month~~

~~No combination of certification pay will exceed \$100 per month per employee.~~

PUBLIC WORK CERTIFICATE PAY

Water/Wastewater Department

- Class D \$86.66 per month
- Class C \$173 per month
- Class B \$260 per month
- Class A \$346 per month

Electric Department

- Level I Merchant \$86.66 per month
- Level II Merchant \$173 per month
- Level III Merchant \$260 per month
- Journeyman lineman \$346 per month

Equipment Operator \$346 per month with approved training (must be in job description and attend training courses).

- Commercial Driver License A \$346 per month
- Commercial Driver License B \$173 per month

- Customer Service Inspection \$43 per month
- Backflow Prevention Assembly Tester \$43 per month
- Onsite Sewage Facilities \$43 per month
- License Irrigator \$43 per month

These certification pay does not stack and only increases by license upgrade.

POLICE DEPARTMENT CERTIFICATE PAY

Basic Certificate	\$50 per month
Intermediate Certificate	\$75 per month
Advance Certificate	\$100 per month
Masters Certificate	\$150 per month
Advance Tele-communications License	\$100 per month

PARKS AND RECREATION DEPARTMENT

Certified Playground Safety Inspection	\$1.00 per month
Certified Pool Operation / Aquatics Facility Operation	\$1.00 per month
Pesticide Applicator License	\$1.50 per month
Irrigator License	\$1.00 per month
Certified Parks & Recreation Profession	\$100 per month
Certified Parks & Recreation Executive	\$200 per month

SECTION 9.12 Pay Upon Promotion

It is the intent of the City to offer a pay increase for promotions. If the employee's annual salary is less than the minimum of the new pay range, the employee's salary is increased to that amount or by 5% whichever is greater. If the employee's annual salary is higher than the minimum of the new range, the employee's annual salary is increased by 5% or to the maximum of the pay range, whichever is less. Promoted employees are not eligible for merit increases until they have been in the position for at least six months.

SECTION 9.13 Acting Pay

Under certain circumstances, an employee may be eligible for acting pay, when the employee has been appointed to assume the duties of a higher level position on a temporary basis for a minimum of 30 consecutive days. Acting pay is retroactive to day one after the completion of 30 consecutive days. The employee may be eligible for:

1. A minimum of 5% increase in pay not to exceed the maximum of the pay range for the higher position,
2. Up to the minimum of the pay range for the higher position, or
3. A maximum of 25%, as long as the amount is within the pay range of the higher position.

Upon completion of the temporary assignment, the employee is returned to their original position at the previous pay rate.

SECTION 9.14 Pay Upon Transfer

When an employee is transferred to a position in the same pay range, the employee's pay remains the same.

SECTION 9.15 Pay Upon Demotion

When an employee is demoted either involuntarily or voluntarily to a lower paying position, the City Administrator determines whether the employee's pay remains the same or is decreased immediately. If the employee's pay is above the maximum of the lower pay range, the employee's salary is reduced to the maximum of the lower pay range. In the case of a voluntary demotion, the employee's rate of pay will be adjusted so as not to create internal equity issues in the new position.

SECTION 9.16 Pay Upon Reclassification

When an employee's job has been reviewed and it is reclassified to a higher pay range, the employee's pay remains the same unless their pay is lower than the minimum of the new pay range. If the employee's pay is lower than the minimum of the new pay range, the employee is moved to the new minimum effective the first workday of the pay period following approval of the reclassification.

When an employee's job has been reviewed and it is reclassified to a lower pay range, and the employee pay is higher than the maximum of the new pay range, the employee's pay is frozen until the maximum of the new pay range equals or exceeds the employee's pay

SECTION 9.17 Effective Date of Pay Changes

Pay changes are effective the first day of a pay period following final approval of the changes.

CHAPTER 10. PERSONNEL RECORDS

SECTION 10.01 Content

The Administrative Services Director maintains the official personnel files for all employees. Personnel files include: application forms, performance evaluation forms, pay increase forms and other such documents that track an employee's employment history and job status. Unless otherwise required by law, official personnel files are confidential and may not be used or divulged for purposes unconnected with official business unless the employee involved has granted written permission or as required by law. All inquiries regarding present or former employees, whether verbally or in writing; must be referred to Administrative Services.

Upon employment, each employee is expected to provide certain personal information such as, but not limited to, home telephone number, date of birth and person to contact in case of an emergency. Such information is maintained in the employee's file but is kept confidential in accordance with legal requirements.

SECTION 10.02 Accessibility

Employees have the right to reasonable inspection of their official personnel file during normal business hours. This can be done by scheduling an appointment through Administrative Services. A member of the Administrative Services staff is required to be present when an employee reviews their personnel file.

CHAPTER 11. HOURS OF WORK AND OVERTIME

SECTION 11.01 Normal Hours of Work

City Hall is open from 8:00 a.m. – 5:00 p.m., Monday through Friday (excluding holidays). Employees are expected to be at their work location and ready to begin work at the beginning of their work schedule. The City also observes a flexible work schedule in some departments.

SECTION 11.02 Work Week

Except as otherwise specified, the normal workweek is 40 hours per week, exclusive of meal breaks. The workweek begins at 12:01 a.m. Saturday and terminates at midnight on Friday. Department Directors are responsible for establishing daily work schedules.

SECTION 11.03 Work Period

Law enforcement employees follow an 86 hour work period in 14 days.

SECTION 11.04 Non-Exempt Employees

Non-exempt employees are in positions that do not meet the Administrative, Executive or Professional designations of FLSA.

SECTION 11.05 Overtime

Non-exempt employees are paid 1 ½ times their regular rate of pay for actual hours worked over 40 hours in the workweek **holidays are included in calculating overtime, other types of paid leave, such as vacation and sick leave are not included in calculating overtime.** Non-exempt Law Enforcement employees are paid 1 ½ times their regular rate of pay for actual hours worked over 86 hours in a 14 day work period. Other types of paid leave, such as vacation **and sick and holiday** leave are not included in calculating overtime; this includes Law Enforcement employees. The minimum standards for the City's overtime calculations are the basic standards set forth in the Fair Labor Standards Act.

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

Department Directors are responsible for controlling overtime and compensatory time costs within the department and to control early or late departures of employees. All overtime must be approved in advance by the supervisor.

Example 1: An employee has worked 40 hours by the end of the day on Thursday and is scheduled to work on Friday. The employee may be given Friday off. The employee is credited with 40 hours of pay for that workweek.

Example 2: An employee has worked 34 hours and is scheduled to take 8 hours of vacation leave during the workweek.

34 hours regular pay for hours worked	34
6 hours regular pay for vacation leave	6
Total Hours	40

The vacation leave is adjusted to reflect the forty (40) hour workweek

Example 3: An employee took 8 hours of sick leave and worked forty (40) hours based on departmental needs during the workweek. The employee is not charged with 8 hours of sick leave and is paid 40 hours of regular pay.

40 hours regular pay for hours worked	40
No sick leave is charged	0
Total Hours	40

Example 4: A law enforcement officer worked 86 hours based on departmental needs during the work period (14 days). The employee is paid 86 hours at their regular rate of pay.

Example 5: A law enforcement officer has worked 80 hours and is scheduled to take 8 12 hours of vacation leave during the work period (14 days). The employee is not charged with 8 12 hours of vacation leave and is paid 86 hours at their regular rate of pay.

80 hours regular pay for hours worked	80
6 hours regular pay for vacation leave	6
Total Hours	86

Example 6: A law enforcement officer has worked 90 hours during the work period (14 days). The employee is paid 86 hours at their regular rate of pay and 4 hours at 1½ times their regular rate of pay. their overtime rate.

86 hours at the employee’s regular rate of pay	86
4 Overtime hours at overtime rate	4
Total Hours	90

SECTION 11.06 Travel Time for Non-Exempt Employees

Non-exempt employees are eligible for compensation for the time they spend traveling. The compensation a non-exempt employee receives depends upon the kind of travel and whether the travel time takes place within normal work hours or outside normal work hours.

“Normal work hours” for the purpose of this policy are defined as 8:00 a.m. to 5:00 p.m. or the regular work hours for that employee. This definition applies to normal workdays (Monday through Friday) and to weekends (Saturday and Sunday).

A. Travel Time Defined

“Travel time” is defined as the time an employee arrives at the airport to the time the employee reaches their destination. If an employee is traveling to a location, then the destination is either the hotel or the work site (if the employee travels directly from the airport to work). If the employee is returning home from a location, the destination is the airport of final arrival.

Travel between home and work or between the hotel and work site, is considered normal commuting time and is not eligible for compensation.

If an employee requests a specific travel itinerary or mode of transportation that is different from the one authorized by the City, only the estimated travel time associated with the itinerary and mode of transportation that has been authorized is eligible for compensation.

B. Travel Time Within Normal Work Hours

Any portion of authorized travel time that takes place within normal work hours on any day of the week, including Saturday and Sunday, is treated as work hours. Travel time within normal hours is paid at the employee's regular hourly rate and is factored into overtime calculations. For example if the employee worked 34 hours and had 6 hours of travel time during the work week, the employee would be paid for 40 hours at their regular rate of pay. If the employee worked 36 hours and had 6 hours of travel time during the work week, the employee would be paid for 40 hours at their regular rate of pay and 2 hours would be paid as overtime at the rate of 1 ½ times the employee's regular rate of pay.

When an employee travels between two or more time zones, the time zone associated with the point of departure is used to determine whether the travel falls within normal work hours.

C. Travel Time Outside Normal Work Hours

Any portion of authorized travel time (with the exception of driving time) that takes place outside of normal work hours is considered to be outside travel hours. Travel time spent outside regular work hours as a passenger on an airplane, train, boat, bus, or automobile is not compensable hours and is not included in overtime calculations. However, the time spent when an employee is the driver or is required to ride as an assistant or helper and is working while riding, except during bona fide meal periods or when the employee is permitted to sleep in adequate facilities, is considered work hours and is factored into overtime calculations. For example if the employee worked 36 hours, had 8 hours of travel during normal work hours and 6 hours of travel time outside normal work hours in the work week, the employee would be paid for 40 hours at their regular rate of pay and 4 hours would be paid as overtime at the rate of 1 ½ times the employee's regular rate of pay. The 6 hours of travel time outside normal work hours is not compensable.

SECTION 11.07 Stand By Pay

The vital nature of certain City services requires that some employees be available in an "on call" or "standby" status in the evenings and over holidays and weekends to ensure the continuity of those vital services. Employees who are on-call are required to maintain the "on-call" phone and to respond immediately when notified to report to work. Response time should not exceed twenty (20) minutes. The employee who is on-call is not restricted to a specific location provided the employee can meet the twenty (20) minute response time. When non-exempt employees are assigned to be on-call for a particular week, the person(s) designated, as on-call will automatically be paid for eight hours at the regular, straight-time hourly rate of pay for any on-call week and four additional hours at the straight rate for any holiday during the on-call period. If there is a second employee in the same department also scheduled for on-call, but only as a backup to the primary on-call employee, the second employee will automatically be paid six (6) hours at the regular straight-time rate of pay for any on-call week and three (3) additional hours at the straight-time rate for any holiday during the on-call period.

SECTION 11.08 Exempt Employees

Employees classified as exempt are expected to work in excess of a 40-hour workweek as needed to complete normal duties. This includes attendance at meetings or travel beyond regular business hours; which is not compensable and is considered a condition of employment. Exempt employees do not accrue compensatory time.

Exempt employees are in positions that meet the Administrative, Executive or Professional designations of the Fair Labor Standards Act.

SECTION 11.09 Breaks

A. Rest Break

Employees who are not permitted to leave their work station to take care of personal needs may be granted a recognized 15 minute rest break every 4 hours in the morning and afternoon to take care of personal needs, for example: get coffee, go to the restroom, make personal phone calls or get a drink of water.

B. Meal Break

Employees who work in excess of four (4) hours each day may take an unpaid meal break. The length of the meal break is normally 1 hour. Meal breaks are, to the extent possible, scheduled close to the middle of the shift. Transportation to and from meal breaks begin and end during the unpaid meal break. Unused meal breaks may not be used to shorten the workday.

Law enforcement officers who are scheduled to work patrol and have the opportunity may take a 30-minute meal break with pay.

C. Lactation Break

Under the Fair Labor Standards Act (FLSA), most nursing employees have the right to a “reasonable break time” and a private space to express breast milk while at work. This right is available for up to one year after the child’s birth. The law also does not apply to surrogate parents or parents who have experienced the loss of a child.

A. Before returning to work, request a lactation accommodation through Human Resources using the **Lactation Arrangement Request Form**.

B. Shall meet with Human Resources and a Supervisor before returning to work to develop a lactation schedule.

1. Experts have recognized that the frequency and length of breaks may decrease after six (6) months or when a newborn is introduced to eating solid foods. As the lactation schedule changes, the employee shall update the plan with a Supervisor and HR.

CHAPTER 12. EMPLOYEE BENEFITS

SECTION 12.01 Benefits

The City may offer regular full-time employees enrollment in a health benefit plan, life insurance with accidental death and dismemberment, Texas Municipal Retirement System (TMRS) and other benefit plans. Refer to the benefit plan document(s) for specific details.

SECTION 12.02 Leaves

A. Vacation Leave
Revised March 25, 2014

Regular full-time employees accrue vacation leave after the completion of their first full pay period. Vacation leave is then accrued on a biweekly basis. Vacation leave cannot be taken, nor will it be paid upon separation during the first six months of continuous employment. The maximum vacation leave accrual at any time is 320 hours. Accruals in excess of this amount are automatically forfeited.

After Completing	Bi-weekly	Yearly
1 year - 5 years	3.08 hours	10 days
6 5 years – 9 10 years	3.69 hours	12 days
10 years - 14 15years	4.62 hours	15 days
15 years - 20 years	6.15 hours	20 days
20 years +	7.69 hours	25 days

Employees continue to accrue vacation leave at their regular rate or on a prorated rate while on paid leave. Vacation leave does not accrue when an employee is not in a paid status. Unpaid leave status does not constitute a break in service for vacation accrual rate determination purposes. An employee returning to work from unpaid leave status will resume vacation accrual at the rate provided for based on credited service before and during the unpaid leave.

Vacation leave must be requested in advance and be approved before taken. Vacation leave may be taken in a minimum of 1 hour increments. Failure to receive approval in advance of leave may result in leave without pay. Employees cannot take more vacation leave than they have accrued.

Upon termination, regular full-time employees with at least 6 months of continuous service are paid for accrued vacation leave up to the maximum of 320 hours at a rate based upon the employee's final hourly pay rate. Vacation leave cannot be used to extend an employee's termination date or in lieu of a notice of resignation or retirement.

B. Vacation Leave Buy Back

An employee with a minimum of 80 hours of accrued vacation leave may sell 40 hours of vacation leave back to the City. Vacation Buy Back may be done once each calendar year and must be approved by the City Administrator.

C. Sick Leave

The primary purpose of sick leave is to allow regular full-time employees to accrue leave time so that if the employee or a member of their immediate family suffers an illness, has a doctor's

appointment that requires an absence from work, the employee's income can continue at a normal level. Sick leave should not be used casually.

Regular full-time employees, including Law Enforcement, accrue sick leave after they have completed their first full pay period. Sick leave is accrued at 3.69 hours per pay period. Sick leave cannot be taken during the first three months of employment. The maximum accrual is 720 hours at any time. Employees continue to accrue sick leave at the regular rate or on a prorated rate while on paid leave. Sick leave does not accrue when an employee is not in a paid status.

1. Accrued sick leave may be used in one-half (1/2) hour increments.
2. Employees using sick leave must call their supervisor and report their absence within the first half-hour (1/2) of work or earlier if prescribed by their department policies.
3. For absences in excess of 3 days, employee may be required to provide a doctor's note or as otherwise required by law..
4. For leave of absence requested in advance a doctor's note is required upon his return to work.
5. Employees who transfer from one department to another for any reason maintain their accrued sick leave balances.
6. Employees are not permitted to engage in any employment or business outside their regular City duties while receiving sick leave benefits.
7. An employee under suspension without pay forfeits any claim to sick leave for the duration of the suspension.
8. Employees are not paid for accrued sick leave upon separation from employment.

Immediate family member includes spouse, own parents, child, and stepchild.

D. Sick Leave Bank

A Sick Leave Bank program is established to provide continuation of income for qualified employees who have exhausted all of their accrued benefit leave (sick leave, compensatory time, holiday, and vacation time) and require leave due to a personal medical emergency or to care for an immediate family member who has a medical emergency. The Administrative Services Department will maintain the Sick Leave Bank. The transfer of earned sick leave to the Bank is entirely voluntary and may be done at any time.

Full time regular employees with 12 months of continuous service are eligible to apply for the sick leave.

(i) Definitions

Medical emergency is a serious, extreme, severe, catastrophic, or life-threatening medical condition of an employee or immediate family member that requires an employee's absence from duty for a prolonged period of time. The condition should be such that:

- requires the services of a licensed medical provider,
- prevents the employee from working,
- forces the employee to utilize all accrued leave time, and
- causes the employee to lose compensation.

Immediate family member includes spouse, own parents, child, and stepchild.

(ii) Donation Procedures

1. Employees who desire to donate earned sick leave must do so by using the Donation Form.
2. Minimum sick leave contribution is two (2) hours, so long as the employee maintains a minimum balance of 10 days (80 hours) of sick leave.
3. Employees donating sick leave must have accrued the requested amount of sick leave at the time of the donation.
4. The maximum annual donation of sick leave to the Sick Leave Bank is 96 hours per employee.
5. Employees may not designate the recipient of donated sick leave.
6. Once sick leave has been donated to the Sick Leave Bank, it will not be returned to the employee who donated the sick leave. However, that employee may request sick leave from the bank in time of need.
7. Employees absent taking leave from the Sick Leave Bank are considered for all purposes as if on earned sick leave, and may be subject to leave under the Family and Medical Leave Act (FMLA).

(iii) Request for Use of Sick Leave Donation

1. An employee who has exhausted all accrued benefit time (sick leave, compensatory time, holidays, and vacation leave) is eligible to apply for and receive transfers from the Sick Leave Bank.
2. Employees desiring to request the use of voluntary sick leave donation must complete the request form available in Administrative Services.
3. The request form must be signed by the supervisor and submitted to the Administrative Services Director for consideration and approval.
4. By requesting donated sick leave, the employee must share the minimum amount necessary of their personal information, and including personal health information. This information will be kept confidential. A physician's written statement may be required.
5. Applicants for donated sick leave will not be discriminated against for not having contributed to the Sick Leave Bank.
6. The City Administrator has final approval on all voluntary sick leave donation requests.
7. If an employee is unable to make a request on their behalf, the supervisor of the employee may make a written request on the employee's behalf.
8. Eligibility will be based on the definition of a serious health condition from the Family and Medical Leave Act.
9. Approved transfers from the Sick Leave Bank will be made at the end of each payroll-reporting period to cover absences for the specified illness or injury during that reporting period until the total approved transfer is reached.
10. Any benefit time (sick leave, compensatory time, holidays, and vacation leave) earned by the employee will be used and exhausted prior to the bi-weekly transfer from the Sick Leave Bank.
11. An employee is eligible to apply to the Sick Leave Bank even if the employee has previously received a transfer from the bank.
12. Employees drawing leave from the Bank will have a limit of 30 days in any 12-month period plus two (2) weeks for each year of service with the City up to a combined total of 1040 hours of individual sick leave and sick bank leave.
13. Sick leave acquired from the Sick Leave Bank will not be paid to an employee who subsequently leaves City service or to the estate of a deceased employee. Any unused balance will be returned to the Sick Leave Bank.

(iv) Decision/Notification

1. Each request is reviewed and considered individually. In general, an employee must not be able to attend work due to a medical emergency as defined within this document.
2. A lesser number of hours than requested by the employee may be granted.
3. Notification of approval or disapproval of leave from the Sick Leave Bank is made by the Administrative Services Director to the employee as well as the employee's immediate supervisor.
4. The employee may also request an unpaid leave of absence in accordance with any current policy.

The City Administrator may terminate the program if it is determined that it is not in the best interest of the City. If the Sick Leave Bank program is terminated, the remaining leave in the bank will be used until depleted.

(v) Termination of Donated Sick Leave

Use of the Sick Leave Bank ends when the maximum donated leave time is exhausted, the employee returns to their regular work schedule, terminates employment, retires, or dies.

(vi) Abuse of Sick Leave Bank

Inappropriate use or abuse of sick leave and/or donated sick leave by an employee may be subject to disciplinary action, up to and including termination, and/or denial of use of paid sick leave and/or donated sick leave.

E. Pregnant Workers Fairness Act

The Pregnant Workers Fairness Act (PWFA) requires a covered employer to provide a “reasonable accommodation” to a qualified employee’s or applicant’s known limitations related to, affected by, or arising out of pregnancy, childbirth, or related medical conditions, unless the accommodation will cause the employer an “undue hardship.”

The PWFA applies only to accommodations.

Reasonable accommodations are changes in the work environment or the way things are usually done at work.

Undue hardship means significant difficulty or expense.

Submit requests to your Department Head. Human Resources and City Administrator will review and approve the reasonable accommodation.

F. Whistleblower Protection

The City shall have procedures to give staff members awareness and access to report illegal, unethical, or other inappropriate/improper conduct, free from retaliation for the making such reports in good faith.

Staff members shall report to an appropriate governmental official all evidence of activity by any staff member that they believe is, including but not limited to:

- A. A violation of a state or federal law, rule, or regulation
- B. Fraud
- C. Misappropriation of city resources
- D. Any fiscal or financial irregularity
- E. A significant danger to staff member or client health or safety

Staff members who in good faith report such incidents shall not be retaliated against the terms and conditions of their employment.

No staff member will be adversely affected because the staff member refused to carry out a directive which constitutes a violation of state or federal law or poses a substantial risk of harm to the staff member, client, co-workers, or health and safety. If a staff member believes they have been retaliated against in violation of this policy, the staff member should report it to the Mayor’s Office immediately.

Anonymous information will be accepted and investigated in accordance with the procedures below. Any staff member who has evidence or knowledge of alleged illegal, unethical, inappropriate or improper activity described above shall contact an appropriate governmental official. If the staff member is not satisfied with the response, or is concerned about reprisal, the staff member shall contact the Mayor. The Mayor shall have the final decision as to whether there shall be any disciplinary action for such response or retaliation. Nothing in this policy shall prevent the City from taking appropriate action against a person who knowingly makes a false accusation or provides false information related to or during an investigation or hearing.

G. Paid Quarantine Leave

The use of quarantine leave may be granted after a Fire Fighter, Peace Officer, and Emergency Medical Technician has had a possible or known exposure to a communicable disease while on duty. The City’s health authority or authority designed by the City Manager will determine when a threat of highly communicable or life-endangering diseases are immediately present and may release orders for applicable/essential workers to follow general quarantine protocols. When this occurs, department supervisors will allow for the use of quarantine leave based on the protocols for appropriately dealing with the disease and/or its prevention of community spread. Employees will be released from quarantine leave based on guidance from the local health authority or authority designated by the City Manager. An employee who is in quarantine should notify the Human Resources Department of any changes to their health status.

Paid Quarantine Leave Provides that:

Eligible employees on paid quarantine leave will continue to be eligible for all employment benefits and compensation, including continuing their leave accrual, pension benefits and eligibility for health benefit plan benefits for the duration of the leave. While on quarantine leave, the employee will not be required to use any other paid leave type (vacation, sick, holiday, compensatory time).

When applicable, employees who must be quarantined may be eligible for reimbursement for reasonable costs related to the quarantine, including lodging, medical, and transportation.

If applicable, an employee on paid quarantine leave is expected to remain home during periods of quarantine and may work from home (i.e., telework) during this period if permitted by departmental arrangement and approved by the City Manager. In addition, an employee on paid quarantine leave may not work a second job, including self-employment or participate in volunteer work.

Workers' Compensation:

Applicable employees on paid quarantine leave must file the exposure to a communicable disease while on duty as a workers compensation claim. Should the employee be approved for and receive workers' compensation benefits, the City's salary payment (i.e., employee wages) will be offset to reflect total eligible/paid compensation.

DEFINITIONS

"Emergency medical technician" means an individual who is:

- (A) certified as an emergency medical technician under Chapter 773, Health and Safety Code; and
- (B) employed by a political subdivision.

"Fire fighter" means a paid employee of the fire department who:

- (A) holds a position that requires substantial knowledge of firefighting;
- (B) has met the requirements for certification by the Texas Commission on Fire Protection under Chapter 419, Government Code; and
- (C) performs a function listed in Section 143.003(4)(A).

"Health authority" has the meaning assigned by Section 121.021, Health and Safety Code.

"Peace officer" means an individual described by Article 2.12, Code of Criminal Procedure, who is elected for, employed by, or appointed by the City.

H. Mental Health Leave for Peace Officers

The City is committed to protecting the psychological health, safety, and wellbeing of its Peace Officers. The City acknowledges that workplace trauma is a health and safety issue and that by creating a Mental Health Leave Policy for Peace Officers to address employees experiencing a traumatic event we can improve the well-being of the organization. This policy is to provide guidance in following Texas Local Government Code Section 614.015 to provide for paid mental health leave for peace officers who experience a traumatic event in the line of duty who are employed with the China Grove Police Department. Mental health leave is designed to be a resource available for eligible officers to support staff in maintaining a healthy state of mind while

at work and at home, however requesting or taking leave is not a requirement for every traumatic event.

Application

a) Mental Health Leave for licensed Peace Officers is intended to provide full-time Peace Officers who experience a traumatic event that occurs while on duty, time away from work to receive assistance in dealing with the event that was experienced.

The following are examples that may be considered a traumatic event. As these examples will not encompass all traumatic events Peace Officers may potentially encounter, the Police Chief will evaluate requests for leave under this policy to determine if Mental Health Leave is applicable.

1. Officer involved shooting.
2. Vehicle crash involving serious injury or death to an officer or citizen.
3. Officer being the victim of a felonious assault.
4. Death of a coworker.
5. Death or serious injury to someone in custody of officer.
6. Severe trauma or death of a child.
7. Homicide Scenes.
8. Incident involving multiple deaths and/or injuries (natural disaster or terrorist attack).

b) Peace Officer Mental Health Leave provides paid leave for up to 3 shifts from work, per traumatic event that occurred while on duty, in order for the Peace Officer to seek professional treatment for the handling of the traumatic event in which they were involved. The City Manager or designee may re-evaluate additional days for additional paid leave under this policy subject to peer to peer review or other consultation with a mental health leave professional.

c) The Peace Officer will contact the Chief of the department and request the use of the leave in order to obtain mental health assistance. The Chief may consult with the City Manager or his/her designee prior to granting the Leave.

d) Based upon the information provided to the department administration after the event, Mental Health Leave will be granted if ordered by a mental health professional or the Chief of Police/designee.

e) Mental Health Leave hours will be recorded on the timesheet as regular hours, to provide anonymity. However, the City will keep requests to take mental health leave and any medical information related to mental health leave under this policy confidential to the extent allowed by law and separate from the employee's general personnel file. The agency cannot guarantee anonymity of information that is otherwise public or necessary to carry out the agency's duties under the law.

f) Mental Health Leave provides that Peace Officers will continue to be eligible for all employment benefits and compensation, including continuing their leave accrual, pension benefits and eligibility for health benefit plan benefits for the duration of the leave. While on paid Mental Health Leave, the Peace Officer will not be required to use any other paid leave type (vacation, sick, holiday, compensatory time).

- g) An employee on Mental Health Leave may not work a second job, including self-employment or participate in volunteer work.
- h) If additional time off is needed employees may apply for a Leave of Absence or other leave as authorized under the personnel policies.
- i) If a Peace Officer is off work due to Mental Health Leave and the employee qualifies for family and medical leave, it will run concurrently with the Mental Health Leave.
- j) Following use of Mental Health Leave, the City may require a Peace Officer to undergo a psychological examination, by a professional of the City's choosing, to determine fitness for continued employment, as may be necessary in order for the City to provide a reasonable accommodation and as otherwise permitted in accordance with applicable laws.

Definitions

“Peace Officer” means an individual described by Article 2.12, Code of Criminal Procedure, who is elected for, employed by, or appointed by the City.

Confidentiality

The City will keep requests or leave for mental health leave and any medical information related to mental health leave under this policy confidential, in accordance with applicable state or federal laws and regulations. Any request for mental health leave by an eligible officer shall be treated as strictly confidential by all parties involved and shall not be discussed or disclosed outside of the eligible officer's chain of command, and only to facilitate the leave. Any officer or supervisor who becomes aware of behavioral changes and suggests an eligible officer seek mental health leave shall not discuss that matter with any third party. Any breach of confidentiality may be grounds for discipline. Confidentiality may be waived by the eligible officer seeking mental health leave. Confidentiality may be waived under circumstances in which indicate the eligible officer is a danger to himself or herself or others and department personnel must confer with mental health professionals, in accordance with applicable state and federal laws. Information will be kept separate from the personnel file as required for medical information and will only be shared with those entitled to access. The City cannot guarantee anonymity of information that is otherwise public or necessary to carry out the City's duties. If a supervisor becomes aware of a violation of confidentiality by another member of the department or another employee, that supervisor shall take appropriate action to address or report the violation.

I. Holidays

The following days are observed as paid City holidays for regular full-time employees:

- 1. New Year's Day
- 2. Martin Luther King Jr. Day
- 3. Presidents' Day
- 4. Good Friday
- 5. Memorial Day
- 6. Independence Day

7. Labor Day
8. Columbus Day
9. Veteran's Day
10. Thanksgiving
11. Day After Thanksgiving
12. Christmas Eve
13. Christmas Day
14. New Year's Eve Day
15. One Floating Holiday (Employee's choice with supervisor's approval)

If a holiday occurs on a Saturday, it will be observed on the Friday before. If a holiday occurs on a Sunday, it will be observed on the Monday after.

The floating holiday must be scheduled and approved in advance and must be used within the calendar year. New employees hired before October 1st are granted one floating holiday for the calendar year. Floating holidays cannot be carried over from one calendar year to the next if not used.

Regular full-time employees earn eight hours per holiday, regardless of their normal work schedule. Law Enforcement employees earn twelve (12) hours per holiday, regardless of their normal work schedule.

~~When employees are scheduled to work on a holiday as part of their normal work schedule, they receive their regular rate of pay for hours worked and are credited with holiday leave to be taken at a later date within the work period. If the workload does not permit, the employee may accrue up to 3 days of holiday leave to be used at a later date as approved by the Department Director. The maximum holiday leave accrual is 3 days. Employees are paid holiday leave at their regular rate of pay for holiday leave over 3 days.~~

When employees are on some type of approved paid leave that includes an observed holiday; the holiday counts as a day of holiday leave. Employees in a non-paid status that includes an observed holiday do not receive holiday or accrue holiday leave. City Council may amend these holidays as needed.

J. Religious Holidays

Religious holidays not observed by the City may be granted as vacation leave, compensatory time or leave without pay upon advance request and approval of the Department Director and Administrative Services Director.

K. Leave Without Pay

Consistent with the leave policies, employees are placed on leave without pay for short periods of time when the employee does not have sufficient leave time to cover the absence. Leave without pay can be excused or unexcused.

L. Leave of Absence

Leaves without pay may be granted in increments of up to 30 days, not to exceed 3 months in duration. The request must be submitted in written form and approved through the Department Director and the City Administrator. The City will make efforts to place a returning employee in the

same position at the time the leave was granted but reserves the right to reassign the employee according to business requirements and the employee's job qualifications and ability to perform the essential functions of the position. If the employee does not return at the agreed upon time, the employee will be considered to have voluntarily resigned their employment.

Leave benefits and seniority credits are not accrued during this period of time. Pay increases and performance evaluation dates are adjusted according to the length of leave of absence. Employees may be required to contribute towards their insurance benefits.

M. Administrative Leave

The City Administrator may grant up to fifteen (15) working days of administrative leave to relieve an employee from work with or without pay. Administrative leave may be used when it is in the best interest of the City, when an employee investigation is being conducted or when warranted by unforeseen circumstance not otherwise provided for in these policies.

The City Administrator may grant up to ten (10) working days of administrative leave per calendar year with pay when an exempt employee has been required to work considerably more hours on a regular basis than the normal work hours.

N. Job Injury Leave

If an employee has been disabled due to an on-the-job injury or illness and is entitled to receive benefits under the Workers' Compensation Law of the State of Texas for temporary partial disability or temporary total disability, work time missed is recorded as job injury leave.

Job injury leave terminates after ninety (90) calendar days or as it applies below.

1. On the date a ruling of permanent disability is made;
2. When the employee is released to return to work;
3. At such time as the employee is declared capable of performing their normal duties by a designated physician.

Employees who exhaust the 90 calendar days of job injury leave may be eligible to continue to receive compensation at the rate set out by the Workers' Compensation Law of the State of Texas.

The City will make efforts to place a returning employee in the same position at the time the leave occurred, but reserves the right to reassign the employee according to business requirements and the employee's job qualifications and ability to perform the essential functions of the position. If a position for which the employee is qualified is not available, the City is not obligated to create or make such a position available.

O. Military Leave

Employees who voluntary or involuntary perform service in the United States uniformed services are granted military leave without pay in accordance with the Uniformed Services Employment and Reemployment Rights Act (USERRA) and state law. The employee is required to provide a copy of the military notice to the supervisor and Administrative Services, unless the employee is unable to provide such notice because of "military necessity".

Employees who have military reserve obligations are granted a maximum of fifteen (15) calendar days of paid military leave per fiscal year. The employee must furnish a copy of the military orders

to the Department Director. Pay is calculated at the employee's regularly scheduled work hours and base pay rate in effect on the date the Military Leave is granted.

Employees returning from military leave are required to report for duty per the following:

- Service less than 30 days – Employees must report at the beginning of the first regularly scheduled workday after release from service, allowing eight (8) hours for travel or rest.
- Service 31 - 180 days – Employees must request reemployment and report to work no later than fourteen (14) days following completion of military service.
- Service over 181 days – Employees must request reemployment and report to work no later than ninety (90) days following completion of military service.

An employee is generally allowed up to five (5) years total (cumulative) of military leave and may not be eligible for reemployment thereafter.

An employee returning from military leave from the uniformed services with a dishonorable or bad conduct discharge is not eligible for reemployment.

P. Family/Medical Leave

Regular full-time and regular part-time employees may be eligible for Family/Medical Leave, subject to the following rules established by the Federal Family/Medical Leave Act as amended.

Family/Medical Leave is an approved leave of absence available to employees who have been employed for at least 12 months and have provided at least 1250 hours of service during the previous 12 months at the time the leave is requested.

An eligible employee may take up to a maximum of 12 weeks of Family/Medical Leave in any 12-month period for any of the following circumstances:

- Birth of the employee's child;
- Placement of a child with the employee for adoption or foster care;
- When the employee is needed to care for the physical or mental needs of the employee's child, spouse, or parent who has a serious health condition;
- When the employee is unable to perform the essential functions of the position because of the employee's serious health condition.
- "Qualifying exigency" arising out of a covered family member's active duty or call to active duty in the Armed Forces in support of a contingency plan.

An eligible employee may take up to a maximum of 26 weeks of Family/Medical Leave in any 12-month period for any of the following circumstance:

- To care for a covered family member, kin or nearest blood relative who has incurred an injury or illness in the line of duty while on active duty in the Armed Forces and is unable to perform the duties of the member's office, grade, rank or rating.

Spouses employed by the City are entitled to a combined maximum total of 12 workweeks of leave (rather than 12 weeks each) for the birth or adoption of a child or placement into foster care of a child. Leave for birth or adoption (including foster care placement) must conclude within 12 months of the birth or placement.

Parents or spouses who both work for the City are each entitled to 12 workweeks of leave to care for a sick child or because of the illness of the other spouse.

An eligible employee is entitled to 12 or 26 workweeks of leave as described above during any 12-month period measured from the first day Family/Medical Leave is taken. The next 12-month period begins the first time Family/Medical Leave is taken after completion of any previous 12-month period.

The following words and phrases, as used in the application and interpretation of the Family/Medical Leave Policy are defined as:

- “Child”, “Son” or “Daughter” means a biological, adopted, foster child, step child, legal ward or child of a person standing in loco parentis (i.e., in the place of a parent) who is under 18 years of age or 18 years or older if the child is incapable of self-care because of a mental or physical disability.
- “Serious Health Condition” means an illness, injury, impairment, or physical or mental condition involving either inpatient care at a hospital, hospice, residential medical care facility or continuing outpatient treatment by a health care provider for more than three days (i.e., a doctor of medicine or osteopathy authorized to practice medicine, surgery, or other person determined by the Secretary of Labor to be capable of providing health care services).
- “Unmarried domestic partners” and “in-laws” do not qualify as spouses or parents for Family/Medical Leave.

An employee must first use and exhaust all available and accrued paid leaves, unless provided for in other benefit plans. The use of paid leave is included in the maximum 12 or 26 week period allowed as Family/Medical Leave. Any remaining Family/Medical Leave beyond applicable paid leave as mentioned above is without pay.

The employee may be required to provide medical or active duty/Armed Forces certification to support a claim for leave for an employee’s own serious health condition or to care for a seriously ill child, spouse, parent or service member. For the employee’s own medical leave, the medical certification must include a statement that the employee is unable to perform the essential functions of the position. For leave to care for a seriously ill child, spouse, parent or service member, the medical certification must include an estimate of the amount of time the employee is needed to provide care.

If medically necessary for a serious health condition of the employee or the employee’s child, spouse, parent or service member, leave may be taken on an intermittent or reduced work schedule subject to the provisions of this policy. If the leave is requested on an intermittent or reduced basis for planned medical treatment, the employee may be transferred temporarily to an available alternate or part-time position or to a schedule that better accommodates an intermittent or reduced work schedule. The employee’s current hourly rate of pay remains the same for hours actually worked, regardless of the temporary employment transfer to a different position or schedule.

When the need for leave is foreseeable, such as the birth or adoption of a child or planned medical treatment, the employee must provide reasonable prior notice and make efforts to schedule leave

so as not to disrupt work operations. In cases of illness, the employee is required to report at least every 30 calendar days on their leave status and intention to return to work.

Employees who are granted an approved leave of absence must continue to pay their portion of the health and/or optional/supplemental benefit(s) premium(s). The City continues to pay its portion of employee's premium(s). Non-payment of premiums results in the cancellation of benefits.

If an employee elects not to return to work upon completion of an approved unpaid leave of absence, The City will recover the cost of any payments made to maintain the employee's insurance, for example health premiums, from the employee, unless the reason the employee does not return is due to the continuation, recurrence, or onset of a serious health condition that would entitle the employee to leave under FMLA, or to other circumstances beyond the employee's control.

The employee must submit a completed request for Family/Medical Leave Form to their supervisor. The form is then forwarded to Administrative Services for processing. If possible, the form should be submitted 30 days in advance of the effective date of the leave.

The use of Family/Medical Leave is not considered negatively or held against the employee as it relates to evaluations, promotional considerations or any other employment factors. No supervisor will interfere with, restrain or deny employees their rights under this policy; nor will an employee be discharged or discriminated against based on the employee's use of Family/Medical Leave.

Family and Medical Leave

Eligible Employees. To be eligible for family leave, an employee must have been employed continuously by the City for at least 12 consecutive months, and must have worked at least 1,250 hours during those 12 months in a regular position. This policy applies equally to male and female employees. However, if the city employs both spouses, and the reason for the leave is to care for a newly arrived child or a sick child or parent, 12 weeks is the aggregate family leave limit for both. Temporary employees are not eligible for family leave. This policy and the City's Disability policy will be administered consistently with the City's obligations under FMLA and ADAAA, including considering an extended leave as a reasonable accommodation, without an undue hardship to the City.

Eligible Circumstances. An eligible employee is entitled to 12 workweeks of leave during any 12-month period for three purposes:

- 1. Birth or placement for adoption or foster care of a child (only within 12 months of the birth or placement);
- 2. A serious health condition of a spouse, child (including step-child), or parent; or
- 3. The employee's own serious health condition.

A serious health condition is one that requires either inpatient care or continuing treatment by a health care provider.

Calculation of 12-Month Period. The 12-month period during which an employee may use a maximum of 12 workweeks of this type of leave is measured forward from the date on which the employee's first Family and Medical Leave Act (FMLA) leave begins.

Definition of Family Members. "Son or daughter" means a biological, adopted, or foster child, a stepchild, a legal ward, or a child of a person standing in the place of a parent. The child must be under 18 years of age or an individual 18 years of age or older who is incapable of self-care because of a mental or physical disability. "Spouse" means a husband or wife as defined or recognized under state law for purposes of marriage, including common law marriage.

Limitations/Restrictions. Leave may be taken on an intermittent or reduced basis for the birth or adoption of a child only if the arrangement is agreed to by the department head. However, leave for serious health conditions either of an eligible family member of the employee or the employee himself or herself may be taken intermittently or on a reduced schedule if medically necessary, provided that the other conditions of these policies are met.

Temporary Transfer. If the employee's request for intermittent leave is foreseeable, based on planned medical treatment, the city may require the employee to transfer temporarily to an alternative position, with equivalent pay and benefits that better accommodates recurring periods of leave.

Maximum Duration. The total cumulative maximum period of time which an employee may be absent from work on family leave during any 12-month period is 12 weeks, regardless of whether all or a portion of the leave period is paid or unpaid. If an employee has accrued sick, vacation, or personal leave on the books at the time that the family leave commences, the employee must exhaust those leave balances before being eligible for unpaid family leave. Once the employee's leave balances have been exhausted, the city will then provide enough unpaid family leave to total 12 weeks. During the unpaid portion of an employee's family leave period, the employee accrues no additional vacation leave, sick leave, or any other type of leave.

Part-Time/Variable Hour Employees. If an employee works a part-time schedule, the amount of leave to which the employee is entitled is determined on a pro rata or proportional basis, provided that the other requirements for eligibility are met.

Notice. When an eligible FMLA circumstance occurs for an employee, the employee must contact Human Resources and complete a request for family leave, with the leave request specifying the first date of absence or expected absence. In the case of leave for the birth or placement of a child, an employee must provide at least 30 days' advance notice before the date on which the leave is expected to begin. If the employee is unable to provide 30 days' notice, he or she must provide as much notice as is practicable, usually within one or two business days of the date on which the employee is aware of the need to request leave. In the case of leave for a serious medical condition, if the leave is foreseeable, based on planned medical treatment, the employee must make a reasonable effort to schedule the treatment so as not to disrupt the city's operations unduly. The same advance notice requirements apply.

City Designation of FMLA Leave. If the employee does not request family leave, yet requests the use of accrued leave, and a condition of FMLA eligibility exists, then the city may designate the leave as family leave. If the city designates an employee's leave as FMLA leave, without a request by the employee, then the city must notify the employee of the FMLA designation. The city's notification to the employee of FMLA notification may be communicated orally, but must be

confirmed in writing no later than the next regular payday (unless less than a week remains until the next payday).

Certification of Condition. An employee requesting a paid or unpaid family leave of absence for extended illness or temporary disability must submit to the department head (1) a medical doctor's statement as to the date upon which the employee is no longer able to perform his or her duties, or (2) a statement that the employee is needed to care for a spouse, parent, or child, with the expected length of the recuperation period, or an estimate of the time required to care for the family member, and appropriate medical facts regarding the condition. In addition, the employee must also provide the department head with a written statement from the employee concerning his or her intentions about returning to work at the city. An employee on family leave must contact his or her supervisor at least once each workweek unless another schedule satisfactory to the city has been established in writing and signed by the department head and the employee. The city may also require subsequent re-certifications as reasonably needed and based on the information in the prior FMLA certification. Failure to provide required medical status reports or to contact the office on the schedule required by the department head will result in disciplinary action.

Second, Third Opinions. The city may require a second opinion, and, if conflicting, a third opinion from a health care provider as to the need for and scheduling of family leave. The second and third opinions, if sought and obtained by the city, will be paid for by the city and will be obtained from independent health care providers who are not employed by the city. If a third opinion is necessary, the third opinion obtained is final.

Return to Work/Assurances. After completion of an approved family leave period, an employee will be returned either to the same position he or she held before the leave began or to a position equivalent to the previously held position in pay, benefits, and other terms and conditions of employment. This policy may be modified for "key employees," defined as those salaried employees in the top 10 percent of the city's workforce. Key employees will be notified in advance of their status.

Health Insurance Coverage while on FMLA Leave. Regardless of whether the family leave period is paid, unpaid, or a combination of paid and unpaid, the employee's health insurance coverage will be continued in the same manner and at the same level as it would have been had the employee continued in employment for the duration of the family leave period. However, should the employee decide, at any time after family leave begins, that he or she will not return to work at the city, the employee must reimburse the city for health coverage premiums paid by the city that normally would have been paid by the employee during the family leave period, unless the reason for not returning to work is the continuation, recurrence, or onset of a serious health condition, or other circumstances beyond the employee's control. This is subject to certification. The City will determine and advise the employee of the payment for insurance premiums while on unpaid leave.

Retention of Benefits. An employee on family leave does not lose any previously accrued seniority or employment benefits, but does not earn any leave credits or other benefits during the unpaid portion of the leave.

Posting of Summary of Act. The city has posted a summary of the Family and Medical Leave Act on its central bulletin board for employees' information.

Request for Leave without Pay Immediately Following Family and Medical Leave. If an employee requests additional unpaid leave beyond the 12-week maximum allowable under the

family and medical leave provisions of these policies, any extension granted will be under the terms set out in the section of these policies headed Other Leaves of Absence Without Pay. Employees should read the referenced section carefully and understand the differences between these two types of leaves before requesting an extension.

Documentation. All documentation regarding family leave will be filed in the employee's medical file, which is maintained separate from the personnel files, and is accessible to a limited number of persons, and only on a "need-to-know" basis.

Employee Status After Leave. An employee who takes leave under this policy may be asked to provide a fitness for duty (FFD) clearance from their health care provider. This requirement will be included in the City's response to the FMLA request. Generally, an employee who takes FMLA leave will be able to return to the same position or a position with equivalent status, pay, benefits and other employment terms. The position will be the same or one that is virtually identical in terms of pay, benefits and working conditions. The City Manager also has the option to extend the employee's designated FMLA leave as necessary.

Q. Jury Duty/Court Appearance Leave

Employees who are required to miss work in order to serve as a juror or who are subpoenaed to appear as a witness in court receive their normal compensation. It is the responsibility of the employee to provide a copy of the notice to the employee's supervisor as far in advance as possible and to present certification of the dismissal date and time upon the employee's return to work to be eligible for paid Jury Duty/Court Appearance Leave.

If the employee is released from jury or witness duty by a Judge or the Central Jury Room Manager at a time where 50% or more of the employee's regularly scheduled work hours remain; the employee is required to report to work at the City for the balance of that regular scheduled work day.

Jury duty/court appearance leave may not be used in any instance when an employee is a plaintiff or defendant in a court action, unless the employee's involvement arises as a result of the employee's job duties or responsibilities.

R. Bereavement Leave

In the event of a death in the employee's family, a regular full-time employee may be granted up to ~~three~~ five work days of bereavement leave with pay. This pay is for the time actually lost from regularly scheduled work on the day of the death and the days following to attend the funeral and handle the personal affairs ~~of the deceased~~. For the purpose of bereavement leave, the definition of family includes the employee's or their spouse's: child(ren) parents, brother(s), sister(s), grandparent(s), grandchild(ren), or "half" or "step" relationships. It also includes any relative living in the employee's household who is dependent on the employee for care.

If additional time off is needed due to unique circumstances, earned vacation time or compensatory time may be used or leave without pay may be granted upon approval by the employee's supervisor. Documentation may be required to verify the death of an immediate family member as described above and approve funeral leave.

S. Election Leave

Employees are encouraged to vote in all elections. Employees should make an effort to vote before or after work, during the lunch break, by early voting or through the absentee ballot alternative. If employees cannot vote during these times, a maximum of up to two hours election leave is allowed upon advance approval of their supervisor. Election leave is a non-paid leave. Employees may request vacation leave or compensatory time.

CHAPTER 13. EMPLOYEE SAFETY AND ACCIDENT PREVENTION

SECTION 13.01 Safety Goals

It is the City's goal to maintain a safe working environment for its employees, citizens, vendors, suppliers and visitors.

SECTION 13.02 Employer's Responsibilities

The City is responsible for providing a reasonably safe and healthy working environment for employees. In an effort to do so, the City provides specialized safety equipment and training for employees as deemed necessary in accordance with City policy. Supervisors are responsible for addressing such reports immediately and taking steps to correct problems or violations.

SECTION 13.03 Employee's Responsibilities

All employees are responsible for observing safe work practices at all times and are expected to conform to safety rules and regulations as set out by the City. Questions concerning proper safety methods, noticed safety problems or violations should be referred immediately to the employee's supervisor. Failure to properly wear and utilize equipment may result in disciplinary action.

SECTION 13.04 Seat Belts/Cell Phones

All drivers and passengers of City vehicles and personal vehicles used for City business are required to use safety seat belts as equipped for the particular vehicle.

Cell phone use is not permitted while operating a City vehicle unless it is required for public safety.

SECTION 13.05 Driving Records Check

Driving records may be obtained prior to employment or at any time during employment.

Employees, who operate a vehicle for City business on a frequent basis or when such operation is an essential function of the job must immediately notify their supervisor if their driver's license has been suspended, revoked or denied.

If an employee receives a traffic citation that may result in the employee's driving privileges being suspended, and driving is an essential function of the job, the employee must notify their supervisor immediately. If the traffic citation is received during non-work hours, the employee must notify their supervisor at the beginning of their next work day or within three days of the issuance of the ticket, whichever is first. If the traffic citation requires an appearance at court, the employee must notify their supervisor of the status of the citation the next working day after the court proceeding.

If an employee occasionally operates a vehicle for City business, prior to such operation, the employee must advise their supervisor if the employee's license is under suspension, revocation, denial or if the employee has received a traffic citation that may result in the employee's driving privileges being suspended.

The City periodically requests driver's license information from employees so that driving record information can be obtained. An unsatisfactory driving record may be a factor in determining an

employee's ability to perform their job and may be grounds for disciplinary action or termination.

SECTION 13.06 Use of City Vehicles

Designated employees may be authorized to use City vehicles to conduct official City business. Personal use is prohibited with the exception of incidental personal use. The City reserves the right to search those vehicles at any time, for any purpose. Employees have no expectation of privacy in City vehicles.

All City employees who operate City vehicles must:

1. Maintain a clean driving record and be insured while performing duties for the City.
2. Obey all traffic laws while operating the vehicle. Fines resulting from violation of motor vehicle regulations are the responsibility of the employee and will be paid by the employee. Failure to pay such fines by the payment due date may result in revocation of vehicle privileges and or/or termination of employment.
3. Have in their possession at all times, their valid Texas Driver's License and City vehicle proof of insurance.
4. Take precautions to ensure the safety and security of City vehicles. This includes, but is not limited to locking doors and/or compartments and properly parking vehicles in accordance with applicable laws and ordinances.

SECTION 13.07 Take-Home Vehicles

Certain employees may be identified by the Department Director and approved by the City Administrator as requiring a vehicle on a twenty-four (24) hour on call basis. Authorization, given by the City Administrator of a take-home vehicle will be based solely on the best interest of the City. Eligibility requirements:

1. The employee performs an essential and/or strategic function and/or facilitates specific departmental emergency operations; or
2. The employee is the primary operator of the vehicle during standard working hours; and
3. The employee resides within the City limits of Castroville or has a required response time as approved by the City Administrator; and
4. The employee is authorized to drive a City vehicle; and
5. The employee has been assigned use of a take-home vehicle by the Department Director and the City Administrator.

Employees authorized to use take-home City vehicles, who submit leave notices for three (3) or more consecutive workdays must leave their assigned take home vehicle and keys at their work station for use by other City employees during such periods. This includes law enforcement officers or other employees who work four days/ten hour shifts (4/10's) and have three (3) consecutive days off.

Employees given the use of a take-home City vehicle must ensure that there is adequate and safe parking for such vehicles. Marked law enforcement take-home vehicles must be visible from the street.

City departments may have additional requirements or rules for use of City vehicles as approved by the City Administrator.

The City reports personal use of a government-owned vehicle as a taxable fringe benefit as required by the Internal Revenue Service.

SECTION 13.08 On-the-Job Accidents and Injuries

An employee who receives an injury while working for the City may be entitled to benefits under the Worker's Compensation Law of the State of Texas. Benefit coverage provides for payment of medical expenses and partial salary continuation for work related illness and/or injury. Employees may elect to supplement their worker's compensation pay by using sick leave or other accrued leave in order to receive their regular rate of pay.

All employees are required to immediately notify their supervisor and the City Secretary whenever an accident or injury/illness occurs on the job.

SECTION 13.09 Alcohol/Drug Free Workplace Policy

A Overview

While at work, each employee has the responsibility to deliver services in a safe, efficient and conscientious manner. In order to perform a job in the safest manner possible, employees must be able to work in an alcohol/drug free work environment and be free from the effects of alcohol and other job-impairing substances while on the job. Accordingly, the use, sale, distribution, possession or being under the influence while on the job of alcohol or an intoxicating liquor, controlled substance, drugs not medically authorized or any other substances that impairs job performance or poses a hazard to the safety and welfare of the employee, visitors, clients or other employees, is strictly prohibited and may result in disciplinary action, up to and including termination.

B. Definitions

Alcohol: means any beverage, mixture or preparation containing ethyl alcohol (ethanol).

Controlled Substance (Drug): means any drug, controlled substance, inhalant (abuseable glue or aerosol paint), or perception altering substance, including but not limited to marijuana, hashish, cocaine, heroin, morphine, codeine, opiates, amphetamines, barbiturates, hallucinogens, phencyclidine (PCP) and inhalants.

Urinalysis Test: means screening by a laboratory designated by the City for drugs in a urine specimen provided by an applicant or employee.

Blood Test: means a screening by a laboratory designated by the City for alcohol in a blood specimen provided by an employee

Breathalyzer Test: is a test to confirm the specific level of alcoholic beverage present in the body.

Intoxication: any level of mental or physical impairment resulting from the introduction of alcohol or a controlled substance.

Positive Test Result For Alcohol: means having a reportable blood alcohol concentration (BAC) level in the body of .02 as determined by a blood and/or Breathalyzer test.

Positive Test Result for Drugs: means having a “reportable level” of a drug in the body as determined by a urinalysis and/or blood test.

Reasonable Suspicion: a conclusion based on personal observation of specific, objective instance of employee conduct, that an employee is unable to satisfactorily perform assigned job duties due to the suspected use of controlled substances or alcohol. Such inability to perform may include, but is not limited to: a pattern of abnormal or erratic behavior, physical symptoms (i.e. glassy or bloodshot eyes, slurred speech, odor, unsteady gait, poor coordination or reflexes) or direct observation of controlled substance or alcohol use. Information provided by a reliable and credible source of possession of controlled substances or alcohol will also constitute a basis for reasonable suspicion.

Testing Facility: means a hospital, clinic or laboratory approved by the City.

C. Notification

City rules and regulations prohibit the use or possession of controlled substances or alcohol while on duty, on City property or in a vehicle while conducting City business. Violation of these rules and regulations will subject the employee to discipline, that may include termination.

Based on reasonable suspicion, an employee is requested to submit to testing for controlled substance and/or alcohol use. Prior to such testing, employees are required to sign a form consenting to testing.

D. Prohibited Conduct Relating to the Use of Alcohol and Controlled Substances

Employees Will Not:

1. Have a breath alcohol concentration as determined by an Evidential Breath Testing (EBT) device or a laboratory analysis of a blood specimen of .02 or greater while on duty.
2. Test positive, equal to or exceeding the maximum levels for a confirmatory test as established by the Federal Department of Health and Human Services, for a controlled substance.
3. Report for duty or return to duty exhibiting the odor of alcohol or a controlled substance.
4. Be under the influence of alcohol or a controlled substance, or exhibit any element or the appearance of intoxication.
5. Possess, use or distribute alcohol or controlled substances while on duty, while in a City vehicle or while in a privately owned vehicle operated for City business.
6. Consume any alcoholic beverage or controlled substance immediately before or following their tour of duty at their work-site.
7. Refuse or fail to comply with the requirements, referrals or time frames within this policy.

E. Procedures for Reasonable Suspicion Testing of Employees

1. When there is reasonable suspicion that an employee has ingested, inhaled or injected a drug or has ingested an alcoholic beverage when reporting for work or while on duty:
2. The employee is prohibited from working or continuing to work.
3. The supervisor or manager requests a personal observation and review of specific objective instances of employee conduct to confirm that reasonable suspicion exists.
4. The employee is immediately transported for testing to the appropriate testing facility. After testing, arrangements are made for safe transportation to the employee's residence or a place selected by a relative of the employee.

F. Disciplinary Actions Relating to the Use of Alcohol and Controlled Substances in the Workplace

1. Employees who refuse to consent or submit to a drug or alcohol test are terminated.
2. Employees who produce a positive test result for drugs or alcohol, or who otherwise violate this policy are subject to disciplinary action, up to and including termination.

G. Drug and Alcohol Policy for Safety Sensitive Positions

(i) Scope

All employees in safety-sensitive positions are required to comply with Federal safety standards as regulated by the Department of Transportation (D.O.T.). Safety-sensitive positions include the following:

Public ~~Services~~ Works Director
 Assistant Public Works Director
 Community Services Director
 Street Crew
 Building & Maintenance Crew
~~Utility Superintendent~~
~~Meter Reader~~
 Water ~~Operator~~ Department Crew
~~Utility Worker~~
~~Electric Line Services~~
 Electric ~~Helper~~ Department Crew
 Wastewater Plant ~~Operator~~ Crew
~~Customer Services~~
~~Utility Billing Clerk~~
~~Technical Services Clerk~~
~~Public Works Secretary~~

Additional safety-sensitive positions may be added by the City as prescribed by the Department of Transportation.

(ii) Prohibited Conduct

1. Employees in safety-sensitive positions are prohibited from reporting to work, performing safety-sensitive duties, or having any controlled substance present in their body while in the employ of the City.
2. Employees in safety-sensitive positions are prohibited from reporting to work within 4 hours after consuming alcohol.
3. Employees in safety-sensitive positions are prohibited from consuming alcohol while at work, including while performing safety-sensitive functions.

4. Employees in safety-sensitive positions are prohibited from possessing alcohol while on duty.
5. Employees in safety-sensitive positions are prohibited from reporting to work or performing safety-sensitive functions while having an alcohol concentration of .02 or greater.
6. Employees in safety-sensitive positions are prohibited from leaving the scene of an accident, without a valid reason as determined by the Department Director or designee, before arranging to have both a controlled substance and alcohol test performed.
7. Employees in safety-sensitive positions are prohibited from consuming alcohol after an accident unless:
 - a. Eight hours have expired.
 - b. The employee has been tested.
 - c. The City has determined that the employee's performance could not have contributed to the accident.
8. Excluded from this policy are prescribed controlled substances when used by the person for whom prescribed and when used in the manner, combination and quantity prescribed.

Employees who are using prescribed controlled substances that may affect their ability to perform their job in a safe manner are required to notify their supervisor prior to performing their job duties.

(iii) Consequences of Violation of this Policy

In accordance with this policy and as provided by the D.O.T. regulations, any violation may result in disciplinary action up to and including termination.

1. Alcohol

The City will not hire applicants who test with an alcohol concentration of .02 or greater and applicants are not eligible to reapply for any City position for 90 days after a positive result.

If an employee in a safety-sensitive position has an alcohol concentration of .02 or greater, the employee will be removed from performing their safety-sensitive duties and will be placed on accrued leave, or leave without pay if no accrued leave is available, for 24 hours or until further administrative or disciplinary action is taken.

To be eligible to return to work after a test indicating an alcohol concentration of .04 or greater, the employee must be evaluated by a Substance Abuse Professional (SAP). If the SAP determines that additional treatment is necessary, the employee must complete such treatment. In addition, the employee will be subject to follow-up testing as described in this policy.

2. Controlled Substance

The City will not hire applicants who test positive for controlled substances and applicants are not eligible to reapply for any City position for 90 days after a positive test.

If an employee in a safety-sensitive position is requested to submit to a controlled substance test under the reasonable suspension or post-accident circumstances as described in this section, or in conjunction with reasonable suspicion, the employee will be suspended from job duties and placed on leave with pay pending the results of the testing.

If an employee in a safety-sensitive position tests positive for a controlled substance, the employee will be removed from performing their safety-sensitive duties and will be placed on accrued leave, or leave without pay if accrued leave is not available, for 24 hours or until further administrative or disciplinary action is taken

To be eligible to return to work after a positive controlled substance test, the employee must be evaluated by a SAP. If the SAP determines that additional treatment is necessary, the employee must complete such treatment. In addition, the employee will be subject to follow-up testing as described in this policy.

(iv) Treatment Costs

Treatment costs prescribed by the Substance Abuse Professional (SAP) or other assessment, referral or rehabilitation sources will be the responsibility of the employee. Evaluation by and compliance with any treatment prescribed by the SAP does not exclude an employee from disciplinary action and does not guarantee an employee will be returned to work following a violation of this policy.

(v) Substance Screening

1. Applicants

Applicants for safety-sensitive positions will undergo a test for the presence of controlled substances and alcohol prior to being hired or promoted by the City. Failure to test will result in withdrawal of the application.

2. Employees

(a) Pre-Promotion Testing

Employees who have been conditionally selected for promotion into a safety-sensitive position will undergo a test for the presence of controlled substances and alcohol prior to being promoted. Employees who are in safety-sensitive positions and who test positive for a controlled substance or an alcohol concentration of .02 or greater will automatically be disqualified for promotion and subject to disciplinary action. Employees who are not in safety-sensitive positions and who test positive for a controlled substance or an alcohol concentration of .02 or greater are not eligible to reapply for promotion to a safety-sensitive position for a period of 90 days. Refusal of any employee to test will result in withdrawal of the application for promotion.

(b) Post-Accident Testing

Employees in safety-sensitive positions are required to submit to a controlled substance test and an alcohol test after an accident as defined below.

- When the accident results in a fatality.
- When the accident results in injury requiring medical treatment within two hours.
- When the employee receives a moving traffic citation.
- When the accident results in physical damage to a vehicle requiring it to be towed.
- When the accident results in damage to property estimated to be equal to or greater than \$1,000.

Any employee who is seriously injured and cannot provide a specimen at the time of the accident, or who is otherwise unable to comply with the controlled substance and/or alcohol concentration testing, will provide the necessary authorization for obtaining hospital reports, law enforcement reports and other documents that would indicate whether there were any controlled substance in the employee's system and/or the employee's alcohol concentration.

3. Reasonable Suspicion Testing

An employee in a safety-sensitive position will be required to submit to controlled substance and/or alcohol testing upon reasonable suspicion to believe the action(s), appearance or conduct of the employee on duty is indicative of the use and/or presence in the employee's body of a controlled substance or alcohol.

4. Random Testing

Safety-sensitive employees are subject to controlled substance and alcohol testing at any time on a random basis as a term and condition of holding a safety-sensitive position. Random testing is reasonably spread throughout the year and is unannounced to ensure that no employee receives advanced knowledge of the time of testing. All safety-sensitive employees have an equal chance of being selected each time a random selection is made.

The number of controlled substance tests conducted annually equals or exceeds 50% of the number of safety-sensitive positions subject to testing. The number of alcohol tests conducted annually equals or exceeds 25% of the number of safety-sensitive positions subject to testing.

5. Return to Duty and Follow Up

Any employee who has been required to or voluntarily undergoes rehabilitation for substance abuse must submit to a controlled substance test and an alcohol test and provide negative test results before returning to work. In addition, the employee is subject to at least 6 unannounced tests over the 12 months following the employee's return to work. Unannounced testing will be conducted for at least 12 but not more than 60 months following the safety-sensitive employee's return to work.

6. Refusal to Test

Refusal to submit to testing is a violation of this policy and subjects the employee to disciplinary action up to and including termination. The following behavior constitutes a refusal:

1. Refusal to take the test.
2. Inability to provide sufficient quantities of breath or urine to be tested without a valid medical explanation.
3. Tampering with or attempting to adulterate the specimen or collection procedure.
4. Not reporting to the collection site in the time allotted.
5. Leaving the scene of an accident without a valid reason before the tests have been conducted.

(vi) Testing Procedures

1. Controlled Substances

Controlled substance screening is conducted in a laboratory certified by the Department of Health and Human Services (DHHS) and in accordance with the Procedures for Transportation Workplace Drug Testing Programs. These procedures include split sampling which provides that a urine sample be split into two separate containers.

The substance screen tests for the following drugs: marijuana, cocaine, opiates, amphetamines and phencyclidine (PCP).

Any positive initial test is confirmed by a gas chromatography and a mass spectrometry (GC/MS) test.

The City contracts with a Medical Review Officer (MRO) who receives the laboratory results of the testing procedure. The MRO is a licensed physician with knowledge of substance abuse disorders and the appropriate medical training to evaluate positive test results, medical histories and any other relevant biomedical information. The MRO reviews all medical records made available by the testing individual when a confirmed positive test may have resulted from legally prescribed medication.

The MRO is the sole custodian of the completed individual test results. The MRO informs the City of test results only; that is, whether the test results were positive or negative. The laboratory maintains custody of the physical samples.

After receiving notification of a verified positive test, an employee may request that the split sample be analyzed. Such requests must be made within 72 hours of notification of the verified positive test. If a timely request is made, the sample is tested at another DHHS certified laboratory. The employee is responsible for reimbursing the City for the cost of that test.

2. Alcohol Testing

Alcohol testing is conducted by a Breath Alcohol Technician (BAT) using an Evidential Breath Testing Device (EBT). The employee provides a breath sample. If the employee's alcohol concentration is greater than .02, a second breath sample is obtained and a confirmation test is performed.

(vii) Training Requirements

Each supervisor is required to receive a minimum of 60 minutes of training on alcohol misuse and 60 minutes of training on controlled substance use each year. The training covers the physical, behavioral, speech and performance indicators of probable alcohol misuse and use of controlled substance.

Each employee in a safety-sensitive position or who is hired, transferred or promoted into a safety-sensitive position is required to receive a copy of the City's Drug and Alcohol policy for Safety-Sensitive Position and additional educational materials concerning the use of alcohol and controlled substances.

SECTION 13.10 Prohibited Weapons In The Workplace

To maintain a safe workplace, the City prohibits the carrying of a handgun, firearm or weapon of any kind into buildings owned or controlled by the City and in vehicles owned by the City.

Specifically prohibited on City premises are:

1. Any type of firearm
2. A knife with a blade over 5 ½ inches
3. "Brass knuckles" or "knuckles" made of any other hard substance
4. A throwing knife, dagger or switchblade
5. Any other weapon made illegal as described in the Texas Penal Code, Section 46.01

Violation of this policy may result in disciplinary action, up to and including termination.

Nothing in this Section shall prohibit an employee in lawful possession of a firearm from transporting or storing a firearm in a locked, privately owned vehicle in a parking area owned by the City and designated for employee parking.

SECTION 13.11 Tobacco-Free Workplace Policy

To provide a healthy, comfortable, protective and safe work environment for employees, volunteers, citizens, vendors, suppliers and visitors, tobacco usage in all forms, such as smoking and chewing tobacco are prohibited in any City owned or leased building and in all City owned, leased or rented vehicles at any time or at any location. This includes, but is not limited to heavy equipment and motorcycles.

Tobacco usage is also prohibited within 15 feet of building entrances, unless it is designated as an outside tobacco area.

CHAPTER 14. HARASSMENT PREVENTION

The City is committed to providing a work environment that is free from harassment or intimidation from any employee, supervisor, manager, vendor, supplier, visitor or other non-employee work contact.

SECTION 14.01 Definition of Harassment

Harassment is defined as unwelcome or unsolicited verbal, physical or sexual conduct that:

- Is made a term or condition of employment,
- Is used as the basis for employment decisions, like pay, promotion or job assignments,
- Interferes with the employee's work performance, or
- Creates an intimidating, hostile or offensive working environment.

Examples of what may be considered harassment, depending on the specific facts and circumstance, include but are not limited to the following:

Verbal and Non-Verbal Harassment: Derogatory, vulgar or degrading comments regarding a person's race, sex, religion, ethnic heritage or physical appearance, or the distribution or posting of similar written or graphic material that is offensive in nature.

Physical Harassment: Hitting, pushing or other aggressive physical conduct or threats to take such action.

Sexual Harassment: Unwelcome or unsolicited sexual advances, demands for sexual favors, or other verbal or physical conduct of a sexual nature. Behavior that may, depending on the circumstances, be considered sexual harassment includes unwanted touching, holding, grabbing, hugging or other unwanted physical contact. In addition, offensive language or jokes, whistles or "cat calls", staring at a person's body, offensive gestures or motions, or distributing or displaying sexually oriented cartoons, pictures, calendars or other objects may be considered sexual harassment.

Retaliation: Demonstrating hostility toward, alienating or otherwise taking unfriendly action against an employee for complaining about or reporting the behaviors described above. Retaliation is prohibited.

SECTION 14.02 Reporting Process

If an employee believes harassment has occurred or witnessed what is believed to be harassment of or by another employee(s), immediate action should be taken by:

- Identifying the offensive behavior to the harasser and requesting that it stop.
- Discussing the concern as soon as possible with a supervisor, or manager whom the employee feels comfortable talking with about the problem.
- Contacting the Administrative Services Director or the City Administrator to report the complaint/incident when the employee is not comfortable talking directly to the harasser or employee's supervisor or Department Director.
- In the event a complaint is against the City Administrator, the complaint should be forwarded to the Mayor.

There is no requirement for the form or content of a harassment complaint. The complaint may be verbal or written. It is recommended that as much information as possible be provided regarding the offending incident or conduct; such as: what happened or is continuing to happen, the person(s) causing the harassment, time(s), place(s), and if available the names of witnesses, etc.

SECTION 14.03 Supervisor Responsibility

Supervisors are responsible for the conduct of all employees. As part of this responsibility they must take steps to eliminate any harassment and counsel or discipline employees as necessary to correct inappropriate behavior. Supervisors who are aware of or should have known of harassment by employees or non-employees and who do not take immediate action to correct the situation are subject to disciplinary action. Allegations of harassment are dealt with in strict confidence.

When a supervisor is notified of alleged harassment, the supervisor is required to promptly notify their Department Director and Administrative Services Director for a determination as to how the investigation is made. The complaint is promptly and thoroughly investigated. The investigation may include interviews with individuals directly involved and where necessary, with employee(s) who may have observed the alleged harassment or who may be similarly situated. The complaint, investigative steps and findings are documented as thoroughly as possible.

All employees filing a complaint regarding harassment are to receive either a verbal or written response to their complaint.

SECTION 14.04 Disciplinary Action

If the investigation indicates that harassment or retaliation against complainant(s), witness(es) or person(s) who participate in the investigation occurred, appropriate action up to and including termination is taken.

Employees who file a harassment complaint that is groundless and brought in bad faith, or brought for the purpose of humiliating others, are subject to disciplinary action up to and including termination.

CHAPTER 15. COUNCIL – STAFF INTERACTION

SECTION 15.01 Background and Purpose

The purpose of this policy is to guide City employees in the relationships and interactions with the Mayor and City Council. The Mayor and Councilmembers do not surrender their rights as a citizen upon taking the oath of office. They are free to make inquiries and to request service like other taxpayers and residents of the City of Castroville. Because of their position, however, their inquiries and requests take on a special nature that can easily be misconstrued and lead to problems if they are not handled thoroughly.

The Mayor and City Council are the policy makers for the City. They have the important task of establishing the vision for the community and providing the means to see it accomplished. To carry out their vision, the Council approves an annual budget and adopts policies that set boundaries in which employees must operate. To do their job effectively, they rely on employees to provide them with complete and accurate information.

The effectiveness of the City Administrator is directly related to the quality and flow of information that passes between the City Council and the employee. Information must pass through lines of communication that are fair, clear, consistent, and open. If not, the effectiveness of the whole organization will suffer.

SECTION 15.02 Directives

A. Equal Treatment

All Councilmembers will receive the same information about a matter, particularly as it relates to business items for consideration as a body. No one will receive different or special information that would tend to put one Councilmember at an advantage over the others. To avoid such problems and in general, employee reports will be prepared for the entire City Council.

B. Favoritism

All Council inquiries and requests are to be handled professionally and courteously. Individual Councilmembers may have more of an interest in some departmental functions than others; however, that should not cause employees to show special deference to certain Councilmembers. Every Councilmember is to be treated equally, and no favoritism is to be demonstrated. Employees will be cooperative and responsive.

C. Lobbying of Councilmembers

Employees will not lobby individual Councilmembers to support a project, budget request, etc. Employees will operate on the principle that the best idea for continuous improvement of citizen and community service should prevail. Proposals or programs must stand on their merits. Employees may offer their personal viewpoint when asked directly by a Councilmember. Staff should make known all their concerns and insights on an issue to the City Administrator.

D. Council Orders

The Council sets policy as a body. No Councilmember, as an individual, can issue an order that contradicts a policy that has been approved by the majority of the City Council. Once the City

Council issues a policy, it is the City Administrator's responsibility to determine how it is to be carried out and by whom.

If a Councilmember or a group of Councilmembers make an order that contradicts established policy or instructions from the City Administrator, the employee will immediately relay their concern to the City Administrator. The City Administrator will address the concerns in a professionally responsible manner in keeping with the City ordinances, state/Federal law, past practices, and generally accepted ethical standards.

E. Utilization of Resources

Staff resources are limited. They are devoted to carrying out the priorities and programs determined by the entire City Council. As a result, the staff cannot pursue special projects or interests of individual Councilmembers. If a request from a Councilmember will require a special research effort, staff will report that request to the City Administrator. The City Administrator will determine if the request will serve the interest of the City and/or if the request needs to be considered by the entire City Council.

F. Staff Work in Progress

There are always a number of policy proposals under review prior to presentation to the City Council for a decision. While these matters are in process at the staff level, it is inappropriate for staff to consult with individual Councilmembers on their preference for possible recommendation. This does not apply when Councilmembers have been identified to assist staff in developing recommendations.

G. Council-Staff Contact

It is of the utmost importance that all communication between the staff and City Council be conducted in a manner that is fair, clear, open and consistent. When the staff communicates with the City Council outside of these basic principles, the integrity of the entire organization is compromised. Therefore, it is critical that all contact with Councilmembers that involve policy and/or operational issues be reported to the City Administrator the same day, if possible. If it is not possible, then the report should be given within 24 hours.

Furthermore: Unless first approved by the City Administrator, a staff member may not initiate a contact with a Councilmember(s) to discuss a policy issue or an operational issue. If a request by a Councilmember requires anything more than a very basic exchange of factual information, the request should first be directed to the City Administrator before a response is given. A staff member will never speak negatively or disparagingly about another staff member(s) with a Councilmember. The City Administrator expects that all staff members will comply with this policy and will not permit an activity that the City Administrator or Council does not condone.

H. Communication – News Media Policy

Employees are extremely important in fostering public relations. It is the policy of the City to remain open and accessible to the media. The following guidelines shall be followed:

- Employees may provide factual information related to an incident or in response to a question to the media if they feel comfortable doing so.

- Employees may refer a media question to their supervisor if they are unsure of the appropriate response or if they do not feel comfortable answering the question.
- Employees shall report all media contacts to their supervisor immediately.
- Supervisors shall report all media contact to their Department Director immediately.

CHAPTER 16. EMPLOYEE PERFORMANCE APPRAISALS

SECTION 16.01 Purpose of Performance Appraisals

Performance appraisals are conducted to give employees feedback on their overall job performance. The performance appraisal interview establishes a time when employees and supervisors can meet to assess compliance with City core ideologies, work performance, work goals and personal development goals. The appraisal is intended to give the employee and the City information that assists the employee in becoming a more effective worker.

Written performance appraisals are conducted on an annual basis. Informal appraisals and work discussions may occur on a more frequent basis. The supervisor may delay completion of a performance appraisal due to a pending disciplinary review.

SECTION 16.02 Supervisory Responsibilities

When conducting performance appraisals, supervisors are responsible for objectively evaluating the employee's job performance throughout the evaluation period. Supervisors are responsible for the validity of the justification of performance ratings. If an employee has a history of good work performance, the appraisal should reflect the same. If the employee's work history has been unsatisfactory or shows a pattern of performance or attendance problems, the appraisal should reflect those facts.

CHAPTER 17. MISCELLANEOUS REGULATIONS

SECTION 17.01 Public Relations

All employees of the City are hired to perform a service for the citizens of Castroville. Creating and maintaining a good relationship with the public is critical to City operations.

City employees are expected to treat all citizens equally and respond to the public with respect. It is a policy of the City to make every effort to be receptive to a citizen's comments and concerns.

SECTION 17.02 Dress Code

Employee safety is the first priority and employees are to dress appropriately for their individual job assignments. Business casual is permitted in the office area. Employees are expected to dress in a manner that is neat, clean and appropriate for their specific job and work environment. Employees who are required to wear uniforms and/or safety gear are to wear them appropriately.

Unusual circumstances, such as weather conditions, special work assignments, medical reasons, worksite conditions and/or non-normal working hours may be sufficient reasons to grant exceptions.

Employees in violation of this policy may be sent home. Under such circumstances, nonexempt employees will not be paid for work time missed. Employees whose dress and appearance do not meet the standards of sound judgment and are not appropriate for their job and work environment are subject to disciplinary action.

SECTION 17.03 Conduct

City employees are prohibited from engaging in any conduct, on or off-duty, that could reflect unfavorably upon the City. Employees must avoid any action that might result in, or create the impression of, using their position for private gain, or giving preferential treatment to any person or company while conducting City business. It is the responsibility of all employees to observe rules and regulations adopted for the orderly, proper, efficient and safe operation of City functions.

SECTION 17.04 Inclement Weather/Emergency Situations

Employees are expected to report to work as scheduled at all times, to include periods of inclement weather, unless directed not to do so by the City Administrator. In the event of official City closures, the City Administrator will determine the amount and type of leave to be deducted for each event.

Essential personnel are designated by their Department Directors, by virtue of their specialized function or necessary skills are essential to the department's operational needs during inclement weather or emergency situations and are therefore required to report for duty.

Non-exempt employees who are unable to arrive at work or must leave before the end of their scheduled work day due to severe weather conditions must notify their supervisor. ~~and must take authorized vacation leave, accrued compensatory time, or leave without pay for the portion of the work day missed.~~

Upon direction of the City Administrator, regular full-time and part-time employees who are sent home may be given credit for having worked the number of hours in the employee's regular scheduled work day. This time will be recorded as administrative leave and will not be considered for any overtime compensation.

SECTION 17.05 Open Communications

The City maintains an "open door" policy to encourage employees to discuss issues, problems or suggestions without fear of retaliation. This process is to help the City remain a positive, productive and enjoyable place to work.

The following steps are recommended, however employees may contact another supervisor or manager, up to and including the City Administrator without fear of retaliation.

Employees should first meet with their supervisor to discuss the issues, problems or suggestions. This provides an opportunity for the employee and supervisor to gain additional information and eliminate any misunderstandings; however, if the employee does not feel comfortable discussing the situation with the supervisor, the employee may contact their Department Director or the Administrative Services Director.

If the supervisor is unable to settle the matter, the employee may contact their Department Director or the Administrative Services Director.

The last step is to contact the City Administrator to discuss the issues, problems or suggestions.

The design of this policy is to encourage employees to be direct and address issues, problems or suggestions without having to be anonymous. The ability to speak directly with the City Administrator without fear of retaliation supports this "open door" policy.

SECTION 17.06 Use of City Computers, Internet Access, and Electronic Mail

City computer systems, including Internet access and electronic mail systems, are to be used for city business. Occasional use of electronic mail for personal communications is permissible if the length and number of such communications are kept to a minimum. However, because all computer systems are City property, there is no expectation of privacy for an employee using these systems. Any and all electronic communications in connection with the transaction(s) of official City business on any electronic device, personal or city, is subject to the Texas Open Records Act and may be subject to release.

Unacceptable Uses of the Internet and City E-Mail. City e-mail systems and Internet access may not be used for transmitting, retrieving, or storing any communications, images, or other content of a discriminatory or harassing nature or any materials that are obscene or pornographic. Harassment of any kind is prohibited. No messages with derogatory or inflammatory remarks about an individual's race, age, disability, religion, national origin, physical attributes, or sexual orientation may be transmitted or forwarded using the city system. No abusive, profane, or offensive language may be transmitted through the city's e-mail or Internet system. The city's harassment policy applies in full to e-mail and Internet use. Employees do not have a personal privacy right regarding any matter created, received, stored, or sent from or on the city's e-mail or Internet system or computers.

The city e-mail and Internet system may not be used for any purpose that is illegal, against City policy, or contrary to the city's best interest. Solicitation of non-city business or any use of the city e-mail or Internet system for personal gain is prohibited.

City employees should keep in mind that even when an e-mail or voice mail message has been deleted from a location, it is still possible to retrieve that message.

Rules for Electronic Communication. Each employee is responsible for the content of all text, audio, or images that he or she accesses, places, or sends over the city's e-mail or Internet system (including bulletin boards, online services, or Internet sites). Employees must include their name in all messages communicated on the city's e-mail or Internet system.

If any employee receives unsolicited e-mail from outside the city that appears to violate this policy, the employee should notify his or her supervisor immediately. Similarly, if any employee accidentally accesses an inappropriate web site in the normal course of business, the employee should notify his or her supervisor immediately.

System Security. The city reserves the right to routinely monitor how employees use e-mail and the Internet. The city may monitor to measure cost analysis/allocation and the management of the city's gateway to the Internet. All messages created, sent or received over the city's e-mail or Internet system are the city's property and should not be considered private information.

Reporting Requirements: Violations.

If an employee receives any unauthorized material from another employee or outside individual or entity, the employee shall immediately report said receipt to their immediate Department Head. An unauthorized materials found on an employee's computer or in their workspace which was not previously reported shall be deemed the in the possession of the employee and such the employee shall be subject to appropriate disciplinary action including and up to termination from employment.

Any employee who violates these rules or otherwise abuses the privilege of the city's e-mail or Internet system will be subject to disciplinary action up to and including termination. If necessary, the city also reserves the right to advise appropriate officials of any illegal activities.

SECTION 17.07 Social Media

City departments may utilize social media and social network sites to further enhance communications with various stakeholder organizations in support of City goals and objectives. City officials and City organizations have the ability to publish articles, facilitate discussions and communicate information through various media related to conducting City business. Social media facilitates further discussion of City issues, operations and services by providing members of the public the opportunity to participate in many ways using the Internet.

Definitions

For the purpose of this City Social Media Policy, the following terms are defined as provided below:

- A. **Social Media and Social Networking:** Both terms are used to refer to social Internet sites or websites wherein information is created, exchanged, or provided by/to third parties and individuals. Examples of social media include Facebook, blogs, MySpace, RSS, YouTube, Second Life, Twitter, LinkedIn, Delicious, Flickr, and blogs of all types, etc.
- B. **City Author:** City Administrator or his/her designee. An authorized City official that creates and is responsible for posted articles and information on social media sites (see article below).
- C. **Article:** An original posting of content to a City social media site by a City author.
- D. **Commenter:** A City official or member of the public who submits a comment for posting in response to the content of a particular City article or social media content.
- E. **Comment:** A response to a City article or social media content submitted by a commenter.

General Provisions

1. All City social media sites shall be (1) approved by the City Administrator and the requesting Department Head; (2) published using approved City social networking platform and tools; and (3) administered by the Department of Information Technology or their designee. Designees can be any department employee or volunteer designated by the requesting Department Head that has a complete understanding of this policy and has appropriate content and technical experience.
2. All City social networking sites and entries shall adhere to applicable state, federal and local laws, regulations and policies including all Information Technology and Records Management City policies and other applicable City policies.
3. Texas Public Information Act and e-discovery laws and policies apply to social media content and therefore content must be able to be managed, stored and retrieved to comply with these laws.
4. All social network sites and entries shall clearly indicate that any articles and any other content posted or submitted for posting are subject to public disclosure.
5. Content submitted for posting that is deemed not suitable for posting by a City social networking moderator because it is not topically related to the particular social networking site objective being commented upon, or is deemed prohibited content based on the criteria in Policy –Item H. of this policy, shall be retained pursuant to the records retention schedule along with a description of the reason the specific content is deemed not suitable for posting.
6. The City or Author reserves the right to restrict or remove any content that is deemed in violation of this policy or any applicable law.

7. Each City social networking site shall include an introductory statement which clearly specifies the purpose and topical scope of the blog and social network site. Where possible, social networking sites should link back to the official City Internet site for forms, documents and other information.

8. City social networking content and comments containing any of the following forms of content shall not be allowed for posting:

- a. Comments not topically related to the particular site or blog article being commented upon;
- b. Profane language or content;
- c. Content that promotes, fosters, or perpetuates discrimination on the basis of race, creed, color, age, religion, gender, marital status, status with regard to public assistance, national origin, physical or mental disability or sexual orientation;
- d. Sexual content or links to sexual content;
- e. Solicitations of commerce;
- f. Conduct or encouragement of illegal activity;
- g. Information that may tend to compromise the safety or security of the public or public systems; or
- h. Content that violates a legal ownership interest of any other party

9. All City social networking moderators shall be trained regarding the terms of this City policy, including their responsibilities to review content submitted for posting to ensure compliance with the policy.

10. All social networking sites shall clearly indicate they are maintained by the City and shall have City y contact information prominently displayed.

11. Where appropriate, IT security policies shall apply to all social networking sites and articles.

12. Employees representing the City government via social media outlets must conduct themselves at all times as a representative of the City and in accordance with all City Personnel Policies.

13. Employees found in violation of this policy may be subject to disciplinary action, up to and including termination of employment.

Employee Guidance for Participating in Social Networking

The City understands that social networking and Internet services have become a common form of communication in the workplace and among stakeholders and citizens. Social networks are online communities of people or organizations that share interests and/or activities and use a wide variety of Internet technology to make the interaction a rich and robust experience.

Employees that choose to participate in social networks while a City employee should adhere to the following guidelines.

- 1. City policies, rules, regulations, and standards of conduct apply to employees that engage in social networking activities while conducting City business. Use of your City e-

mail address and communicating in your official capacity will constitute conducting City business.

2. Employees who participate in social media outlets on or off-duty are subject to the same standards for such communications as set forth within this Personnel Policy Manual.

3. Although minimal personal computer usage is allowed during the workday, participating in non-work-related social media outlets while on duty is assumed to impact productivity and cause performance issues and therefore is prohibited.

4. City employees shall notify their supervisor and the IT department if they intend to create a social networking site or service to conduct City business.

5. Departments have the option of allowing employees to participate in existing social networking sites as part of their job duties. Department Heads may allow or disallow employee participation in any social networking activities in their departments as to existing social networking sites for the City.

6. Confidential or proprietary information or similar information of third parties who have shared such information with the City should not be shared on social media outlets.

7. Employees shall follow all copyright laws, public records laws, retention laws, fair use and financial disclosure laws and any other laws that might apply to the City or your functional area.

8. Employees shall not cite vendors, suppliers, clients, citizens, co-workers, or other stakeholders without their approval.

9. When participating in social networking sites not related to City business, an employee shall make it clear that they are not speaking on behalf of the City but speaking in their capacity as a private citizen. If an employee publishes content on any website outside of the City and it has something to do with the employee's employment at the City or subjects associated with the City, the employee shall use a disclaimer such as: "The postings on this site are my own and don't necessarily represent the City's positions or opinions." It should be noted however that a disclaimer will not prevent an employee from being disciplined if their communication has the effect of violating any City policy.

10. Employees shall not use ethnic slurs, profanity, personal insults, or engage in any conduct that would not be acceptable in the City's workplace. Avoid comments or topics that may be considered objectionable or inflammatory.

11. If an employee identifies oneself as a City employee, the employee shall ensure that their profile and related content is consistent with City performance and conduct standards regarding how to present oneself to colleagues, citizens, and other stakeholders.

12. When speaking on behalf of the City, employee comments should add value to the City and interaction should provide worthwhile information and perspective.

13. While the City encourages its employees to enjoy and make good use of their off-duty time, City employees may be subject to discipline if their activities on or off duty have

the effect of disrupting the functioning or efficiency of the workplace. Activities which are considered disruptive include, but are not limited to, harassing, demeaning, or creating a hostile working environment for any official or employee; disrupting the smooth and orderly flow of work within the City; or disrupting working relationships. The City recognizes an employee's first amendment rights, but employees must also adhere to the City's policies related to social media. In addition, employees are subject to discipline for inappropriate activities, on or off duty, if they are acting pursuant to their official duties, or if they engage in inappropriate conduct or speech on private employment matters.

CHAPTER 18. RESTRICTED ACTIVITIES

Certain activities, by virtue of their relationship to the City service or to the unique characteristics of the City, must be regulated or restricted. These activities include, but are not limited to the following:

SECTION 18.01 Outside Employment

Outside employment includes, but is not limited to, other employment, the ownership or operation of a business, employment as a consultant or advisor, or employment with another local governmental entity. Such employment must not conflict with the performance of assigned City duties nor be in competition with the City.

Outside employment must be reported to and may be authorized by the City provided that the employment does not affect or interfere with any City programs.

Employees desiring to engage in outside employment must submit a written notification to their Department Director and the City Administrator, stating the type of work to be performed, the employee's business agency or organization and the hours of work. In cases where the outside employment is deemed a conflict of interest, a written response stating the reason or justification for not authorizing the request is provided.

SECTION 18.02 Nepotism

To avoid any real or apparent conflict of interest or any situation that may suggest a conflict of interest, no person is hired into a position and thereafter promoted, transferred or demoted to a position in a department where an employee would be in a position of supervising or being supervised by a member of their family that is related by blood or marriage.

No person within any degree of the relationship defined below to the Mayor, any member of the City Council, or the City Administrator will be appointed to or hired for an office, position, clerkship, and/or other service of the City wherein the individual would be a full-time, part time. **This policy does not apply to temporary or seasonal employment.**

The following defines the relationships between relatives by blood (consanguinity) and by marriage (affinity).

Consanguinity (Blood Relationship)	Affinity (Marriage Relationship)
First Degree	First Degree
Second Degree	Second Degree
Mother	Wife
Father	Husband
Sister	Mother-in-law
Brother	Father-in-law
Daughter	Daughter-in-law
Son	Son-in-law
Grandmother	Stepmother
Grandfather	Stepfather
Granddaughter	Stepson
Grandson	Stepdaughter

Uncle	Sister-in-law
Aunt	Brother-in-law
Niece	Spouse's Grandparent
Nephew	Spouse's Grandchild
First Cousin	Step-Grandparent
Aunt/Uncle's Child	Spouse's Stepsiblings

Common Law or “informal” marriages, as recognized by the State of Texas are also included for purposes of this policy.

Other conflicts that must be avoided are when immediate family members working together are involved in checking, processing or verifying each other's work.

In the event two employees become related and one of the above situations occurs, one employee must resign or transfer to another position consistent with this policy, within 30 calendar days after the occurrence of such a change in status

Employees hired before the effective date of this policy that are found to be in violation of this policy but are not otherwise in violation of any other City or departmental policy, rule, policy, or procedure are grandfathered in their current positions.

SECTION 18.03 Political Activity

Any funds provided from or through the City are not to be contributed to or used for the conduct of political activities or the benefit of any candidate for public office, partisan or non-partisan; nor is any employee to be assigned to work for or on behalf of any partisan activity or candidate.

The following actions are strictly prohibited and appropriate disciplinary action is taken:

1. Working or directing other staff to work on any political activity on paid time.
2. The use of City facilities or equipment paid for in whole or in part with City contract funds for political purposes. This includes the use of space, office equipment and telephones during regularly scheduled work hours, as well as after regular work hours.
3. The implicit or explicit coercion of employees to work on political activities on their own time.
4. The use of City rank or title to assist any public official or candidate in any election at any time.
5. Engaging in any political activity while wearing City uniforms or driving City vehicles.
6. Campaigning for and/or assisting in the election of any public official running for public office during work hours.

SECTION 18.04 Confidential Information

Confidential and proprietary information is information that is not generally known by non-City personnel or knowledge that is obtained as a result of employment with the City. Confidential information includes but is not limited to social security numbers, unpublished financial data, etc.

The use or disclosure of confidential information for the benefit of any employee or any employee's friend, relative, spouse or other acquaintance that might in any way injure, hinder or compromise the City is prohibited. Violation of this policy may result in disciplinary action up to or including termination.

SECTION 18.05 Conflicts of Interest/Gifts and Gratuities

It is considered a potential conflict of interest for any employee to give or receive gifts of more than nominal value (generally \$50 or less unless occurring on a continuing and frequent basis) that are in any way connected with business relationships, or to loan or borrow from individuals or concerns that do business with the City, except normal and customary financial services from banks or other financial institutions, and include but not limited to the following:

- to accept compensation from outsiders for services or time that the employee is being paid by the City;
- to use or reveal outside the City (without appropriate authority and/or specific authorization) confidential information concerning the City;
- to use or permit others to use City employees, materials, or equipment improperly for personal purposes;
- to speculate or deal in securities or acquire an interest in a firm with which the City, to your knowledge, is negotiating or contemplating negotiating a business relationship;
- to do business within the City, directly or indirectly, on terms different than those offered to all employees;
- to serve as an officer, director, employee or a consultant of, or receive income from, any enterprise doing business with the City, or seeking to do so;
- to speculate or deal in materials, equipment, supplies or products purchased by the City, or for which any negotiations to purchase are pending or may reasonably be anticipated, or to receive any compensation, gift, bonus, gift certificate, or commission from an outsider in connection with any such transaction;
- to be a giver or receiver of a bribe, kick-back or pay-off;

CHAPTER 19. INFORMATION TECHNOLOGY

The City provides employees with personal computers that may include access to e-mail and the Internet for the purpose of performing their jobs more efficiently. This technology is provided by the City at its own expense and its use and all related resources are restricted to City business. All work done using this technology is and remains the property of the City. It is not intended for use in connection with employee's personal business, private or non-business matters, to solicit business for a non-work related venture or for any personal cause, including political or religious issues.

Employees do not have the right of privacy with respect to software, data, information, files, e-mail or the Internet and are strictly prohibited from printing, displaying, downloading or sending any sexually explicit images, messages, cartoons or jokes. This includes excessive messages with little information that slows down productivity and clogs the system or non-work related activities, such as chat rooms. Inappropriate or abusive use of computer technology may result in disciplinary action up to and including termination. Any information stored on City equipment is subject to review or audit at any time.

SECTION 19.01 Electronic Mail

Electronic mail (e-mail) is used to facilitate business-related communication between employees and other businesses outside the organization. The use of e-mail is considered the same as creating or sending a business letter or office memo and is structured in a professional manner that represents the employee and the City. They are not the private property of any employee. The City reserves the right to review, audit, intercept, access and disclose all messages created, received or sent over the electronic mail system for any purpose.

SECTION 19.02 Internet Usage

Access to the Internet is provided to employees in certain positions in order to utilize its resources for conducting City business. The City reserves the right to review and monitor employee's Internet access. Employees are not permitted to download, display or disseminate materials that may be considered obscene, racist, sexist or otherwise offensive.

CHAPTER 20. DISCIPLINE

SECTION 20.01 Overview

It is the responsibility of all employees to observe City policies, procedures, rules and regulations. Procedures have been established for handling disciplinary measures of reprimand, suspension and discharge. Wherever practical, discipline is progressive; however, any disciplinary measure may be used in any given situation where deemed appropriate.

Reasons for disciplinary action include, but are not limited to the following:

1. Insubordination;
2. Demonstrated incompetence or inefficiency in the performance of job duties;
3. Failure to follow directions or instruction or to carry out assigned duties;
4. Carelessness, negligence or misuse of City property or funds;
5. Theft or intentional destruction of City property or funds;
6. Neglect or refusal to comply with a lawful directive;
7. Being under the influence of intoxicants or drugs while on duty or possessing such substances on City property;
8. Indulging in offensive conduct or using offensive or abusive language in public or at the work site;
9. Conviction of a felony or misdemeanor that has a harmful effect on work operations or the employee's ability to carry out their job duties or subjects the City to increased liability for the employee's actions;
10. Deliberate or careless conduct endangering the safety of the employee or other employees;
11. Inducing or attempting to induce any employee to commit an unlawful act in violation of City rules, regulations or official policy;
12. Using, threatening or attempting to use personal influence in an effort to secure special consideration as an employee;
13. Falsification of employment application, personnel records, time cards, or other City records;
14. Abuse of any type of paid or unpaid leave or other benefit program;
15. Habitual absenteeism or excessive tardiness;
16. Smoking in unauthorized areas;
17. Violating a safety rule or practice;
18. Leaving assigned work area without prior authorization by the supervisor;
19. Violation of a departmental rule, regulation, order or professional ethics;
20. Quitting work early without authorization to do so;
21. Leaving the work site during working hours without authorization from the supervisor;
22. Lying to supervisors or falsifying records with respect to official duties, including work duties and discipline;
23. Discussing with unauthorized persons any confidential information gained through employment with the City;
24. Indulging in offensive conduct, on or off-duty, which reflects unfavorably upon the City or which subjects the City to increased liability for the employee's actions;
25. Engaging in an unlawful act while on duty or while representing the City;
26. Threatening another employee with bodily harm;
27. Physical attacks on supervisors or co-workers;
28. Creating or contributing to unsanitary conditions, including spitting of tobacco on the floor, throwing cigarette butts on the floor or ground;

29. Posting or removing notices, signs or writing in any form on bulletin boards on City property without proper authorization;
30. Failure to maintain required licenses or certifications;
31. Operation of a vehicle for City business if driver's license is suspended or revoked;
32. Failure to notify supervisor of driving violation within three days of receipt of the violation if operation of a vehicle for City business is an essential function of the job;
33. Any employee absent from work for three consecutive days without notification of such absence is deemed to have abandoned their job and is terminated, unless extenuating circumstances require a lesser action;
34. Refusal to sign a performance impairment exam consent form and/or submit to alcohol/drug testing;
35. Failure to comply with the City's Drug/Alcohol Free Workplace Policy;
36. Possession of weapons on City property;
37. Failure to comply with the City's Prohibited Weapons Policy;
38. Harassment, sexual or otherwise, or the use of offensive or abusive language or conduct, including but not limited to racial or ethnic slurs or other discriminatory slurs; or
39. Failure to comply with the City's Harassment Prevention Policy.

SECTION 20.02 Disciplinary Action

Disciplinary action may be taken for any of the reasons outlined in the above section or for any other cause that warrants such action. The degree of discipline is reasonably related to the seriousness of the offense and takes into consideration the employee's past record. Wherever practical, discipline is progressive; however, any disciplinary measure may be used in any given situation. Discipline may include, but is not limited to, verbal/written warnings, suspension, demotion, or termination, depending on circumstances.

A. Verbal Reprimand

Whenever grounds for less severe disciplinary action exist, and the supervisor determines that more severe action is not immediately necessary, the supervisor verbally communicates to the employee the deficiency and when appropriate, tells the employee how to correct the deficiency. The supervisor also states that failure to remedy the deficiency may result in more severe disciplinary action.

B. Written Reprimand

A supervisor may initiate a written reprimand in situations where a verbal reprimand has not resulted in improvement or where stronger initial action is warranted. The written reprimand identifies

- the offense(s),
- the necessary corrective action(s) to be made by the employee,
- the time period in which the employee must accomplish the corrective action and
- that further action may be taken if the problem is not corrected.

A signed copy of the written reprimand must be included in the employee's personnel file. The employee's supervisor must sign the written reprimand.

The employee may submit a written response to the written reprimand for inclusion in the

employee's personnel file.

C. Suspension

When a written reprimand(s) has not corrected a problem, or when a more severe infraction occurs, the supervisor may recommend to the Department Director that the employee be suspended without pay. Suspensions are generally used for rule infractions rather than as a step in progressive discipline for cases of incompetence. Suspensions normally do not exceed 15 working days.

In cases of gross misconduct, the Department Director may immediately suspend the employee with or without pay.

D. Reduction In Pay

When previous disciplinary action(s) has not corrected the problem, or when a more serious infraction occurs, an employee's pay may be reduced to a lower amount.

E. Demotion

When previous disciplinary action(s) has not corrected the problem, or when a more serious infraction occurs, an employee may be demoted.

Employees demoted for disciplinary reasons are placed on a 6-month orientation period in the new position.

F. Dismissal

The Department Director with prior notification to the City Administrator may dismiss an employee for disciplinary reason(s); however the City continues to maintain its right for at-will employment even if an employee is terminated for cause. Employees on their original orientation period may be dismissed with or without cause.

CHAPTER 21. GRIEVANCE AND APPEAL PROCESS

It is the policy of the City to provide employees with avenues for the presentation of grievances and appeals.

SECTION 21.01 Purpose

The grievance process provides employees with a formal mechanism to resolve disputes concerning disciplinary actions, employment practices, or violations of established personnel policies in a fair and timely manner.

SECTION 21.02 Definition

A grievance is a written complaint by an employee regarding an alleged violation, misinterpretation, or inequitable application of City policy or procedure that directly affects the employee's terms or conditions of employment. Complaints related to discrimination, harassment, or retaliation are handled separately under applicable state or federal laws.

SECTION 21.03 Procedure

A. Step 1 – Department Level Review

The employee must submit the grievance in writing to their immediate supervisor within **five (5) working days** of the event giving rise to the complaint. The supervisor shall meet with the employee and provide a written response within **five (5) working days**.

B. Step 2 – Department Director Review

If not resolved, the employee may appeal to the Department Director within **five (5) working days** of receiving the supervisor's response. The Department Director shall review and respond in writing within **ten (10) working days**.

C. Step 3 – Administrative Appeal Officer Review (Final Step)

If still unresolved, the employee may file a final written appeal to the **Administrative Appeal Officer**, designated by the **City Administrator**, within **five (5) working days** of the Department Director's decision.

The Administrative Appeal Officer shall conduct a meeting with the employee (and optional representative or witness) and render a written decision within **fifteen (15) working days** of the hearing.

This decision shall be final and binding.

CHAPTER 2. SECTION 20.04 Finality of Decision

The decision of the Administrative Appeal Officer constitutes the City's **final administrative action**.

There shall be **no further appeal** to the Mayor, City Council, or any elected body.

CHAPTER 22. SEPARATION - TERMINATION

Employees terminating their employment are required to turn in all keys, uniforms, material, cell phone, equipment, or other City property by their last day of employment. Failure to do so may result in legal action.

SECTION 22.01 Voluntary

A. Resignations

Employees resigning from City service are requested to submit a resignation in writing and give a minimum of ten working day notice.

B. Retirements

Employees retiring from the City are eligible for benefits as provided for by the Texas Municipal Retirement System (TMRS.)

SECTION 22.02 Involuntary

A. Dismissal

Employees may be dismissed for the following reasons:

1. Inability to perform the job;
2. Disciplinary action;
3. Incapacity and/or results of medical/psychological evaluations;
4. Extended leave and/or
5. Elimination of position.

B. Reduction in Force

The City in its sole discretion determines whether a reduction in force is necessary as a result of lack of work, lack of funds, curtailment of operations or programs or other circumstances in its best interest. The City Administrator authorizes all reductions by the number of positions in each classification by department, group, or office. If it is determined that a reduction in force is necessary, employees are laid off in the following order.

- Part-time/Temporary employees;
- Employees who have not completed their orientation period;
- Regular full-time employees whose performance reviews document poor or inadequate performance; or
- If two or more regular full-time employees have the same performance and attendance ratings, seniority is the determining factor.

Nothing in this policy prevents an employee's hours of work from being adjusted in lieu of, or in addition to layoffs. A regular full-time employee to be laid off may be considered for transfer or demotion to other vacancies if the employee has the ability and qualifications to satisfactorily perform the new job. An employee has the right to refuse the transfer. If the employee accepts the transfer, the employee forfeits all recall rights to the previous position.

Regular full-time employees laid off are placed on a recall list for a period of one year. After one year from the date of layoff all recall rights are terminated.

C. Recall

Recall rights apply to the following situations if the position(s) becomes available within the one-year recall period and provided the employee has the ability and qualifications to satisfactorily perform the job.

1. Recall to the employee's former position — such recall occurs in reverse order of layoff, not including part-time or temporary employees.
2. Recall to a vacant full-time position within the same classification.
3. If an employee is recalled to a position other than previously occupied, the employee has the right to refuse the recall. If an employee accepts the recall, the employee forfeits all other recall rights to any other position.
4. Regular full-time employees who are eligible for recall are given 14-calendar day notice of recall. The recall notice is sent by certified or registered mail. The employee must notify Administrative Services of their intent to return within three days of receipt of such notice of recall. It is the employee's responsibility to provide the City with the most current and correct mailing address.

Tenure or length of service with the City, for purposes of fringe benefit calculation does not accrue while an employee is on layoff status. However, upon recall to work, tenure or length of service resumes without loss of tenure gained prior to layoff. Amounts of earned but unused vacation leave are paid out consistent with current benefit plans to eligible employees at the time of layoff.

CHAPTER 23.DEFINITIONS

Appeal: The right of a regular full-time employee to file an appeal from an action relating to a written reprimand, pay increase or decrease, suspension, involuntary demotion or dismissal, except that employees serving their original orientation period may not appeal dismissals.

Benefits: Vacation, holiday, sick leave, health insurance, life insurance, retirement and any other financial or economic benefits that are offered by the City of Castroville.

Birth of a Child: For a woman giving birth, an initial leave request, either before or after the birth, is usually treated as a request for disability. Since a “normal” birth may result in six weeks of leave due to a disability, any additional leave requested would be due to the birth of a child as provided for under Family/Medical Leave.

Bona Fide Occupational Qualification: A qualification requirement for a job that is made in “good faith” and is designed to insure that applicants have the necessary skills and knowledge to perform the job.

Break in Service: Any lapse of working time between the official separation of any employee and subsequent rehiring.

Call Back: An unscheduled or emergency return to work outside of normal hours or on a holiday or day off as directed by the supervisor

City Administrator: The Chief Administrative Officer of the City, or designee, appointed by the City Council.

City Council: The policy making body of the City of Castroville.

Classification (Class): Positions that are similar in nature, have approximately the same level of difficulty and responsibility, require comparable skills, knowledge and abilities at the time of recruitment and may be fairly compensated by a general range of pay.

Compensatory Time Earned: The time earned by non-exempt employees as defined under the Fair Labors Standards Act

Compensatory Time Used: The hours absent from duty granted to compensate for authorized overtime worked.

Demotion: The assignment of an employee from one classification to another classification having a lower maximum salary rate.

Department Director: An individual, or designee, who is regularly responsible for directing the overall operation of a department as designated by the City Administrator.

Disciplinary Action: A verbal reprimand, written reprimand, pay reduction, suspension, involuntary demotion or dismissal.

Dismissal: The involuntary separation from employment.

Employee: A person on the payroll of the City of Castroville, except for City Council who are elected officials.

Employment Date: The date an employee is hired in a regular full-time/part time or temporary position.

Essential Function (Essential Job Function): The fundamental duties of a position that the employee must be able to perform with or without reasonable accommodation and without undue hardship to the employer. An essential job function is one that is so critical it cannot be eliminated from the job description without significantly changing the position's role and contribution to the City.

Examination: A written, verbal, physical, skill, performance, psychological or other job related test or review specifically used to assist in evaluating an applicant's ability to perform the essential functions and duties of a particular job.

Exempt Position: Employees in exempt positions that spend the majority of their work time in administrative, supervisory or managerial duties. Exempt positions are not eligible for overtime compensation and meet the Fair Labor Standards Act definitions for exemptions.

Family: The definition of family for bereavement leave includes spouse, child, parent, brother, sister, grandparents or grandchildren of an employee or employee's spouse. It also includes any relative living in the employee's household who is dependent on the employee for care. For purposes of Family/Medical Leave, see the definition of "immediate family".

Full-time Position: One where the employee is scheduled to work 40 hours per week or another approved full-time schedule.

Grievance: A complaint to management about conditions of work, work relationships or the interpretation or application of policies, rules or regulations adopted to cover personnel practices.

Hiring Authority: The person that makes the hiring decision. The City Administrator has the final approval for all positions except the City Attorney, Municipal Judge and City Secretary.

Holiday, Designated: The period between 12.01 a.m. and the following midnight of the date on which the observed holiday falls. All eligible employees receive 8 hours of leave for the holiday.

Immediate Family for FMLA: The employee's spouse, child(ren), mother, father or covered service member.

Internal Alignment: The internal ranking of classifications based upon factors such as level of responsibility, skills, level of education, knowledge and authority.

Job Announcement: A posted announcement of a position vacancy that is to be filled.

Job Description: A written statement of the essential job functions, general characteristic duties, responsibilities and qualification requirements of a job.

Job Audit: A fact finding investigation of the work performed by an employee in a given position, including work processes, material processed, actions taken, tools used and supervision received

for the purpose of analyzing the duties and evaluating the difficulty and responsibility of the position.

Layoff: A separation from City service because of a shortage of funds or materials, organizational restructure, or elimination of an employee's position for other reasons beyond the control of the employee.

Layoff Unit: A City department, division, section or similar organizational unit considered for layoff purposes.

Leave: An approved absence from work.

Maternity: See birth of a child

Minimum Qualifications: The qualifications contained in the job description that a person must possess in order to qualify or compete for a given class of positions within the City.

Non-Exempt Position: Positions that do not meet the definition of Administrative, Executive, Professional or Supervisor as designated by the Fair Labor Standards Act and earn compensatory time or overtime pay at the rate of time and one half for actual hours worked in excess of 40 hours in the work week, or actual hours worked in excess of 86 hours in a 14 day period for police (Law Enforcement).

On Call: Being at an available place for a designated period of time or utilizing a pager that would not require limitation on activity and movement of the employee.

Orientation Period: The 6 month period of time beginning with the initial hiring of a person or the rehiring of a previous employee after a break in service in excess of 3 months.

Original Appointment: The initial hiring of a person or the rehiring of a person after a break in service in excess of three months.

Outside Employment: Any work performed on a recurring or sporadic basis for monetary compensation for an employer other than the City; including self-employment.

Overtime: Time paid at one and one half (1 ½) times the employee's base rate when employees exceed 40 actual hours worked during the 40 hour work week, or Law Enforcement employees exceed 86 actual hours worked during the designated 14 day period.

Pay Decrease: A decrease in pay that may result from reclassification, demotion, unsatisfactory performance or disciplinary action.

Pay Increase: Movement from one pay rate in a pay range to a higher pay rate within the same pay range.

Pay Period: The work period that the employee's earnings are calculated.

Pay Plan: The schedule of pay ranges for each classification (or positions) in the classification plan.

Pay Range: The range of pay rates for jobs.

Pay Rate: A specific rate of pay within a pay range.

Performance Appraisal: An appraisal that is placed in the employee's file. The appraisal is completed on an approved form signed by the employee, the employee's immediate supervisor, the Department Director and Administrative Services Director.

Promotion: The result of an employee applying and being selected for a position in a higher pay range.

Promotional Orientation Period: The six month period of time beginning when the employee is promoted into a new position.

Reasonable Accommodation: Changes that can be made to a position to create opportunity for a qualified applicant or employee with a disability that does not cause undue hardship for the City.

Reassignment: The change of duties of an employee in a position or the movement of an employee from a position in one classification to a different position in the same classification within the same organizational unit.

Reclassification: The significant change in duties actually performed by an employee that result in a change in the employee's classification. A reclassification can result in a title change only, creation of a new classification at the same pay range, or a change in classification with a different pay range.

Regular Full-time Employee: An employee in a budgeted full-time position with benefits, regardless of whether the employee is in the original orientation period.

Resignation: The voluntary separation of an employee from the City.

Retirement: Refer to retirement/pension policies for information regarding retirement benefits.

Separation: The termination of employment by reason of failure to satisfy the orientation period, disqualification, layoff, resignation, retirement, dismissal or death.

Standard Work Week: A 40 hour workweek for employees, does not include Law Enforcement.

Suspension: An involuntary absence with or without pay imposed on an employee as a disciplinary action, or during civil or criminal proceedings.

Temporary Employee: An employee who works for a specific period of time or for a special job task or project that is intended to be of limited duration, such as summer months or holidays. The employee may work full-time or part-time during that period of time.

Transfer: The movement of an employee from one position to another position of the same classification or pay range in the same or different department.

Undue Hardship: An act requiring a significant expense or difficulty for the City.

Vacancy: An authorized budgeted position that is not occupied.

Verbal Reprimand: A verbal statement telling an employee about a violation or failure to perform and advising the employee of the consequences of repeated acts or omissions. A verbal warning does not become a written reprimand merely because the supervisor makes a note of the event.

Work Days: The established or scheduled days an employee works.

Work Period: The total scheduled workdays in a 14 day period for Law Enforcement.

Workweek: The total scheduled workdays in a seven-day period.

Workers' Compensation: Benefits received by an employee who is injured while carrying out assigned duties as determined by the Worker's Compensation Act of the State of Texas.

Written Reprimand: A written statement of specific charge(s) of violation(s) or failure(s) to perform, or the acts that such charges are based on and a warning of the consequences of repetition.

Draft v4.1 – Legal/Compliance Updates (Redlined):

CHAPTER 12. Leave: Expanded Family and Medical Leave Act details (eligibility, intermittent leave, restoration rights, notice requirements). Added Pregnant Workers Fairness Act (reasonable accommodations for pregnancy/childbirth) and lactation breaks.

NEW SECTION: Whistleblower Protections: Employees are protected under Texas Government Code Ch. 554 from retaliation for reporting violations of law to appropriate authorities.

NEW SECTION: First Responder Leave: Includes quarantine leave, mental health support, and line-of-duty illness/injury leave provisions as required by Texas statutes.

CHAPTER 14. Harassment Prevention: Expanded definitions, clarified multiple reporting avenues, and prohibition of retaliation.

CHAPTER 20. Discipline: Discipline may include, but is not limited to, verbal/written warnings, suspension, demotion, or termination, depending on circumstances.

CHAPTER 7. Employment Status: Clarified that the orientation period does not alter at-will status.

CHAPTER 12. Leave: Employees may be required to provide a doctor's note for absences exceeding three consecutive days, or as otherwise required by law.

~~CHAPTER 15. Technology Use: Employees shall not post any comments about the City on social media.~~

CHAPTER 15. Technology Use: Employees may not disclose confidential information or make postings that damage the City's reputation. ~~This policy shall not restrict employees' rights to discuss wages or working conditions.~~

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CASTROVILLE, TEXAS, ADOPTING THE CITY OF CASTROVILLE PERSONNEL POLICY; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the City desires to provide a set of guidelines intended to create and maintain understanding and cooperation among the employees of the City and to set forth results and procedures to enhance the services of the City to its citizens; and

WHEREAS, state and federal rules and regulations set certain provisions regarding City employees, some of which must be set forth in writing, and,

WHEREAS, the City Council agrees that it is in the best interest of the City and its employees to adopt a personnel policy; and

WHEREAS, the City Council has reviewed the proposed personnel policy and believe the proposed Personnel Policy should be adopted, to be effective immediately.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CASTROVILLE, TEXAS:

SECTION 1. The foregoing recitals are adopted and incorporated herein for all purposes.

SECTION 2. The attached Exhibit A, titled “City of Castroville Personnel Policy” shall be adopted immediately and applicable to all employees.

SECTION 3. All resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

SECTION 4. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 5. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City Council hereby declares that this Resolution would have been enacted without such invalid provision.

SECTION 6. It is officially found, determined, and declared that the meeting at which this Resolution 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 Resolution, was given, all as required by Chapter 551, Texas Government Code, as amended.

PASSED AND ADOPTED, this _____ day of _____, 2025.

CITY OF CASTROVILLE, TEXAS

BRUCE ALEXANDER
Mayor

ATTEST:

DEBRA HOWE
City Secretary

EXHIBIT “A”
CITY OF CASTROVILLE
PERSONNEL POLICY



Agenda Report

Agenda of:	December 16, 2025
Department:	Administration
Subject:	Consider and take appropriate action on setting a date for a Joint Special Called Work Session with the Historic Landmark Commission to review the Historic Landmark Commission Ordinance and historic preservation.

Recommended Motion:

N/A – the council will discuss their availability and establish a date that works for everyone.

Background:

At the November 19th City Council meeting, Council discussed scheduling a joint work session with the Historic Landmark Commission (HLC) to review the current **Historic Landmark Commission Ordinance**, associated **historic preservation guidelines**, and the City's historic preservation framework. This work session would provide a forum for Council and the HLC to discuss whether amendments to the ordinance, design review procedures, and related preservation standards should be considered to better support preservation goals and clarity for applicants and stakeholders.

The Historic Landmark Commission was established to protect and enhance historic resources in Castroville by promoting preservation of culturally and architecturally significant structures and districts and by providing design review pursuant to ordinance. The City's Historic Preservation page includes key documents such as the **Visionaries in Preservation Plan**, **Historic Design Guidelines**, and **Certificate of Appropriateness** procedures, which serve as operative guides for preservation and review processes.

With ongoing community interest in both heritage preservation and compatible development, Council and the HLC believe it is appropriate to hold a dedicated meeting to discuss:

- The **purpose, authority, and procedures** outlined in the HLC Ordinance;
- How the **historic preservation guidelines** are applied in practice;
- Potential improvements to the ordinance or guidelines to clarify roles and streamline review; and
- Opportunities to strengthen historic preservation efforts consistent with community values and City policy.

A joint work session will allow Council members and HLC commissioners to engage directly on these topics in depth, outside of a regular meeting context.

STAFF RECOMMENDATION

Staff recommends addressing updates to the preservation guidelines as soon as practicable.

Fiscal Impact:

There is no fiscal impact associated with scheduling the work session. Staff time will be required to prepare and distribute materials for the session, and there are no anticipated additional costs.

☒ **Budgeted** ☐ **Requires Budget Amendment**

Source of Funding: N/A

Urgency (0-5 = Low Urgency to High Urgency): 3

Impact (0-5 = Low Impact to High Impact): 4

Submitted by: R. Scott Dixon

Attachments: None.



Agenda Report

Agenda of:	December 16, 2025
Department:	Administration
Subject:	Consider and take appropriate action on setting a Joint Special Called/Work Session with the Planning and Zoning Commission for discussion and preparation of a Development Agreement Policy and discussion on an Institutional Zone.

Recommended Motion:

N/A – the council will discuss their availability and establish a date that works for everyone.

Background:

The City Council discussed the Development Agreement (DA) Policy under “Future Agenda Items” at its November 19th meeting. The Planning & Zoning Commission previously reviewed the DA Policy and formally recommended approval on October 8, 2025, as reflected in the signed action form . The policy, adopted in draft form on October 28, 2025, emphasizes high-level value statements such as annexation expectations, design standards, fiscal stewardship, connectivity, civic space, and community character, rather than detailed technical requirements.

Council has since expressed the desire to discuss Planning & Zoning’s recommendations directly and jointly develop a policy that provides **greater clarity, specificity, and guidance for future development negotiations**. Council noted that while P&Z supported the value-based structure, the resulting draft may not provide enough operational detail for consistent application or for ensuring that development agreements adequately protect the City’s long-term interests.

In addition, both bodies have identified the need to discuss the potential creation of an **Institutional Zone**, which would provide clearer standards and procedures for civic, educational, and public-service land uses. A joint session would allow the Council and P&Z to collaboratively discuss policy intent, zoning implications, and integration within the City’s overall development framework.

A Special Called/Work Session is therefore recommended to allow for detailed dialogue between the two bodies, ensuring a shared understanding of expectations and producing a policy that aligns with Council’s goals, Planning & Zoning’s insights, and the community’s long-term development priorities.

STAFF RECOMMENDATION

Staff recommends that the City Council set a date for a Joint Special Called/Work Session with the Planning & Zoning Commission to:

1. Discuss and refine the Development Agreement Policy, and
2. Discuss concepts and direction related to a potential Institutional Zoning District.

Fiscal Impact:

None. Staff time will be required to prepare materials for the work session.

☒ **Budgeted** ☐ **Requires Budget Amendment**

Source of Funding: N/A

Urgency (0-5 = Low Urgency to High Urgency): 3

Impact (0-5 = Low Impact to High Impact): 4

Submitted by: R. Scott Dixon

Attachments: None.



Agenda Report

Agenda of:	December 16, 2025
Department:	Administration
Subject:	Discussion and appropriate action to set a date for a Council Workshop to discuss the 2026–2036 Community Investment Plan (CIP).

Recommended Motion:

N/A – the council will discuss their availability and establish a date that works for everyone.

Background:

Staff is preparing a **draft 2026–2036 Community Investment Plan (CIP)** for Council review. The purpose of the workshop is to provide an opportunity for the City Council to:

1. **Review the adopted CIP**, including:
 - Completed projects
 - Projects currently underway
 - Unfunded or deferred items
2. **Review the proposed 2026–2036 CIP**, including forecasted needs, capital priorities, and long-term planning assumptions.
3. **Prioritize proposed projects** based on community impact, regulatory obligations, operational needs, and strategic goals.
4. **Identify potential funding sources and timelines**, including Certificates of Obligation, bonds, grants, rate-funded projects, and external partnerships.

The workshop will ensure alignment on long-term capital planning and help inform the FY26 budget development process.

Staff recommends holding the workshop in **January**, on a week between regular council meetings. The **week of January 19th** offers the most flexibility and keeps the discussion close to the FY26 budget planning timeline. If Council prefers an earlier workshop, the **week of January 6th** is also available.

A draft CIP document will be presented at the workshop, with accompanying schedules, maps, and funding models.

STAFF RECOMMENDATION

Staff recommends that the City Council select a date during the **week of January 19th** for the CIP workshop. Alternatively, Council may choose a date during the **week of January 6th** if an earlier meeting is desired.

Fiscal Impact:

None. The workshop itself has no direct budget impact. Future fiscal implications of the CIP will be presented as part of the planning and prioritization discussion.

☒ **Budgeted** ☐ **Requires Budget Amendment**

Source of Funding: N/A

Urgency (0-5 = Low Urgency to High Urgency): 4

Impact (0-5 = Low Impact to High Impact): 5

Submitted by: R. Scott Dixon

Attachments: None. Draft CIP to be provided prior to the workshop.



Agenda Report

Agenda of:	December 16, 2025
Department:	Administration
Subject:	Discussion and appropriate action to set a date for the Council Planning Workshop.

Recommended Motion:

N/A – the council will discuss their availability and establish a date that works for everyone.

Background:

The City Council has expressed interest in holding a **strategic planning workshop** to establish collective Council goals and priorities and to provide clear direction to the City Administrator for work-plan development and performance accountability.

Three current Council members have announced that they will **not** seek re-election in May 2026. To ensure continuity and meaningful participation from incoming leadership, the Mayor and City Administrator recommend **scheduling the workshop after the February 13th candidate filing deadline**, allowing potential candidates to be invited and included in the planning process. This will help ensure that long-term goals and expectations developed in the workshop reflect the leadership that will be in place following the May election.

Council previously established a **budget not to exceed \$6,000** for this workshop.

At the Mayor’s recommendation, staff contacted the **Texas Rural Water Association (TRWA)** to identify experienced facilitators. TRWA referred the City to **Cathi Hight**, a Kaizen consultant with extensive experience facilitating strategic planning for public and nonprofit organizations. The Mayor and City Administrator are scheduled to meet with Ms. Hight on **Thursday, December 18th at 2:30 p.m.** to discuss workshop goals, desired outcomes, and the scope of facilitation services. Following that meeting, Ms. Hight will prepare a proposal for the City’s consideration.

Staff recommends holding the workshop **after February 13th**, ideally during the **week of February 17th or the week of February 23rd**, at The Hillside Hotel, which has been identified as an appropriate off-site venue.

STAFF RECOMMENDATION

Staff recommends that the City Council select a date **after February 13th** for the Council Planning Workshop and authorize staff to finalize logistical arrangements with the facilitator and venue.

Fiscal Impact:

Costs for facilitation, venue, and materials will be funded from the previously approved budget allocation **not to exceed \$6,000.** ☒ **Budgeted** ☐ **Requires Budget Amendment**

Source of Funding: N/A

Urgency (0-5 = Low Urgency to High Urgency): 3

Impact (0-5 = Low Impact to High Impact): 4

Submitted by: R. Scott Dixon

Attachments: None.

City Administrator's Report



To: Mayor Alexander & City Council
CC: Staff
From: R. Scott Dixon, City Administrator
Date: December 12, 2025
Re: City Administrator's Report

Mayor and Council,

As always, there are many irons in the fire and lots happening in our wonderful Castroville! The items listed below are in no particular order and only cover some of the issues that have been inquired about or that council has requested to be kept up to date on. If you have any questions about any of these items or there are other things that you would like me to report on, please let me know.

Drainage Projects

All grading and access road improvements for the project have been completed. We are currently working on establishing vegetation within the channel, which is a prerequisite for the Fleximat installation. The access road has been constructed up to the floodplain point, providing access to the back property entrance; however, it does not extend all the way to the river. We have cleared an additional area that, while lacking a base, is drivable under dry conditions.

Geotechnical verification of compaction is scheduled before the end of the year, weather permitting, as rain is currently in the forecast. Fleximat has been ordered and is expected to arrive early **January 2026**, with installation planned for early in the new year. The final remaining item is the concrete inlet from Geneva to the drainage system, which will be completed last.

Assuming favorable weather conditions, the project is on track for completion by **March 2026**.

Hwy 90 TxDOT Construction Project

Staff met with the TxDOT consultant as planned in November. However, they have not yet completed the 30% plans. Respec is reviewing a 'conflicts report' which will outline potential areas where our utility services may need to be relocated based upon preliminary project scoping data.

BMA Trail Access

Unfortunately, the city's item related to the BMA canal was NOT included in the BMA board agenda or packet. However, Jonah Chang spoke during citizen comments at their December 9th meeting.

Streets Improvement Plan

Following council's approval of the pavement assessment program at the October 14th council meeting, staff has coordinated with Good Roads to share the prior data that was collected. The pavement assessment was completed this past weekend. The data will be analyzed and a report of the findings will be shared with council at the December 16th meeting.

CPSE Dispute

Since last month's report, our outside counsel (Clark Hill) has filed a motion for the City of Castroville to intervene in the PUC's 2026 "net payment matrix" proceeding in order to protect the City's interests in ERCOT wholesale transmission charges. As part of that case, Mr. Anson has asked that we and Senergy verify the City's Four Coincident Peak (4CP) load values against our meter and wholesale supplier data so that any corrections can be raised with ERCOT before formal objections are due. In the separate CPS Energy rate case, PUC Staff has now issued a supplemental recommendation asserting that CPS's application is deficient unless it provides additional test year data needed to review its wholesale transmission service at distribution voltage (WTS-DV) tariff, notwithstanding the Commission's recent order denying Staff's appeal and declining to pull WTS-DV into the current case. We will continue to monitor both proceedings closely and may need to participate more actively if Staff is ultimately successful in bringing the WTS-DV tariff into the CPS rate case. Unfortunately, there is no further progress to report on either the requested meetings with CPSE's CEO or the one by Clark Hill with their legal counsel. We will continue to remind CPSE of these requests.

WWTP Pond Closure

No Change. At the October 14th council meeting there was some discussion about Councilman King's role in providing professional services pro bono without a formal agreement of some kind. This matter will be discussed with legal counsel in an executive session at the November 19th meeting. Staff will also seek council's guidance on whether to re-engage Lochner on the WWTP pond closures.

Community Center at Regional Park

The USDA has released funds and the contractor has been paid for all bills through October. The contractor has re-mobilized and will continue with the construction. The new finish date is February 23rd of 2026 which is approximately one month later than originally projected.

Lion's Park Splash Pad

No Change - Staff is working with the splashpad contractor – Advanced Aquatics to conduct additional site assessments including camera capture of the water and sewer lines. A date for this work has not been set but is anticipated to take place within the next two weeks.

County Streets Plan

Staff met with County personnel this week to scope out the proposed project and finalize cost estimates. This information will be referenced in the proposed interlocal agreement that the county is working on.

Facilitated Council Workshop

Included on the council agenda is an item to establish a date for the strategic planning workshop. Staff recommends that a workshop be conducted following the filing deadline for the May election so that the prospective council members can be invited to participate in the workshop.

Airport Soft Start Pump

Staff has evaluated Councilman Lee's request to consider installing a soft-start system at the Airport well. As noted by our Water Superintendent, soft starts are generally beneficial—they reduce mechanical stress on pumps, protect check valves through gentler stopping cycles, and are considered a best practice for long-term asset management. However, all existing City wells have operated for many years without soft-start systems and have not exhibited performance or reliability issues attributable to their absence.

The contractor provided a preliminary estimate of approximately \$6,800–\$7,000 to install a soft start at the Airport well, not including potential electrical panel upgrades that would likely be required. Staff's assessment is that installing a soft start at this time would not provide a meaningful return on investment, particularly given the broader condition of the Airport well. The well requires substantial rehabilitation work—including potential replacement of key components—and the long-term plan anticipates discontinuing its use for potable water once system improvements and capacity additions are in place.

For these reasons, staff recommends maintaining the existing equipment and transitioning to soft-start systems as pumps and controls naturally reach end of life. This approach captures the operational benefits while avoiding premature investment in a facility scheduled for eventual decommissioning.

There is a lot going on in the City of Castroville! If I have left anything out of this report, it was not intentional. It is my pleasure to serve the people of Castroville!

Thank you,

A handwritten signature in blue ink, appearing to read "R. Scott Dixon".

R. Scott Dixon, MPA

City Administrator, Castroville, TX

Castroville Public Library

Library Director Report –December 2025

Submitted by: Beth Farley

1. Policies & Procedures

2. Meeting/Program Room Use- We have created a contract for anyone wishing to use the Meeting Room/Program Room. At this time, because the space is small and can only accommodate 10–12 people, I would like to propose that we continue offering it on a donation-only basis. The chairs have paint on them, and our Wi-Fi can be unreliable, which may impact their ability to use the TV for virtual meetings. Additionally, the room would only be available for use during regular business hours.

Once we expand and have a room that includes proper sound barriers, improved equipment, professional tables and chairs, greater privacy, and a larger capacity, we can revisit the idea of charging a fee and, if appropriate, incorporate it into our policy.

When we book the room now, we inform patrons of the two-hour limit, that it is donation-only, and that no food is allowed except for covered drinks. We also let them know that the room does not have proper sound barriers so they can determine whether it meets their needs before confirming the booking.

Currently, most of our room use is for private meetings, local clubs, collaboration meetings, and library programs. We have not been approached about using the room for commercial or sales-based activities, and we will maintain that restriction unless a situation arises that requires us to address it.

Regarding our tutor, she uses the back corner of the library. I am not sure whether she is volunteering her time or being compensated.

3. ADA-Compliant Entry Doors

- Will hear in December on the ALA grant I applied for
- Yellow lines have been painted
- Ramps have been installed
- Flood lights are being installed to light up handicapped and dumpster

4. I was interviewed with the Cypress News, which is a new local newspaper, regarding our grab n go pantry. Many are coming to get needed food and many in the community are dropping off supplies.

5. Still working on the Jamex vending print release machine and the self-check out station. We are waiting for parts and programs to be installed.

6. **Programming:**(surveys are being handed out at every program to make sure we are on target)

2026 Community Outreach Goals:

- Grab & Go food pantry – we have created a food pantry for those who are in need with no questions asked. We have had so many people donate items, and many that have taken items. I am working with Josh at the animal shelter to see how we can add a pet pantry.
- **Erin Garcia:** School and daycare story visits, plus calendar distribution. This is going great. She loves it and they schools love her.
- **Charli Marshall:** Tween/teen engagement programming. (we are hoping to collaborate with Evan Magnolia's) He will be facilitating Magic the Gathering here in February after hours on a Friday. Charli Marchall will be the library representative.
- **Beth:** Senior center visits, business partnerships, and calendar outreach; apartment complexes. I have started walking around, handing out my business cards and visiting local shop owners. Our social media including FB, Nextdoor, Instagram, the city website and the utility bill are being used for marketing events. We are also posing flyers around town.

7. **TexShare** – we added to our policy that we can issue a Texshare card after 6 months of their account being in good standing.

8. **Working with our AED unit** to do a basic first aid and cpr class with the staff in the Spring

9. **Grants:** -No new grants since October. I just pulled one to look at

9. **Voter Registration Implementation** – I believe at one point this library as a voter registration center to obtain the cards to fill out. I reached out to other libraries as to what the procedure is. I will be working on this in 2026 and find out what we need to do to reinstate that outreach.

10. **Materials not being returned:** I will be talking with Scott, maybe the city attorney, as to at what point do we hand over damaged materials to collect any lost money or do we not do this at all. Current procedure, 30,60, 90 day -we text, we call, then I send and email and now we are going to send a letter to their address with items not returned. I would like feedback by January meeting while I gather more information.

2026 Program Line up (January to April) then it's all Summer Reading Camps -

- **2 Toddler Story Time's- hopefully this will help with the overcrowding**
 - **2 book groups**
 - **Stitch Group**
 - **Writers Group**
 - **Teen Writers Group**
 - **Partnering with Magnolia's Coffee to host Magic here; Evan is going to help us out.**
 - **New Year's Walk to the Park for cider and trail mix (January will be all health related)**
 - **Bingo/exercise**
 - **Chair Yoga 55+Karin Johnson-Licensed Yoga Instructor (will be donation based) she is charging**
 - **Intro to Bee Keeping – Medina County Agriculture**
 - **Financial Wellness with Castroville Bank**
 - **Doe Rae Me Lavender Farm – introduction to growing lavender**
 - **Changing Seasons – Beth will be facilitating a Senior Story Time @ the Assisted Living Center-**
 - **Ren Trapino – artist coming in February – might be a fee so it will be donation based**
 - **2 local authors coming to book groups and Writer's group Mark Trapino and Norbert Jacobs – both local authors, Norbert was a SA Police Officer– donation based**
 - **Wacky Wednesday with Dr. Kim Gaskill – mental health awareness**
 - **Intro to computers and cyber security – looking for a facilitator**
 - **Marlin Farms – spinning fiber arts**
 - **Working with Magnolia Coffee shop to start the Magic back up with them**
 - **Senior Field trip to the Tiny Town Museums**
 - **Q&A Virtual on social media – how to gain your following and platform algorithm**
 - **Intro to Genealogy with Landmark Inn**
 - **Navigating through Canva for marketing in your business**
 - **Castroville K-9 Corner – talk about business success and hands on making valentine bows for your furry friends**
 - **Honeybees Custom Cakes – simple how to on cake decorating, her story for success**
 - **Kaffee Klatch**
 - **Love your Library**
-

Library Statistics for June, July, August & September 2025 end of fiscal year

Member Statistics: Active Accounts TO DATE

June:	July	August	Sept	Oct. (30 new)	
November (37 new)					
City: 677	In city: 673	In city: 664	667	667	673
MVISD: 932	MVISD: 930	MVISD: 942	943	941	915
Out of area: 72 66	Out of area: 66		Out of area 68	68	67
City Staff: 23	City Staff: 23	city staff: 22	22	22	24
Texshare: 46	Texshare: 45	Texshare 45	34	38	34
Total: 1750	Total: 1737	Total: 1741	1724	1734 total	1712 total

Circulation per MONTH: July 2316 August: 1786 Sept: 1657 Oct: 1433 Nov: 1265

Materials in the Library collection:

June: 11768 **July:** 11646 **August:** 11365 **Sept:** 11253 **Oct:** 10922 **Nov:**
10975

Monthly Library Revenue:

June: \$1274.40 **July:** \$1243.51 **August:** \$ 817.15 **Sept:** 1489.23 **Oct:** \$1175.83
Nov: \$1012.75

Computer Log-in's:

Logins: June 189 **July:** 279 **August:** 114 **Sept:** 233 **Oct.**416 **Nov:** 329

Inter-Library loan service**Shipped**

June: 32 81	July 93	Aug: 112	Sept: 110	Oct: 101	Nov:
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Received:

June: 103	July: 119	Aug: 88	Sept: 100	Oct: 166	Nov: 74
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Library Visits:

June: 1858	July: 1602	Aug: 161	Sept: 1461	Oct: 1187	Nov: 1531
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Program attendance

June: 787	July: 694	Aug: 249	Sept: 203	Oct: 320	Nov: 463
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E-read platform Libby

Ebook check outs:	Aug: 233	Sept: 173	October 166
Ebook holds	68	61	67
Ebook audiobook:	134	113	136
Ebook Audiobook holds:	84	69	88

August Prints/fax/scans total \$294.29
November: 991.05

September prints/fax/scans total: \$415.25

October prints/fax/scans total: \$ 919.50

August: fines and fees \$55.03

September fines/fees \$ 474.28

October fines/fees: \$274.83



memo

To: Scott Dixon
From: John Gomez
Date: 12/09/2025
Re: Public Works Monthly Staff Report – November 2025

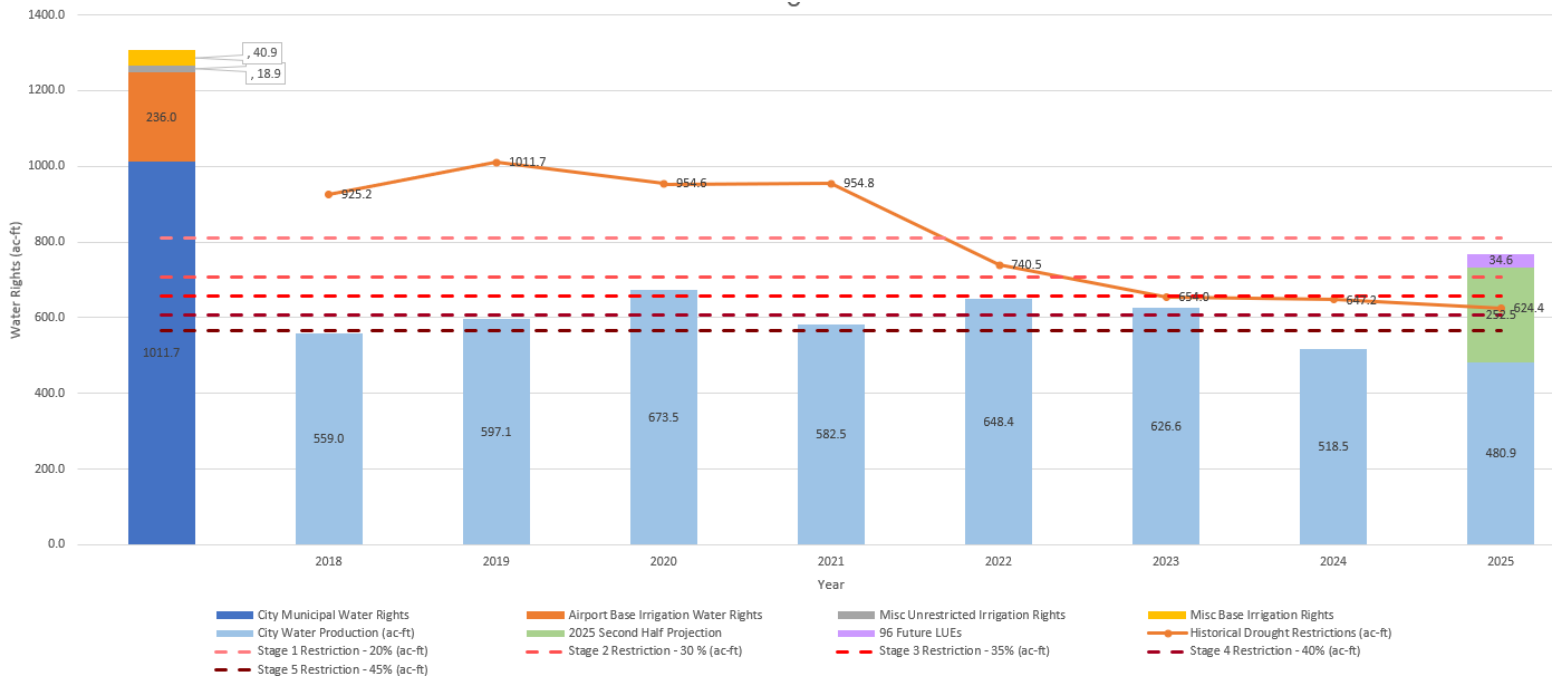
Department monthly highlights:

- **Work Order Activity:** Staff received a total of 89 service requests across all departments during the reporting period.

Work Orders			
Department	Issued	Closed	Open (at month end)
Electric	19	19	0
Water	21	20	1
Streets	47	47	0
Gas	2	2	0
TOTAL	89	88	1

Newly Hired Staff Updates

- **Natural Gas Supervisor** – Successfully onboarded to oversee system operations, field activities, and compliance functions within the natural gas division.
- **Gas Service Technician** – Hired to support service calls, maintenance tasks, and customer-facing operational needs.
- **Water Service Apprentice** – Added to the team to assist with water service installations, maintenance, and training under senior staff guidance.

Water consumption and projection data:**Project Updates:****Flat Creek Subdivision**

Miller Bros. has mobilized on site and begun trenching for dry utilities, including electric, natural gas, and telecommunications infrastructure. One concrete crew has started setting forms and placing rebar for sidewalks, driveways, and ADA-compliant ramps throughout the subdivision, and has begun concrete pours in these areas. A second concrete crew is focused on surface preparation, including asphalt removal and cutting diamond-shaped openings around manhole lids to accommodate upcoming adjustments.

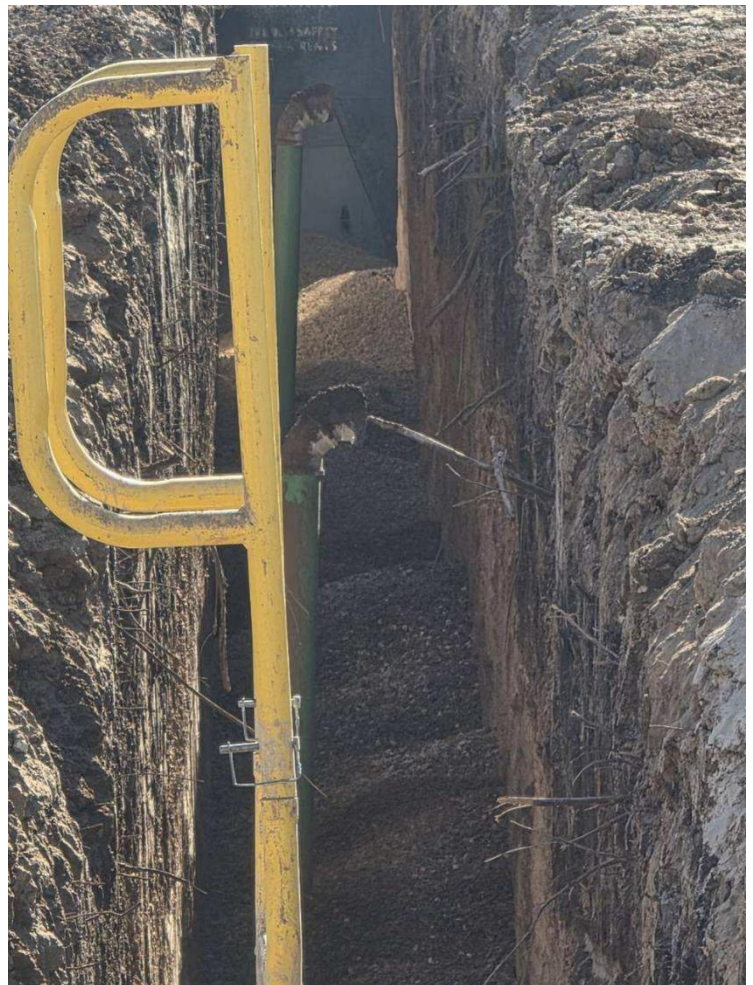
Pumphouse No. 5

The welding crew installed and painted two sets of gates—one at the facility entrance and another at the vacuum area. Electricians continued pulling wiring through conduit throughout the building, progressing toward final terminations in the electrical room. Meanwhile, the mechanical team advanced work in the conveyor tunnel, installing key components and preparing for upcoming system integration.



Alsatian Oaks Phase II

The televising crew cleaned Sewer Line A and completed its inspection, which passed successfully. The civil team has finalized work on the channel bridge. Utility Crew A continues installing sewer lines and manholes, while Utility Crew B is progressing with water line installation at the south end of the subdivision. The dirt crew is actively raising site elevation and refining overall grading. Daily soil deliveries—ranging from approximately 250 to 400 truckloads—along with other essential materials, continue to support steady advancement of site development activities.



Country Village Lift Station

Keeley initiated system startup on November 3rd following installation of the automatic transfer switch (ATS) and the addition of a “no neutral kit” in the panel box. During startup, the lift station remained on bypass because the pumps were not operating correctly due to issues within the control panel. PSI technicians engaged engineering support to determine why the pumps were repeatedly tripping the breaker.

On November 7th, a PSI technician returned to the site, installed a replacement component in the control panel, and successfully restored proper operation of both pumps later that evening.



Town East Crossing

The dirt crew is continuing to build the pad for the upcoming construction project and is actively grading the site in preparation for a future roadway. This work remains on schedule and supports the next phases of development.



Geneva Drainage Channel

The street crew applied water to aid in the compaction of the roadway.



Keeping Our City Moving: Public Works in Action

Water & WWTP Crew



Electric Crew



Electric Crew Working at Gentilz



Keeping Our City Moving: Public Works in Action

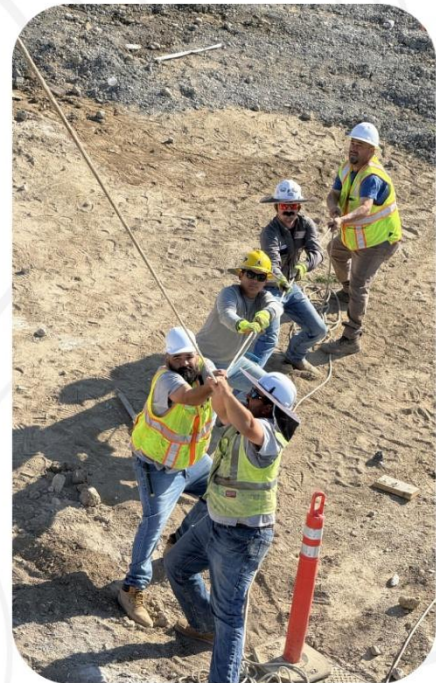
Water & WWTP Crew



**Water & Electric Crew Working
on the MV Well**



**Electric Crew Working
at the Pumphouse**



1. Airport Operations (VirTower Report)

- **Period:** Nov 1–30, 2025
 - **Total Movements:**
 - **Landings:** 1,307
 - **Takeoffs:** 1,301
 - **Combined:** 2,608
 - **By Aircraft Type:**
 - Single Engine: 2,448
 - Multi Engine: 83
 - Business Jet: 16
 - Helicopter: 18
 - Military: 30
 - Light Sport: 4
 - **Runway Usage:**
 - RWY 16: 985 landings, 992 takeoffs, 385 touch-and-go
 - RWY 34: 322 landings, 309 takeoffs, 155 touch-and-go
-

2. Fuel Sales Summary

- **Jet A:**
 - Gallons Sold: **3,296**
 - Amount: **\$14,652.00**
 - Daily Avg: ~109.87 gallons
 - **Jet A (CF):**
 - Gallons Sold: **100**
 - Amount: **\$0.00** (likely contract fuel or internal transfer)
-

3. Sales by Product

- **100LL Avgas:**
 - Total Amount: **\$28,087.09**
 - Total Units: **6,273.52 gallons**
 - Transactions: 288
- **Jet A:**
 - Total Amount: **\$85.05**
 - Total Units: **18.90 gallons**
 - Transactions: 1

(Note: This seems to reflect retail sales only; bulk Jet A is in the Fuel Sold Summary.)
- **Overall Sales:**
 - Total Units: **6,292.42 gallons**

- Total Amount: **\$28,172.14**
- Total Transactions: 289

4. Other

- Hydrological/Drainage Final report completed
- Facilities Rental Revenue = \$26,676
- Front sign should be completed by the end of the year

City of Castroville Parks & Recreation Department

Monthly Report: November 2025

Submitted by: Jonah Chang, Director of Parks & Recreation

1. Department Overview & Updates

- Community Center Construction:
 - **Construction is back underway!**
 - The last construction schedule was sent out December 1, projecting Owner move-in March 25th, 2026. **However**, this does not account for the rain delays which are projected to be 26 Calendar days, moving owner move-in to April 30th, 2026

2. Programs & Events

- City Wide Yard Sale (11/1/25)
- Begin & complete Christmas decoration installation
 - Highway 90 rail garland, wreaths, and bows
 - September Square tree lighting(contractd)
 - Houston Square tree lighting(8 perimeter trees)
 - Houston Square Christmas tree install & lighting
 - Houston Square gum-drop bulbs
 - City Hall front flower bed Mountain Laurel lighting
 - Public Works rail garland & building lights
 - Library building lights
 - Swimming Pool fence lighting
 - Happy Holiday banners
 - Houston & September Square
 - Community Center
- Regional Park Work Session(11/8/25)
- Community Service day(11/29/25)

3. Staffing

Type:	Status:
Full-time Staff:	5 positions filled
Part-time Staff:	1 position filled(Facilities)
Pool Staff:	6 positions filled

4. Upcoming Priorities & Projects

- Garden of Roots:
 - Tree Placement x3
 - Tree Sign Installation
- Continued monitoring of the Community Center construction

5. Reservation Report

Facility	Bookings
Regional Park- Volleyball Courts	2
Lion's Park- Athletic Field	0
Lion's Park- Softball Field	0
Regional Park- Amphitheater	0
Regional Park- Area Rentals	5
Regional Park- Pavilion Rentals	11
Regional Park Table Rentals	21
City Pool- Parties	0
RV Park Bookings	60
Regional Park- Tent Camping	1

6. Work Orders & Repairs

Department	Problem Code	# of Work Orders
Parks: 75 Total	007: City Parks Maintenance	1
	500: City Parks Maintenance	7
	501: City bldg. Maintenance	1
	505: Equipment Repairs & Maintenance	0
	510: Regional Park Maintenance	29
	515: RV Park Maintenance	3
	520: Swimming Pool Maintenance	0
	530: Lions Park Maintenance	4
	535: Splash Pad Maintenance	0
	599: Misc. Facilities & Parks	18
	801: Weeds/Overgrown Brush	0
	802: Mowing & Weed Eating	10
	806: Tree Issue (Trim & Clear)	1
	819: Misc Streets	0
	978: Vehicle & Equipment Maintenance	0
Facilities: 11 Total	500: City Parks Maintenance	0
	501: City Bldg. Maintenance	3
	506: Flags	0
	515: RV Park Maintenance	3
	520: Swimming Pool Maintenance	4
	599: Misc. Facilities & Parks	2
TOTAL: 86 Work Orders		















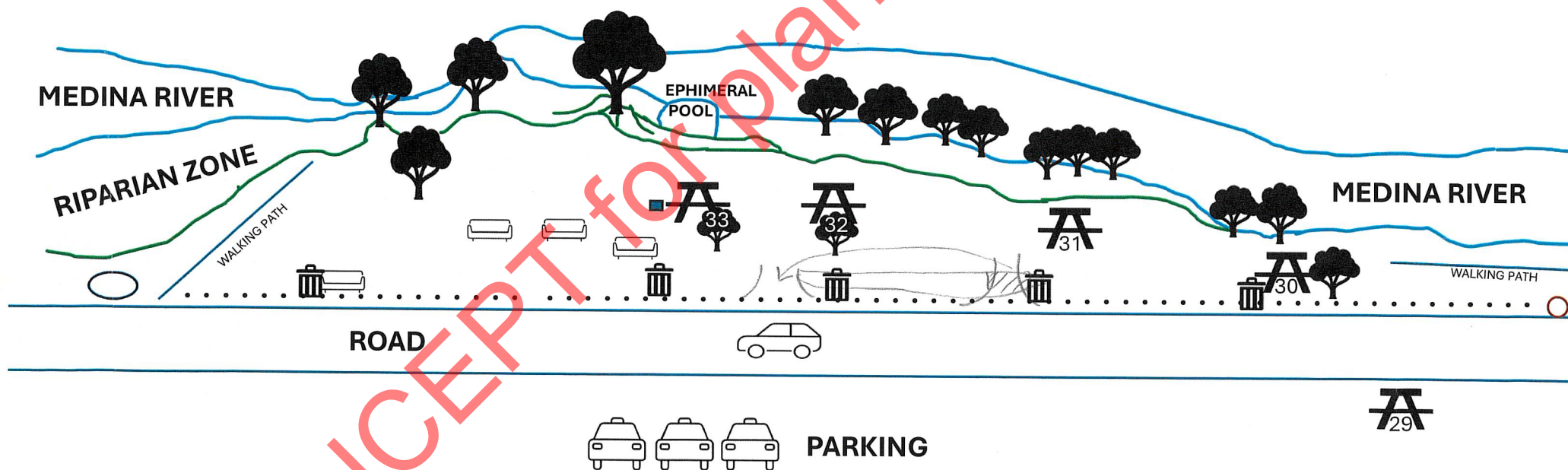




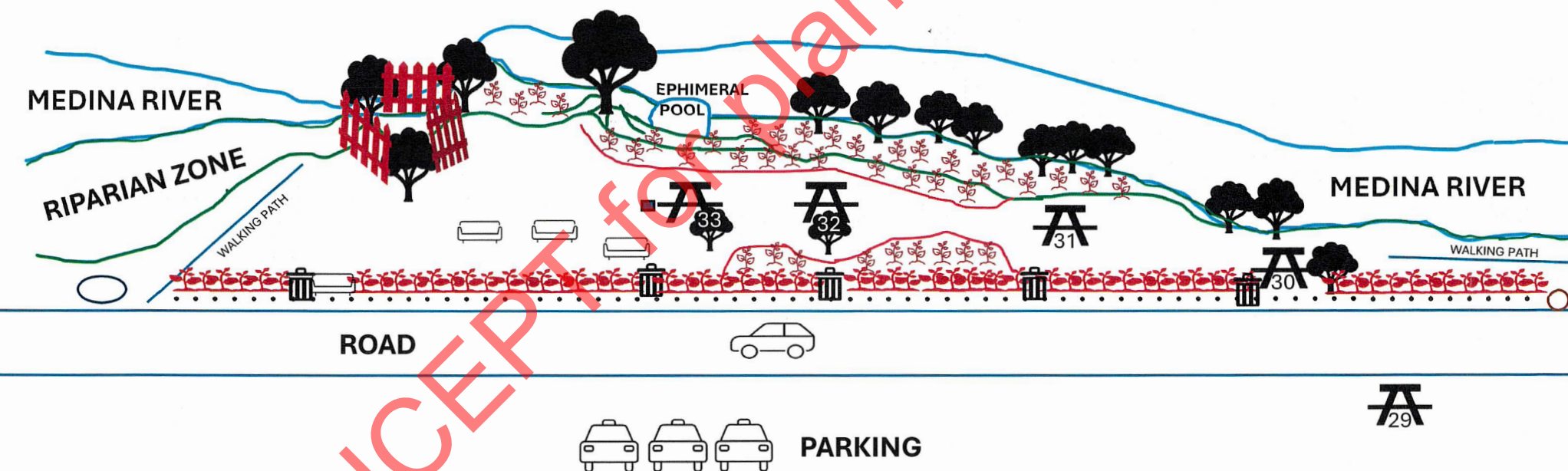


**Arrow 127 Homeschool Co-Op
Community Service Project
Tree Mulching at September Square**

Castroville Regional Park Riparian Restoration Demonstration Project Pre-planting



Castroville Regional Park Riparian Restoration Demonstration Project Proposed Planting Plan



Exclusion
Area-
Before



Exclusion
Area-
After



Before

CONCEPT for planning purposes

After



After (with pollinator garden layout)



Before



After (proposed paths)









STAFF REPORT

DATE: December 12, 2025
 TO: Scott Dixon, City Administrator
 FROM: Jim Kohler, Chief of Police
 SUBJECT: November Monthly

Grants

Update: Body Armor grant that will pay 50% of the cost of the Body Armor that police officers wear. Purchased and we have received armor.

Generator grant at request of FEMA. **Still Pending- we called and no other update. Will continue to call them.**

Border Patrol notified they have 70K earmarked for equipment for Castroville will meet soon to discuss with them. Update: **Request letter sent to Border Patrol for new Tahoe, 84K. Pending. Update: first of December we called and government shutdown affected this- Still pending though.**

We are working on The flock final details of the LPR in which we were approved for 9 LPRs and 3 fixed cameras. Update: **3 installed on city streets and we have cleared TxDOT approval awaiting installation. We have sent several emails trying to expedite.**

Rifle Plate Grant; Approved: **Pending research and vendor selection. 8K APPROVED and Received.**

If we are awarded the Operation Lone Star Grant. UPDATE: **Approved for 100K. This includes monies for overtime and equipment**

Emergency Management

They are doing regular tests of the siren. EM is putting on a Public Information Officer (PIO) Class in January which by law we must have certified PIOs. Sending 2.

Internal Happenings

Currently we are full strength and all officers have been through their training and are operating in a solo-capacity

Continue to have supervisors meetings.

Working on Blue Santa for the community.

All Officers have been trained on our drug testing instrument we received on grant.

Equipment:

Still waiting on delivery of Ford Explorer that was approved by CC.

All other equipmnet is functioning as it should.



Monthly Crime Report

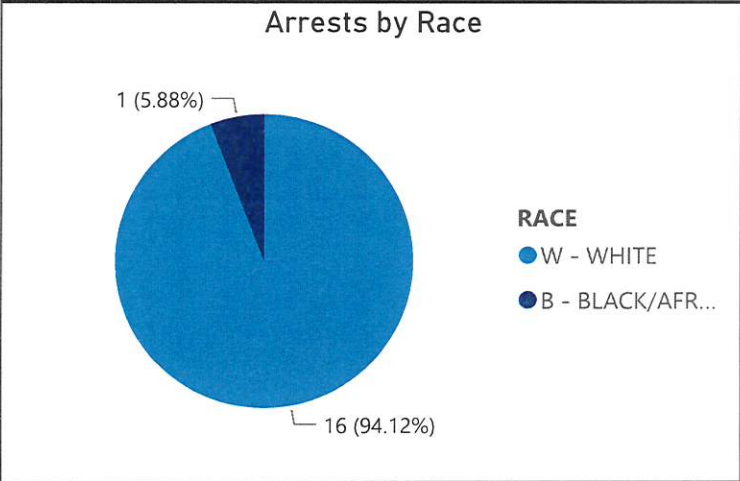
Chief Kohler



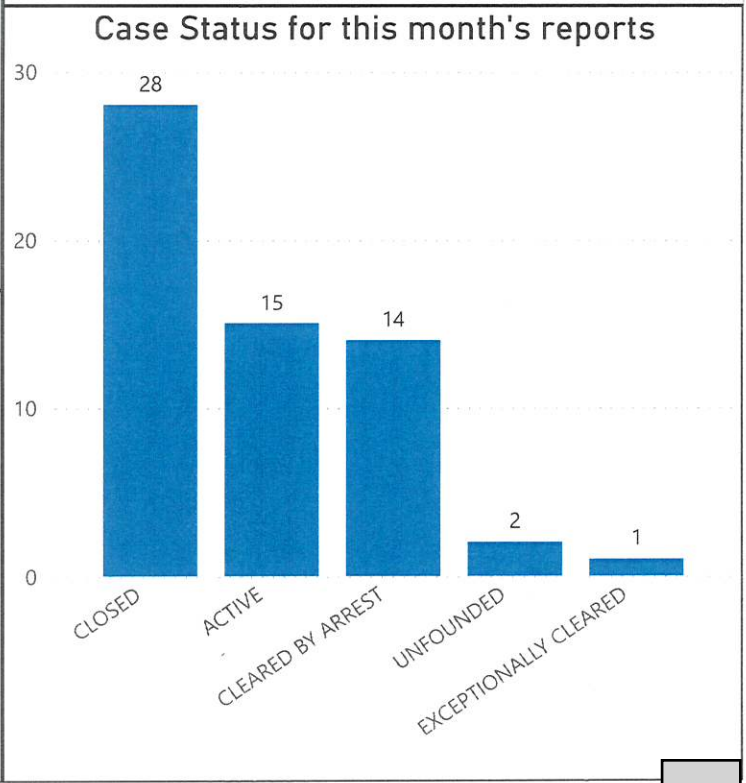
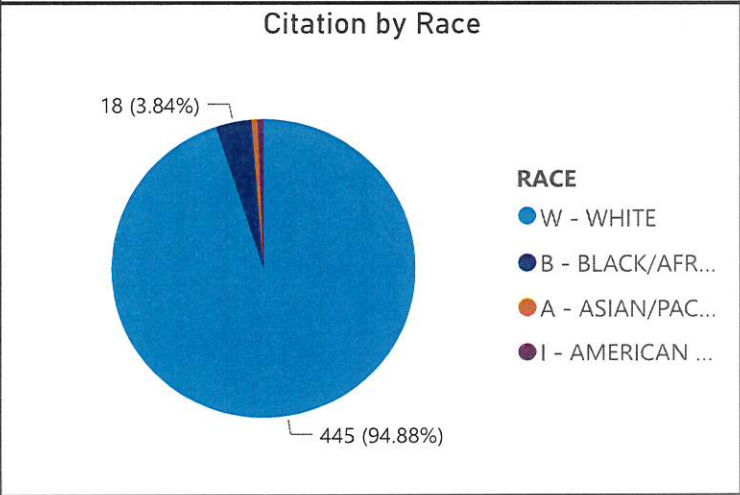
November 2025

Major Crimes	
ALL OTHER LARCENY	1
ALL OTHER OFFENSES	6
DRUG / NARCOTIC VIOLATION	9
SHOPLIFTING	8
SIMPLE ASSAULT	1

Calls for Service
794
Reports Written
65
Citations
197



Warnings
274





Castroville Police Department

Chief of Police James Kohler



November ▾

2025 ▾

Calls for Service

794

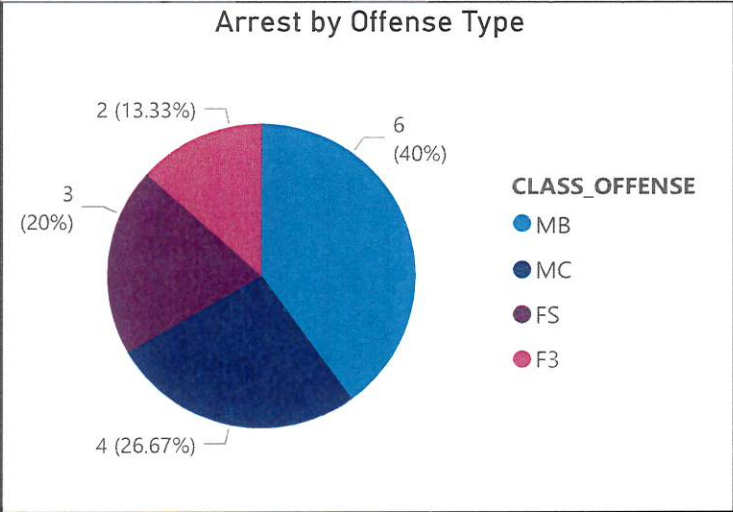
Incidents Reported

65

Reports Taken

120

IBR_DESCRIPTION	Count of CASE_NUMBER
▲	55
ALL OTHER LARCENY	1
ALL OTHER OFFENSES	6
DRIVING UNDER INFLUENCE	2
DRUG / NARCOTIC VIOLATION	9
SHOPLIFTING	8
SIMPLE ASSAULT	1
THEFT FROM MOTOR VEHICLE	1
TRAFFIC	4
Total	65



Total Arrests

16

Total Traffic Stops

362



Monthly Crime Report

Chief Kohler



November ▾ 2025 ▾

<div>Major Crimes</div> <div><table><tr><td>ALL OTHER LARCENY</td><td>1</td></tr><tr><td>ALL OTHER OFFENSES</td><td>6</td></tr><tr><td>DRUG / NARCOTIC VIOLATION</td><td>9</td></tr><tr><td>SHOPLIFTING</td><td>8</td></tr><tr><td>SIMPLE ASSAULT</td><td>1</td></tr><tr><td>THEFT FROM MOTOR VEHICLE</td><td>1</td></tr></table></div>	ALL OTHER LARCENY	1	ALL OTHER OFFENSES	6	DRUG / NARCOTIC VIOLATION	9	SHOPLIFTING	8	SIMPLE ASSAULT	1	THEFT FROM MOTOR VEHICLE	1	<div>Calls for Service</div> <div>794</div> <div>Reports Written</div> <div>65</div> <div>Citations</div> <div>197</div> <div>Warnings</div> <div>274</div> <div>Case Status for this month's reports</div> <div><table><tr><th>Case Status</th><th>Count</th></tr><tr><td>CLOSED</td><td>28</td></tr><tr><td>ACTIVE</td><td>15</td></tr><tr><td>CLEARED B...</td><td>14</td></tr><tr><td>UNFOUNDED</td><td>2</td></tr><tr><td>EXCEPTION...</td><td>1</td></tr></table></div>	Case Status	Count	CLOSED	28	ACTIVE	15	CLEARED B...	14	UNFOUNDED	2	EXCEPTION...	1
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<div>Arrests</div> <div>16</div>	<div>Supervisor Reviewed Videos</div> <div>30</div>																								
<div>Accidents</div> <div>10</div>	<div>Cases Submitted to DA</div> <div>20 YTD 179</div>																								



Monthly CAD Report

Chief Kohler



November 2025

Calls for Service by Agency	Calls for Service
CAST EMS 7	794
CAST FIRE 8	
CASTROVILLE POLICE DEPARTMENT 794	Traffic Stops
Total 794	364
Security Watch	Alarm Calls
227	8
Disturbances	Funeral Escorts
9	2

