

BYLAWS
OF THE
CITY OF PASADENA, TEXAS
CRIME CONTROL AND PREVENTION DISTRICT

THESE BYLAWS govern the affairs of the CITY OF PASADENA, TEXAS CRIME CONTROL AND PREVENTION DISTRICT, a crime control and prevention district created under Chapter 363, Local Government Code, as amended (the "Act").

RECITALS

WHEREAS, the Act provides that the creation of a crime control and prevention district (a "district") may be proposed by a majority vote of a municipality that is partially or wholly located in a county with a population of more than one million;

WHEREAS, the City of Pasadena, Texas (the "City") is wholly located in Harris County, Texas, a county with a population of more than one million;

WHEREAS, on September 1, 1998 (the "Proposition Date"), pursuant to Ordinance No. 99-19, the City Council of the City (the "City Council") proposed the creation of the City of Pasadena, Texas Crime Control and Prevention District (the "District");

WHEREAS, on September 1, 1998, which date was not later than the 60th day after the Proposition Date, the City Council, pursuant to Ordinance No. 99-19, appointed seven persons that reside in the District to serve as temporary directors of the District;

WHEREAS, the Act provides that a district may be created and a tax may be authorized only if the creation and the tax are approved by a majority of the qualified voters of the proposed district voting at an election called and held for that purpose;

WHEREAS, on September 1, 1998, which date was not later than the 75th day after the Proposition Date, the temporary board held an organizational meeting of the District, at which a majority of the temporary directors of the District approved a budget plan and a crime control plan in accordance with the Act and ordered that a creation election be held on November 3, 1998;

WHEREAS, the temporary directors provided notice of such election as required by Section 4.003(c), Election Code, and also published a substantial copy of the election order in a periodical with general circulation in the District, once a week for two consecutive weeks, with the first publication appearing before the 35th day before the date set for the election.

WHEREAS, on November 3, 1998, the creation election was held and on November 9, 1998, which date was not earlier than the second day or later than the 13th day after the date of the election, the temporary board met and canvassed the returns of the election;

WHEREAS, a majority of the votes cast were in favor of the creation of the District, and on November 3, 1998, the temporary board issued an order declaring the District created;

WHEREAS, on September 1, 1998, the City Council appointed the temporary directors as the initial directors of the District and approved these bylaws to govern the affairs of the District;

NOW, THEREFORE, these Bylaws witnesseth:

ARTICLE I.

DEFINITIONS

Section 1. Definitions. As used in these Bylaws, the following terms shall have the following meanings:

- (a) "Act" means Chapter 363, Local Government Code, as amended from time to time.
- (b) "Board" means the board of directors for the District.
- (c) "City" means the City of Pasadena, Texas, a home rule municipal corporation.
- (d) "City Controller" means the city controller of the City of Pasadena.
- (e) "City Council" means the governing body of the City.
- (f) "City Secretary" means the city secretary or city clerk, as applicable, of the City of Pasadena.
- (g) "Director" means a member of the Board appointed by the City Council pursuant to the Act.
- (h) "District" means the City of Pasadena, Texas Crime Control and Prevention District, a crime control and prevention district created under the Act.
- (i) "Officer" means the president, vice-president, secretary or other officer of the District appointed or elected as provided in these Bylaws.

ARTICLE II

BOARD OF DIRECTORS; OFFICERS

Section 1. Appointment of Directors; Terms; Liability.

(a) The District shall be governed by Board of seven (7) directors, each of whom shall reside in the District. Directors shall be appointed by the City Council to serve staggered two-year terms that expire September 1; except that the initial appointees shall draw lots to determine:

(i) The three directors to serve terms that expire on September 1 of the first year following the creation of the District; and

(ii) The four directors to serve terms that expire on September 1 of the second year following creation of the District.

(b) A Director, other than the president or vice-president, may designate a person to serve in the Director's absence.

(c) A vacancy in the office of Director shall be filled for the unexpired term in the same manner that the vacant position was originally filled.

(d) A member of the Board shall not be liable for civil damages or criminal prosecution for any act performed in good faith in the execution of duties as a Board member or for an action taken by the Board.

[Section 363.101, Local Government Code]

Section 2. Officers.

(a) The Board shall elect from among its members a president and a vice-president. The Board shall appoint a secretary. The secretary need not be a Director. The City Controller shall serve as treasurer for the District.

(b) Each officer of the Board shall serve for a term of one year.

(c) A vacancy in a Board office shall be filled for the unexpired term by the Board.

[Section 363.103, Local Government Code]

Section 3. Filing of Bond by Directors and Officers.

(a) Before assuming the duties of the office, each Director or Officer, including a person designated under Article II, Section 1(b), above, must execute a bond for \$5,000 payable to the District, conditioned on the faithful performance of the person's duties as Director or Officer.

(b) The bond shall be kept by the City Secretary in the permanent records of the District.

(c) The Board may pay for the bonds of the Directors or Officers with District funds.

[Section 363.102, Local Government Code]

Section 4. Compensation. Directors and Officers shall serve without compensation, but a Director or Officer may be reimbursed for actual expenses incurred in the performance of official duties. Those expenses must be reported in the District's minute book or other District record and must be approved by the Board.

[Section 363.104, Local Government Code]

Section 5. Voting Requirement. A concurrence of a majority of the members of the Board is necessary in matters relating to the business of the District. A two-thirds majority vote of the Board is required to reject any application for funding available under the Act.

[Section 363.105, Local Government Code]

Section 6. Contract for Administrative Assistance. The Board may contract with a public agency or private vendor to assist in the administration or management of the District or to assist in the review of applications for funding available under the Act.

[Section 363.106, Local Government Code]

ARTICLE III.

POWERS AND DUTIES

Section 1. District Responsibilities; Limitations on Expenditures

(a) The District may finance all the costs of a crime control and crime prevention program, including the costs for personnel, administration, expansion, enhancement and capital expenditures.

(b) As provided in the Act, the program may include police and law enforcement related programs, community-related crime prevention strategies, specific treatment and prevention programs, court and prosecution services and additional jails, jailers, guards and other necessary staff.

[Section 363.151, Local Government Code]

Section 2. Coordination; Evaluation; Grants

(a) The district shall coordinate its efforts with the local community justice council in developing its crime control and crime prevention program.

(b) The district shall fund an annual evaluation program to study the impact, efficiency, and effectiveness of new or expanded crime control and crime prevention programs.

(c) The board may seek the assistance of the Office of State-Federal Relations in identifying and applying for federal grants for criminal justice programs. The board shall notify the

appropriate council of government of any intent to submit applications for federal funds and for inclusion in the regional criminal justice planning process

(d) The district may apply for and receive grants for criminal and juvenile justice programs from the criminal justice division in the governor's office.

[Section 363.152, Local Government Code]

Section 3. General Board Power Over Funds. The board shall manage, control, and administer district funds except as provided by Section 363.205, Local Government Code and Article IV.

[Section 363.153, Local Government Code]

Section 4. Use of Revenue. The Board may spend the revenue derived from the sales and use tax only for a purpose authorized by Section 1.

[Section 363.154, Local Government Code]

Section 5. Rules and Procedures

(a) A board may adopt rules governing district-funded programs and the functions of district staff.

(b) The board may prescribe accounting and control procedures for the district

(c) The Board is subject to the administrative procedure law, Chapter 2001, Government Code.

[Section 363.155, Local Government Code]

Section 6. Purchasing

(a) Except as provided by Subsection (b), the Board may prescribe the method of making purchases and expenditures by and for the District.

(b) To the extent competitive bidding procedures in Title 3 apply, the Board may not enter into purchasing contracts that involve spending more than \$15,000 unless the Board complies with Chapter 252, Government Code.

(c) A purchasing agent of the City authorized by law shall serve as purchasing agent for the District

[Section 363.156, Local Government Code]

Section 7. Property to be Used in Administration. The Board may lease or acquire in another manner facilities, equipment or other property for the sole purpose of administering the District.

[Section 363.157, Local Government Code]

Section 8. Reimbursement for Services

(a) A county or municipality located entirely outside the boundaries of the District shall, on request, reimburse a District for the District's cost of including in a District program a resident of that county or municipality.

(b) The Board may require reimbursement from the state for the District's cost of including in a District program or facility a person who is a resident of the state but is not a resident of the District.

(c) On behalf of the District, the Board may contract with a municipal or county government or with the state or federal government for the municipal, county, state or federal government to reimburse the District for including a person in a District program.

[Section 363.158, Local Government Code]

Section 9. Service Contracts. When acting on behalf of the District, the Board may contract with the following entities to furnish the staff, facilities, equipment, programs and services the Board considers necessary for the effective operation of the District: (a) a municipality (including the City), county, special district or other political subdivision of the state; (b) a state or federal agency; (c) an individual; or (d) an entity in the private sector.

[Section 363.159, Local Government Code]

Section 10. Donations, Gifts and Endowments. On behalf of the District, the Board may accept donations, gifts and endowments to be held in trust for any purpose and under any direction, limitation or other provision prescribed in writing by the donor that is consistent with this chapter and the proper management of the District.

[Section 363.160, Local Government Code]

Section 11. Authority to Sue and be Sued. The Board may sue and be sued in the name of the District.

[Section 363.161, Local Government Code]

ARTICLE IV.

DISTRICT FINANCES

Section 1. Fiscal Year. The Board shall establish the fiscal year for the District, and the District shall operate on the basis of that year. The fiscal year may not be changed more than once in a 24-month period.

[Section 363.201, Local Government Code]

Section 2. Audits and District Records.

(a) The Board shall have an annual audit made of the financial condition of the District by an independent auditor.

(b) The annual audit and other District records shall be open to inspection during regular business hours at the principal office of the District.

[Section 363.202, Local Government Code]

Section 3. Annual Budget Process.

(a) The Board shall propose an annual budget as required by the Act. The Board shall consider the applications for program funding in preparing the proposed budget.

(b) The proposed budget must contain a complete financial statement, including a statement of (i) the outstanding obligations of the District; (ii) the amount of cash on hand to the credit of each fund of the District; (iii) the amount of money received by the District from all sources during the previous year; (iv) the estimated amount of money available to the District from all sources during the current fiscal year; (v) the amount of money needed to fund programs approved for funding by the Board; (vi) the amount of money requested for programs that were not approved for funding by the Board; (vii) the tax rate for the next fiscal year; (viii) the amount of the balances expected at the end of the year in which the budget is being prepared; and (ix) the estimated amount of revenues and balances available to cover the proposed Budget.

[Section 363.203, Local Government Code]

Section 4. Adoption of Budget by Board.

(a) Not later than the 75th day before the date each fiscal year begins, the Board shall hold a public hearing on the proposed annual budget.

(b) The Board shall publish notice of the hearing in a newspaper with general circulation in the District not later than the 10th day before the date of the hearing.

(c) Any resident of the District is entitled to be present and participate in the hearing.

(d) Not later than the 60th day before the date each fiscal year begins, the Board shall adopt a budget. The Board may make any changes in the proposed budget that in its' judgment the interests of the taxpayers demand.

(e) Not later than the 10th day after the date the budget is adopted, the Board shall submit the budget to the City Council.

(f) The Board by rule may adopt procedures for adopting a budget different from the procedures outlined in this subsection, but the Board must hold public hearings relating to the budget.

[Section 363.204, Local Government Code]

Section 5. Approval of Budget by City Council.

(a) Not later than the 45th day before the date each fiscal year begins, the City Council shall hold a public hearing on the budget adopted by the Board and submitted to the City Council.

(b) The City Council must publish notice of the hearing in a newspaper with general circulation in the district not later than the 10th day before the date of the hearing.

(c) Any resident of the District is entitled to be present and to participate at the hearing.

(d) Not later than the 30th day before the date the fiscal year begins, the City Council shall approve or reject the budget submitted by the Board. The City Council may not amend the Budget.

(e) If the City Council rejects the budget submitted by the Board, the City Council and the Board shall meet together, amend and approve the budget before the beginning of the fiscal year.

(f) The budget may be amended after the beginning of the fiscal year on approval by the Board and the City Council.

[Section 363.205, Local Government Code]

Section 6. Limitations on Expenditures and Investments.

(a) Money may be spent only for an expense included in the annual budget or an amendment to it.

(b) A District may not incur a debt payable from revenues of the District other than the revenues on hand or to be on hand in the current or immediately following fiscal year of the District.

(c) The Board may not invest District funds in funds or securities other than those specified by Article 836 or 837, Revised Statutes, or by Chapter 2256, Government Code.

[Section 363.206, Local Government Code]

Section 7. Account of Disbursements of District. Not later than the 60th day after the last day of each fiscal year, an administrator shall prepare for the Board a sworn statement of the amount of money that belongs to the District and an account of the disbursements of that money.

[Section 363.207, Local Government Code]

Section 8. Deposit of Funds.

(a) The Board shall deposit funds in a special account in the treasury of the City.

(b) District funds, other than those invested as provided by Article IV, Section 6 above, shall be deposited as received in the treasury of the City and must remain on deposit.

(c) The Board shall reimburse the city for any costs, other than personnel costs, the City incurs for performing the duties under this section.

[Section 363.208, Local Government Code]

Section 9. Applications for Program Funding.

(a) An officer of the City or the head of a department of the City may, with the consent of the City, apply to the Board for funding of a program as described by Article III, Section 1 above.

(b) An application under this section must be submitted not later than the 140th day before the date the fiscal year begins, unless an exception has been adopted by rule.

(c) The Board by rule may adopt application procedures.

[Section 363.209, Local Government Code]

Section 10. Bonds Prohibited. The Board may not issue or sell general obligation bonds, revenue bonds or refunding bonds.

[Section 363.210, Local Government Code]

ARTICLE V.

REFERENDUM ON CONTINUATION OR DISSOLUTION OF DISTRICT

Section 1. Referendum Authorized.

(a) The Board may hold a referendum on the question of whether to: (i) continue the District; or (ii) dissolve the District.

(b) The Board may order such referendum on its own motion by a majority vote of its members.

(c) The Board shall order such a referendum: (i) on presentation of a petition that requests continuation or dissolution of the district and complies with the applicable requirements of the Act; or (ii) if a majority of the City Council by resolution requests a referendum on continuation or dissolution after notice and a public hearing on the matter.

(d) The Board may not hold such referendum earlier than the fifth anniversary of the date the District was created or earlier than the third anniversary of the date of the last continuation or dissolution referendum.

[Section 363.251, Local Government Code]

Section 2. Election Order.

(a) The Board shall record on its minutes the date the petition is filed and the date it is certified by the City Secretary.

(b) If the petition contains the required number of signatures and is in proper order, the Board shall, at its next regular session after the certification by the City Secretary, order a referendum to be held at the regular polling place in each election precinct in the City on the next uniform election date authorized by Section 41.001(a), Election Code, that occurs at least 20 days after the date of the order.

(c) The Board shall state in the order the proposition to be voted on in the referendum.

[Section 363.258, Local Government Code]

Section 3. Applicability of Election Code. Any such referendum shall be held and the returns shall be prepared and canvassed in conformity with the Election Code.

[Section 363.259, Local Government Code]

Section 4. Results of Referendum.

(a) If less than a majority of the votes cast in a continuation referendum are for the continuation of the District or if a majority of the votes cast in a dissolution referendum are for the dissolution of the District: (i) the Board shall certify that fact to the Secretary of State of Texas not later than the 10th day after the date of the canvass of the returns; and (ii) the District is dissolved and ceases to operate.

(b) If a majority of the votes cast in a continuation referendum are for the continuation of the District or if less than a majority of the votes cast in a dissolution referendum are for dissolution of the District, another referendum may not be held, except as authorized by the Act.

[Section 363.260, Local Government Code]

Section 5. Election Contest. Not later than the 30th day after the date the results of a referendum is declared, any qualified voter of the District may contest the election by filing a petition in a District court located within the District.

[Section 363.261, Local Government Code]

ARTICLE VI.

DISTRICT DISSOLUTION

Section 1. Time for Dissolution of District.

(a) The District may be dissolved on the fifth anniversary of the date the District was created if the District has not held a continuation or dissolution referendum.

(b) The District shall be dissolved on the fifth anniversary of the date of the most recent continuation or dissolution referendum.

[Section 363.301, Local Government Code]

Section 2. Dissolution of District.

(a) On the date that the District is dissolved, the District shall convey or transfer, as provided by Subsection (h) of this Section 2: (i) title to land, buildings, real and tangible improvements and equipment owned by the District; (ii) operating funds and reserves for operating expenses and funds that have been budgeted by the District for the remainder of the fiscal year in which the District is dissolved to support crime control activities and programs for residents of the City; (iii) taxes levied by the District during the current year for crime control purposes; (iv) funds established for payment of indebtedness assumed by the District; and (v) any accumulated employee retirement funds.

(b) After the date the District is dissolved, the District may not impose taxes for District purposes or for providing crime control activities and programs for the residents of the District.

(c) If on the date that the District is dissolved the District has outstanding short-term or long-term liabilities, the Board shall, not later than the 30th day after the date of the dissolution, adopt a resolution certifying each outstanding short-term and long-term liability. The City shall assume the outstanding short-term and long-term liabilities. The City shall collect the sales and use tax under Section 323.105, Tax Code, for the remainder of the calendar year and may by resolution of the City Council continue to collect the tax for an additional calendar year if the revenue from the tax is needed to retire liabilities of the District that were assumed by the City. The City Council shall notify the Texas Comptroller of Public Accounts of this continuation not later than the 60th day before the date the tax would otherwise expire. Any tax collected after the liabilities have been retired shall be transferred or conveyed as provided by Subsection (a) above.

(d) The District and the Board may continue to operate for a period not to exceed two months after carrying out the responsibilities required by Subsection (a) and (c) above. The Board and the District are continued in effect for the purpose of satisfying these responsibilities.

(e) If the Board and the District are continued in effect under Subsection (d), the Board and the District are dissolved entirely on the first day of the month following the month in which the Board issues an order certifying to the Secretary of State of Texas that no responsibilities of Subsections (a) and (c) are left unsatisfied.

(f) A District or Board that continues to operate under Subsection (d) may not incur any new liabilities without the approval of the City Council. Not later than the 60th day after the date of the dissolution referendum, the City Council shall review the outstanding liabilities of the District and set a specific date by which the City must retire the District's outstanding liabilities.

(g) On the date that the District is dissolved, the District-funding programs, including additional courts, shall immediately terminate and District-funded personnel, except personnel required to retire the responsibilities of the District, are terminated.

(h) The Board shall convey or transfer the value of the items described by Subsection (a) to the City.

[Section 363.302, Local Government Code]

ARTICLE VII.

MISCELLANEOUS

Section 1. Legal Authorities Governing Construction of Bylaws. These Bylaws shall be construed in accordance with the laws of the State of Texas. All references in the Bylaws to statutes, regulations or other sources of legal authority shall refer to the authorities cited, or their successors, as they may be amended from time to time. It is expressly provided that the provisions of the Act are incorporated within these Bylaws by reference. In the event of any conflict between the applicable provisions of such Act and these Bylaws, then the applicable provisions of such Act shall control.

Section 2. Legal Construction. If any Bylaw provision is held to be invalid, illegal or unenforceable in any respect, the invalidity, illegality or unenforceability shall not affect any other provision and the Bylaws shall be construed as if the invalid, illegal or unenforceable provision had not been included in the Bylaws.

Section 3. Seal. The Board may provide for a corporate seal.

Section 4. Heading. The headings used in the Bylaws are used for convenience and shall not be considered in constructing the terms of the Bylaws.

Section 5. Parties Bound. The Bylaws shall be binding upon and inure to the benefit of the directors, officers and agents of the District and their representative heirs, executors, administrators, legal representatives, successors and assigns except as otherwise provided in the Bylaws.

Section 6. Effective Date. These Bylaws, and any subsequent amendments thereto, shall be effective of and from the date upon which approval has been given by the Board.

SERVICE AND REIMBURSEMENT AGREEMENT

THIS SERVICE AND REIMBURSEMENT AGREEMENT (this "Agreement") is entered into by and between the CITY OF PASADENA, TEXAS (the "City"), a home rule municipal corporation under the laws of the State of Texas, and the CITY OF PASADENA, TEXAS CRIME CONTROL AND PREVENTION DISTRICT (the "District"), a crime control and prevention district under the Chapter 363, Local Government Code (the "Act"), date effective as of January 14, 1999 (the "Effective Date").

RECITALS

WHEREAS, the City and the District desire to enter into this Agreement to provide for (1) the payment of reasonable compensation by the District to the City for the District's utilization of services, staff and employees of the City and all costs of the City's providing, or causing to be provided, project development services, all in furtherance of the activities of the District; and (2) the reimbursement to the City of costs incurred by the City in furtherance of District Projects (as defined herein).

AGREEMENT

NOW THEREFORE, in consideration of the mutual promises and agreements contained herein, and other good and valuable consideration, the parties hereto agree as follows:

ARTICLE I

SERVICES PROVIDED BY THE CITY; PAYMENTS AND REIMBURSEMENT BY THE DISTRICT

1.1 Services: Assistance with Projects. The City agrees to provide administrative support and legal services to the Board of Directors of the District ("Board") as reasonably requested by the Board, which services may include, but shall not be limited to, the following: (a) the preparation, development and implementation of a crime control and budget plan as required by the Act; (b) preparation and maintenance of the books, records, accounts and financial statements of the District; (c) negotiations on behalf of the District; (d) administering and monitoring any such contracts; (e) providing accounting and financial management services through the City's Department of Finance; and (f) providing personnel for the administration of the District's programs. In addition, the City agrees, from time to time, to work in conjunction with and assist the District with (and incur certain costs relating to) the implementation of projects (collectively, the "District projects") under the crime control and budget plan or as otherwise authorized under the Act, including without limitation, the development of a police training academy.

1.2 Reimbursement by the District. In consideration for any such services provided by the City and for the costs incurred by the City in connection with the District Projects, the District agrees to reimburse the City in an amount equal to the actual costs incurred by the City and as billed on a regular basis.

ARTICLE II

TERMINATION

2.1 Termination. Either party may terminate this Agreement by providing the other party at least thirty (30) days prior written notice. Termination shall be effective on the first day following the end of the 30-day period in such notice.

2.2 Dissolution of District. This agreement shall terminate automatically upon the dissolution of the District.

ARTICLE III

MISCELLANEOUS PROVISIONS

3.1 Entire Agreement Amendments. This agreement constitutes the entire agreement of the parties relating to the matters contained herein and supersede all prior agreements and understandings, oral or written, between the parties with respect to the subject matter hereof. This Agreement may not be amended or modified except by an agreement in writing signed by the party against whom enforcement of any waiver or modification is sought.

3.2 Separability. If any provision of this Agreement is rendered or declared illegal, invalid or unenforceable by reason of any existing or subsequently enacted legislation or by the final judgment of any court of competent jurisdiction, the parties agree to promptly meet and negotiate substitute provisions for those rendered or declared illegal or unenforceable to preserve the original intent of this Agreement to the extent legally possible, but all other provisions of this Agreement shall remain in full force and effect.

3.3 Counterparts. This Agreement is being executed in one of more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.