

**NORTHEAST POLICE DEPARTMENT AGREEMENT**

**THE STATE OF TEXAS** §  
**COUNTY OF DENTON** §

**KNOW ALL MEN BY THESE PRESENTS:**

THIS AGREEMENT ("Agreement") is entered into by and between the CITY OF KRUGERVILLE, TEXAS ("KRUGERVILLE"), a Type A general-law municipality, and the TOWN OF CROSS ROADS, TEXAS ("CROSS ROADS"), a Type A general-law municipality, both of which municipalities are hereinafter sometimes referred to as "contracting municipalities."

WHEREAS, KRUGERVILLE has for a number of years operated a police department, commonly known as the KRUGERVILLE Police Department, for the enforcement of law, preservation of the peace, and police protection for the benefit of KRUGERVILLE; and

WHEREAS, CROSS ROADS has not had law enforcement, preservation of the peace, and police protection for its city through a police department; and

WHEREAS, KRUGERVILLE and CROSS ROADS now wish to establish a common municipal police department; and

WHEREAS, pursuant to the authority of the Interlocal Cooperation Act, Chapter 791, Texas Government Code, as amended, the contracting municipalities desire to create and establish a jointly owned and operated municipal police department, to be known as the "NORTHEAST POLICE DEPARTMENT"; and

WHEREAS, to supervise and administer the provisions of this Agreement and the affairs of such NORTHEAST POLICE DEPARTMENT (sometimes referred to in this Agreement as the "Department"), it is the desire of the contracting municipalities to create a Board of Commissioners of the NORTHEAST POLICE DEPARTMENT, hereinafter sometimes referred to as the "Board of Commissioners"; and

WHEREAS, the contracting municipalities intend and do hereby agree that the NORTHEAST POLICE DEPARTMENT and the Board of Commissioners, as the successor to the existing KRUGERVILLE Police Department, shall continue to enjoy the privileges and immunities of a municipal police department under the laws of the State of Texas and the United States; and

WHEREAS, KRUGERVILLE and CROSS ROADS wish to contract with each other to create the NORTHEAST POLICE DEPARTMENT to furnish such police services subject to the supervision and administration of the Board of Commissioners, as well as contracting by separate interlocal agreement to create a combined municipal court; and

NOW, THEREFORE, in consideration of the foregoing and of the mutual benefits to be derived hereunder, KRUGERVILLE and CROSSROADS do hereby AGREE, COVENANT and BIND themselves as follows:

1. Amended Agreement. This Agreement supersedes and replaces in its entirety the NORTHEAST POLICE DEPARTMENT Agreements approved by KRUGERVILLE and CROSSROADS on August 27, 2013, September 24, 2014, September 19, 2016, May 21, 2018 and **October 19, 2020**.

2. Term: The initial term of this Agreement shall be from **April 23, 2021**, at 12:01 a.m., and until **September 30, 2031**, at 12:00 midnight, and shall be automatically renewed for additional periods of four years each, such renewal terms to commence on October 1 of the appropriate year and continue until September 30 of the next following year, unless written notice of termination or dissolution is received from one or more of the parties at least six (6) months prior to the expiration date of this Agreement or of any renewal term.

3. Police Services: The NORTHEAST POLICE DEPARTMENT shall provide law enforcement personnel, each of whom shall be commissioned as a peace officer by each of the contracting municipalities, for the preservation of the peace in the contracting municipalities.

4. Immunity From Liability: It is understood that the governmental immunity from liability to which a municipality or its police department is entitled under the law is extended to and includes the NORTHEAST POLICE DEPARTMENT, its Board of Commissioners, and the contracting municipalities.

5. NORTHEAST POLICE DEPARTMENT: KRUGERVILLE and CROSSROADS, being the contracting municipalities, do hereby create, pursuant to the Interlocal Cooperation Act, Chapter 791, Texas Government Code, as amended, the NORTHEAST POLICE DEPARTMENT, which shall be jointly owned and operated by the contracting municipalities, for the furnishing of police services to the contracting municipalities.

6. Board of Commissioners: The affairs of the NORTHEAST POLICE DEPARTMENT shall be administered by a six (6) member Board of Commissioners, to serve without pay, of which one member shall serve as the Commission Chair who shall only be authorized to vote in the event of a tie vote of the Board of Commissioners. The Board of Commissioners shall consist of two (2) commissioners from KRUGERVILLE and Four (4) commissioners from CROSS ROADS. The commissioners representing each of the contracting municipalities on the Board of Commissioners shall be named thereto as the representative of that contracting municipality by formal resolution of the governing body of each contracting municipality.

Commissioners so named by any contracting municipality may be changed at will by formal resolution of the governing body of that contracting municipality. In the event there is such a change of commissioner by a contracting municipality, the contracting municipality making such a change shall immediately give notice as provided herein by furnishing a copy of the resolution of change to the other contracting municipality. The Board of Commissioners is empowered specifically to:

- (a) Draft a constitution, by-laws, and procedures for the orderly execution of its duties; provided, however, such constitution and by-laws shall not become effective until they have been approved by the governing body of both of the contracting municipalities.
- (b) Prepare and submit annual budgets **for the fiscal year** ~~on a calendar year basis~~ to the contracting municipalities by July 31 of each year.
- (c) **Annual budget increases shall be capped at 5%, unless it is deemed necessary that additional officers are needed or an unexpected increase in operational expenses arises.**

- (d) Prescribe a table of organization and provide or assist in the provision of the police services described herein as may be deemed necessary by the Board of Commissioners.
- (e) Determine the policies for the Chief of Police in the use of the police resources and services described.
- (f) Purchase, receive, lease or otherwise acquire, use, and otherwise deal in and with any personal property necessary to the performance of the police services described herein.
- (g) Keep and maintain an account with financial institutions in which the income of the DEPARTMENT may be deposited and its expenses, bills, and costs paid.
- (h) Maintain its accounting records in accordance with the generally accepted accounting principles. The records shall be kept at the TOWN OF CROSS ROADS. Such records shall be available at all reasonable times for inspection by a representative duly authorized by the governing body of both of the contracting municipalities.
- (i) To the extent permitted by law, enter into such contracts, within the limits of the applicable approved budget, and exercise all powers necessary or appropriate to effectuate any or all of the purposes and powers described above, but shall not incur any indebtedness beyond that which may be satisfied from its budget for the fiscal year in which the indebtedness is incurred, and may not, without written resolution or ordinance adopted by the governing body of each contracting municipality, incur any obligation that may be binding on either municipality.
- (j) To employ, assign, reassign, promote, demote, discipline and discharge any and all officers and employees of the NORTHEAST POLICE DEPARTMENT, all of whom shall serve and hold their offices of employment at the pleasure of the Board of Commissioners. It is specifically provided, however, that said Board of Commissioners may by resolution duly adopted delegate to the Chief of Police of the NORTHEAST POLICE DEPARTMENT any or all of the following authority: to employ, assign, reassign, promote, or demote all or specified personnel within the Department, to discipline any officer or employee of the Department by suspension from duty without pay, to adopt, administer and enforce general and operational orders, and to manage the daily affairs of the Department.
- (k) To establish a police reserve force subject to the following conditions and limitations:
  - 1) members of the police reserve force ("Reserve Officers") shall be appointed by, and serve at the discretion of, the Chief of Police;
  - 2) appointments of Reserve Officers shall not be effective unless and until approved by the Board of Commissioners;
  - 3) Reserve Officers may act only in a supplementary capacity to the regular police force and may not assume the full-time duties of regular police officers without first complying with all requirements applicable to the qualification and appointment of regular police officers;

- 4) the number of Reserve Officers shall not exceed the number of regular police officers employed by the Department;
  - 5) Reserve officers may carry weapons and act as peace officers only after their appointment has been approved by the Board of Commissioners and only during such time as they are called into service by the Chief of Police;
  - 6) the Chief of Police may call the Reserve force into service at any time the Chief considers it necessary to have additional officers to preserve the peace and enforce the laws;
  - 7) Reserve Officers shall be required to meet all applicable requirements of the Texas Commission on Law Enforcement Standards and Education; and
  - 8) The Board of Commissioners may establish such rules and policies concerning Reserve Officers as it deems appropriate provided that such rules and policies are consistent with state law and the terms of this Agreement.
- (l) To the extent permitted by law, to lease, on behalf of the NORTHEAST POLICE DEPARTMENT, real property necessary for the performance of the police services described herein.

The Board of Commissioners shall hold at least four meetings a year. A majority of the regular voting members of the Board of Commissioners (i.e., three Commissioners) shall constitute a quorum for the transaction of business. Any action of the Board of Commissioners must be approved by the favorable vote of a majority of its members.

7. Chair and Vice Chair of the Board of Commissioners: A member of the Board of Commissioners shall be designated as Chair. The Chair shall call and preside at all meetings of the Board of Commissioners but shall not be a voting member except in the event of a tie vote of the Board of Commissioners. The Vice Chair will serve as a voting member of the Commission. If the Chair is absent or position is vacant, then the Vice Chair will serve as Chair. **At the effective date of this Interlocal Agreement, the current Board of Commissioners shall continue to remain seated for a minimum of 12 months.**

8. CROSS ROADS Responsibilities:

CROSS ROADS shall be responsible for the following:

- (a) Collect the funds paid by each contracting municipality for the provision of police services as contracted for herein and pursuant to the formula for payment set forth herein.
- (b) Disburse the collected funds for the purposes and to the extent authorized in the budget approved by the contracting cities to procure and provide those items and services contemplated by this Agreement. Any intra-budget transfer of funds in excess of 5% of the respective annual budget must first be approved by the governing body of both the contracting cities. Although only Commission approval is required to utilize and incorporate prior year unexpended capital reserve funds into the budget throughout the year as Councils have already authorized its use.

- (c) CROSS ROADS will process payroll, provide payroll summaries, and monthly funds to KRUGERVILLE for all NEPD employees for submission to the Texas Municipal Retirement System (TMRS).
- (d) New employees of the NEPD will be processed by CROSS ROADS.
- (e) Prepare quarterly statements of accounts, income, and expenses paid during said quarter and cumulatively during the current calendar year on an accrual basis. Copies of such statements are to be delivered to each of the contracting municipalities quarterly.
- (f) Contract an independent auditor to conduct an annual audit of NORTHEAST POLICE DEPARTMENT'S financial accounting within 90 days after the close of the fiscal year.
- (g) Beginning in the second quarter of 2021, a quarterly review shall be held between the NEPD Police Chief, the KRUGERVILLE and CROSS ROADS Mayors, and one City Council Member from each Municipality.

9. KRUGERVILLE Responsibilities:

KRUGERVILLE shall be responsible for the following:

- (a) Prepare quarterly statements of payroll, income, and expenses paid during said month and cumulatively during the current calendar year on an accrual basis. Copies of such statements are to be delivered to each of the contracting municipalities quarterly.
- (b) KRUGERVILLE will process the monthly contributions and create the reports for submission to the Texas Municipal Retirement System (TMRS) for the NEPD employees.
- (c) ~~May keep and maintain all existing personnel of the Department as employees of KRUGERVILLE for TMRS reporting only at the direction of the Commission. All personnel and benefits shall be subject to the control and supervision of the Commissioners. Future employees will be carried as an employee by either municipality CROSS ROADS, as determined by the Commission at the time of hire for TMRS purposes. Current employees may request municipality transfer to either city, with approval by both Commission and receiving municipality, for TMRS purposes.~~
- (d) KRUGERVILLE will keep TMRS benefits to 7% with a 2 to 1 match rate.
- (e) Contract an independent auditor to conduct an annual audit of NORTHEAST MUNICIPAL COURTS financial accounting to be completed within 90 days after the close of the fiscal year.
- (f) Beginning in the second quarter of 2021, a quarterly review shall be held between the NEPD Police Chief, the KRUGERVILLE and CROSS ROADS Mayors, and one City Council Member from each Municipality.

10. Funding: KRUGERVILLE agrees to provide 30% (percent) per fiscal year and CROSS ROADS agrees to provide 70% (percent) per fiscal year towards funding of the budget as approved by the

contracting municipalities for the NORTHEAST POLICE DEPARTMENT. The amount due by each contracting municipality shall be paid in twelve (12) equal monthly installments beginning on October 1<sup>st</sup> and continuing thereafter on the first day of each succeeding month.

Although it is contemplated that the needs of the contracting municipalities for police services and court services will be similar, as described in the paragraph above, the formula to determine cost sharing shall be based on total call volume (activity). Additionally, all vehicles will be outfitted with GPS monitoring devices to ensure equitable and accurate data. ~~relatively equal, the Board of Commissioners shall proceed to devise a reasonable formula to determine usage of police and court services by both contracting municipalities. The formula shall be submitted to the contracting municipalities for their approval. After this Agreement has been in force for two years, so as to eliminate any abnormal demand of any particular contracting municipality caused by isolated incidents, the Board of Commissioners shall by August 1 of each year apply the formula to determine the average use of police services by each contracting municipality during the previous two year period.~~

Each contracting municipality's share of such cost, shall be upon a use basis, as determined from year-to-year, to be paid by each contracting municipality as provided herein, and each contracting municipality's new or revised percentage shall be determined for the ensuing two year period prior to August 1 of every other year, and the new or revised percentage shall become effective on the following October 1. At no time will KRUGERVILLE'S contribution be less than 30%. The first review shall be no later than August 1, 2022.

In the event that funding for the Department in any fiscal year is inadequate, any operating losses, deficits or capital or financial needs of the Department shall be provided by the contracting municipalities based on the formula **as stated above**. ~~set forth in the foregoing paragraph or, if no formula has been established, then on a 70/30 percent split, whereby CROSS ROADS shall be responsible for 70% (percent) of the expense and KRUGERVILLE shall be responsible for 30% (percent) of the expense.~~

In the event that proceeds derived by the operations of the Department exceed the funding provided for herein, then the excess shall be distributed to each municipality based on the formula **as stated above**. ~~set forth in the foregoing paragraph or, if no formula has been established, then on a 70/30 percent split, whereby CROSS ROADS shall receive 70% (percent) of the excess and KRUGERVILLE shall receive 30% (percent) of the excess.~~

All books and records of the Department shall be open and available for inspection, review and/or audit by either contracting municipality, at that municipality's expense.

10a. Additional Police Services. Notwithstanding any other provision of this Agreement, should a contracting city desire additional police services over and above that provided on a substantially equal basis to all contracting cities under the terms of this Agreement, such contracting city shall make a request in writing to the other contracting city for such additional police services. Such request shall specify the number of police officers desired for additional service and the period of time for which such additional service is desired.

If the governing bodies of both contracting cities agree in writing to such request and to the extent, time, and manner in which the requesting city shall pay for such additional services, such written agreement

shall be forwarded to the Board of Commissioners and shall constitute authorization and requirement for said Board to fulfill such request, in accordance with the terms and conditions of such written agreement, at the earliest possible time.

10b. Reduction in Force. There shall be no reduction in force during the term of this agreement without the approvals of the NEPD Board of Commissioners, and the City Councils of KRUGERVILLE and CROSS ROADS.

11. Ownership: To the extent permitted by law, the NORTHEAST POLICE DEPARTMENT shall hold title to all equipment and vehicles acquired and used by ~~it~~ THE DEPARTMENT and shall be permitted to enter into any and all lease agreements in the capacity of tenant or landlord thereunder. Such property shall be held or leased, as applicable, in trust for the contracting municipalities.

12. Future Facilities: In the event that the NEPD Board of Commissioners approves a renovation of the existing building located at 100 Kruger Rd, the construction of a new facility, or the purchase or lease of any existing facility to house the NORTHEAST POLICE DEPARTMENT, KRUGERVILLE and CROSS ROADS will share expenses, using the 70% - 30% formula, upon Council approvals. Any future housing, whether it be built, renovated, rented, or leased can be located in either Municipality, however, it shall be located north of US Highway 380.

13. Notice: Any notice required to be given by terms of this Agreement shall be given by registered or certified mail, return receipt requested, to the contracting municipalities at the following mailing addresses:

City of Krugerville  
5097 Highway 377, S.  
Krugerville, Texas 76227

Town of Cross Roads  
1401 FM 424  
Cross Roads, Texas 76227

Notice also may be given by actual delivery of notice to the office of the contracting municipality during normal business hours on Monday through Friday, except on national holidays. Notice of a change of address shall be given in like manner.

14. Service of Process: Upon receipt of service of process naming it, the NORTHEAST POLICE DEPARTMENT, as the police department for the contracting municipalities, the Board of Commissioners shall cause a complete copy of such process to be delivered promptly to both of the contracting municipalities.

15. Citations Not Accepted: The Board of Commissioners of the NORTHEAST POLICE DEPARTMENT is not authorized to and shall not accept service of citation or other process for the contracting municipalities upon matters which are the subject of this Agreement.

16. Insurance: For the protection of the officers and employees of the NORTHEAST POLICE DEPARTMENT, the Board of Commissioners and employees thereof, the contracting municipalities, their respective mayors, councilmembers, officers, and employees thereof, the Board of Commissioners shall

acquire and maintain in force the following insurance protection, with NORTHEAST POLICE DEPARTMENT being responsible for paying and maintaining insurance coverage.

- (a) Fidelity and surety insurance covering theft, embezzlement, or other wrongful or fraudulent taking, pledging, appropriation or use of any funds or property of the NORTHEAST POLICE DEPARTMENT.
- (b) Comprehensive liability insurance coverage on all such personnel in the amount of \$1,000,000.00 aggregate / \$1,000,000.00 per occurrence, each contracting municipality shall also be named on the face of the policy as an "insured."
- (c) Public liability insurance coverage on all vehicles, each contracting municipality being named on the face of the policy as an "insured," such policy to afford bodily injury coverage of \$100,000 for one person, \$300,000 for more than one person, property damage coverage of \$50,000, \$100 deductible comprehensive coverage for actual value, \$1,000 deductible collision coverage on all emergency vehicles and \$500 deductible collision coverage on all non-emergency vehicles.

17. Control of Personnel and Equipment: All police personnel are under the direction, control and supervision of the NORTHEAST POLICE DEPARTMENT. All vehicles and equipment owned and/or operated by the NORTHEAST POLICE DEPARTMENT, pursuant to this Agreement, shall be used only for official police business.

18. First Right of Refusal: In the event the commission proposes to sell real property located at 100 Kruger Rd. Krugerville, TX 76227, KRUGERVILLE shall have the first right of refusal to purchase said property. KRUG'ERVILLE shall have 90 days to meet the terms of the agreement and pay any consideration required thereunder.

19. Termination (Non-Renewal by One Contracting Municipality): Notice of termination or non-renewal of this Agreement by one contracting municipality must be delivered by March 30, to be effective on September 30 of that year. Upon timely receipt of notice of termination or non-renewal from a contracting municipality, the following procedures will control:

- (a) At the time of termination, the assets of the NORTHEAST POLICE DEPARTMENT, less outstanding liabilities shall be distributed in kind and in shares equal to the 70/30 percent proportion whereby 70% (percent) of the assets shall be distributed to CROSS ROADS and 30% (percent) to KRUGERVILLE. If the assets are not susceptible to division in kind, the assets shall be distributed on the basis of their market value and, if necessary, the distribution shall be made by drawing of lots.
- (b) Notwithstanding any provisions of this paragraph 19, the contracting municipalities may mutually agree to any other suitable withdrawal or termination procedure.

20. Damages for Breach: Maintaining uninterrupted police service in each contracting municipality is of paramount importance. Therefore, each contracting municipality agrees that the terms of this Agreement will be deemed to be breached by a contracting municipality (I) upon a contracting municipality's failure to timely remit (within 30 days) its respective share of the budgeted funds as provided

herein, or (2) upon the withdrawal of any contracting municipality from the Agreement not in accordance with the terms hereof.

21. Nepotism. No person having a family relationship with a member of the governing body of either of the contracting municipalities (KRUGERVILLE and CROSS ROADS), a member or alternate member (commissioner or alternate commissioner) of the Board of Commissioners of the NORTHEAST POLICE DEPARTMENT, or the Chief of Police of said Department shall be employed by or continue to be employed by the NORTHEAST POLICE DEPARTMENT in any capacity. The term "family relationship" means relationship within the third degree by consanguinity or the second degree by affinity.

The foregoing prohibitions shall not apply to any person who shall have been or who has been continuously employed in his or her position in the NORTHEAST POLICE DEPARTMENT for a period of at least one year prior to the election, appointment, or employment of the official (member of any of such governing bodies, member or alternate member of such Board of Commissioners, or Chief of Police) related to such employee within the prohibited degree.

Any person presently employed by the NORTHEAST POLICE DEPARTMENT who has a family relationship with another person who presently holds any of the offices or positions heretofore identified and described, and who does not fall within the exception described in the preceding paragraph, shall cease to be eligible for employment by the NORTHEAST POLICE DEPARTMENT and shall be removed from such employment with such Department as of October 1, 2013, the effective date of this provision regarding nepotism.

ATTEST:

CITY OF KRUGERVILLE

\_\_\_\_\_  
Sandy Frantz, City Secretary

\_\_\_\_\_  
Jeff Parrent, Mayor Date

ATTEST:

TOWN OF CROSS ROADS

\_\_\_\_\_  
Donna Butler, City Secretary

\_\_\_\_\_  
T. Lynn Tompkins, Jr., Mayor Date