

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON APPROVING A THIRD AMENDED EMPLOYMENT AGREEMENT SETTING THE COMPENSATION AND TERMS FOR CITY AUDITOR, MADISON RORSCHACH TO ALLOW FOR INCREASES TO BASE SALARY AND OTHER FINANCIAL AND NON-FINANCIAL COMPONENTS OF COMPENSATION WITHOUT FURTHER AMENDMENT OR RENEWAL OF SAID AGREEMENT; TO ALLOW PAYMENT TO EMPLOYEE IN LIEU OF UNUSED, ACCRUED SICK LEAVE FOR UP TO SEVEN (7) DAYS PER YEAR; AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT; AUTHORIZING THE EXPENDITURE OF FUNDS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on August 4, 2020, the City Council approved an employment agreement with Madison Rorschach as the City Auditor of the City of Denton by Ordinance No. 20-1481, which was amended in its entirety by agreement on August 8, 2021; and

WHEREAS, on August 17, 2021, the City Council approved the First Amended employment agreement (“Agreement”) with the City Auditor of the City of Denton amending the previous agreement in its entirety by Ordinance No. 21-1783, attached hereto and incorporated herein; and

WHEREAS, on October 18, 2022, the City Council approved the Second Amended Employment Agreement with the City Auditor of the City of Denton by Ordinance No. 22-2007; and

WHEREAS, on September 17, 2024, the City Council approved an amended Employment Agreement with the City Auditor in Ordinance No. 24-1769; and

WHEREAS, the City Council desires to amend Section 3 entitled Compensation to allow for increases to base salary and other financial and non-financial components of compensation to be determined annually without amendment or renewal of the Agreement; and

WHEREAS, the City Council desires to amend Section 5 entitled Compensation of the Original Agreement to allow payment in lieu of unused, accrued sick leave up to seven (7) days per year beginning fiscal year 2025-2026; and

WHEREAS, the City Council and City Auditor desire to enter into an amended Employment Agreement that incorporates the above amendments, supersedes all prior agreements, and constitutes the entire agreement; and

WHEREAS, the City Council finds that approval of the Employment Agreement, which is attached hereto as Exhibit 1 and incorporated by reference, is in the best interest of the City of Denton. NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The recitals and findings contained in the preamble of this ordinance are incorporated into the body of this ordinance.

SECTION 2. The City Council hereby approves the amendments to City Auditor Madison Rorschach’s Employment Agreement, attached hereto and incorporated herein by reference, and authorizes the Mayor to execute the amended Agreement.

SECTION 3. The City expenditures provided for in this Agreement are hereby authorized.

SECTION 4. This ordinance shall become effective immediately upon its passage and approval.

The motion to approve this Ordinance was made by [] and seconded by [].

This Ordinance was passed and approved by the following vote [_ – _ – _]:

	Aye	Nay	Abstain	Absent
Mayor Gerard Hudspeth:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
Brandon Chase McGee, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2025.

GERARD HUDSPETH, MAYOR

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: **Susan**
Keller

Digitally signed by
Susan Keller
Date: 2025.08.14
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STATE OF TEXAS §
COUNTY OF DENTON §

**CITY AUDITOR
EMPLOYMENT AGREEMENT**

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This Employment Agreement (this "Agreement"), made and entered into this the 19th of August, 2025 (the "Effective Date"), by and between the City of Denton, a Texas municipal corporation (hereinafter called "City"), and Madison Rorschach (hereinafter called "Auditor"). The individual parties identified in this paragraph may hereinafter be referenced collectively in this Amendment as the "Parties," both of whom understand and agree as follows:

WHEREAS, on August 4, 2020, the City Council approved an employment agreement with Madison Rorschach as the City Auditor of the City of Denton by Ordinance No. 20-1481, which was amended in its entirety by agreement on August 8, 2021; and

WHEREAS, on August 17, 2021, the City Council approved the First Amended Employment Agreement with the City Auditor of the City of Denton by Ordinance No. 21-178; and

WHEREAS, on October 18, 2022, the City Council approved the Second Amended Employment Agreement with the City Auditor of the City of Denton by Ordinance No. 22-2007; and

WHEREAS, on September 17, 2024, the City Council approved an amended Employment Agreement with the City Auditor in Ordinance No. 24-1769; and

WHEREAS, the City Council and City Auditor desire effective upon the date of approval of the ordinance authorizing this amendment; and

WHEREAS, the City Council and City Auditor desire to enter into an amended Employment Agreement that incorporates the above amendments, supersedes all prior agreements, and constitutes the entire agreement.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the Parties agree as follows:

SECTION 1. TERM

A. This Agreement shall remain in full force and effect from the Effective Date until terminated by the Employer or Employee as provided in this Agreement.

B. This Agreement may be terminated by the Employer or the Employee under applicable provisions of this Agreement. If the Employer terminates this Agreement, it must do so by following the procedures set forth in Section 9 of this Agreement. The Employee may terminate this Agreement by providing at least 30 days written notice to the Employer before the date designated by the Employee for termination.

SECTION 2. DUTIES

Employer hereby engages the employment services of the Employee *as* City Auditor of said Employer to perform the functions and duties specified by the Denton Home Rule City Charter (the "City Charter"), the Code of the City of Denton, Texas (the "City Code"), and all other applicable laws, and as outlined in the City of Denton's job description as it now exists or as it may exist with future modifications by the Council and agreed upon by the employee, and to perform other legally permissible and proper duties and functions as Employer shall from time to time assign.

SECTION 3. COMPENSATION

A. For the services rendered as the Employer's City Auditor, the Employer agrees to pay Employee an annual base Salary payable in installments at the same time as other employees of the Employer are paid. All provisions of the City Charter, City Code, and Council-adopted Rules and Regulations relating to the vacation and sick leave, retirement and pension system contribution, holidays, and other fringe benefits and working conditions as they now exist or hereafter may be amended, shall apply to Employee as they would to other employees of the City, which benefits include health insurance, long-term disability insurance and retirement under the Texas Municipal Retirement System, and other benefits, as provided to other Council appointees of the City, including that the City will pay Employee's portion of the Texas Municipal Retirement System contribution.

B. Base Salary: Employer agrees to pay Employee an annual base salary payable in installments at the same time that the other employees of the Employer are paid. Any increase in base salary or other compensation shall adjust the base salary to the increased amount.

C. Employee shall receive any salary increases that are provided or required by the Employer's compensation policies to include all salary increases on the same basis as applied to (a) other Council appointees, and (b) cost of living adjustments to full-time non-civil service employees.

D. In addition, consideration shall be given on an annual basis to an increase in compensation.

E. The compensation for employee includes both financial and non-financial components, including but not limited to items such as salary, benefit packages, vehicle allowance, paid time off, retirement contributions, professional development, or other similar types of compensation. Employer may add or increase other types of compensation in addition to or in lieu of a base salary increase. Any base salary or other compensation increase shall not require or be considered a new agreement, renewal, or renegotiation of this Agreement.

SECTION 4. HEALTH, DISABILITY, AND LIFE INSURANCE AND OTHER BENEFITS

See Section 3.

SECTION 5. VACATION, SICK, & MILITARY LEAVE

A. Employee may elect to receive payment in lieu of unused, accrued sick leave up to seven (7) days per year, beginning with the City's 2025-2026 fiscal year.

B. All provisions of the City Charter and City Code, and regulations and rules of the Employer relating to vacation and sick leave, retirement and pension system contributions, holiday, and other fringe benefits and working conditions as they now exist or hereafter may be amended, also shall apply to Employee as they would to other employees of the Employer in addition to said benefits enumerated specifically for the benefit of Employee.

C. See Section 3.

SECTION 6. AUTOMOBILE

The Employee is required to be on call for 24-hour service, so therefore, must have access to a vehicle for City business. Employer shall grant to the Employee a car allowance of Seven Thousand Two Hundred Dollars and Zero Cents (\$7,200.00) per year, payable monthly, for providing such vehicle. The Employee shall be responsible for the purchase maintenance, insurance, taxes, etc. for said vehicle. The monthly allowance will be considered for increase during the performance evaluation process. The Employer also agrees to reimburse Employee for mileage outside a 50- mile radius of the City of Denton associated with City business at the current IRS rate for mileage reimbursement in accordance with the then current City Travel Reimbursement Policy for City employees with car allowances.

SECTION 7. RETIREMENT

A. Employer agrees to pay the percentage of the cost of the Employee's participation in the TMRS retirement program, in accordance with Employer's current policy for other City employees, except that the City will pay Employee's portion of the Texas Municipal Retirement System contribution.

B. Employer agrees to execute all necessary agreements provided by the International City/County Management Association-Retirement Corporation (ICMA-RC) for the Employee's participation in said ICMA-RC retirement plans. Employer further agrees to contribute 6% of Employee's annual base salary to ICMA-RC's 457 plan. All sums contributed to said plans shall be in addition to the Employee's base salary. Employer also agrees to allow Employee to contribute whatever portion of their base salary they may deem appropriate to said plan, including "catch-up" provisions.

C. If the Employee retires pursuant to a qualified retirement plan, or is permanently disabled during the term of this Agreement, the Employee shall be compensated for vacation leave, holidays, and other benefits then accrued or credited to the Employee in accordance with Employer's current policies for compensation for these benefits, and, at the Employee's option, shall be permitted to continue to participate in the City's health insurance plan on the same basis as other retirees from the City are permitted to do so, or, if such other retirees are not permitted to do so, at the cost of the Employee.

D. See Section 3.

SECTION 8. GENERAL BUSINESS EXPENSES; PROFESSIONAL DEVELOPMENT

Employer hereby agrees to budget for and to pay the full travel, participation, and subsistence expenses of Employee for professional and official travel, meetings and occasions adequate to continue the professional development of Employee, and to adequately pursue necessary official and other functions for Employer, including but not limited to the Texas Municipal League, and other such national, regional, state and local groups and committees thereof which Employee serves as a member in the amounts approved by the Council in the annual budget for the City of Denton.

DUES, MEMBERSHIPS AND SUBSCRIPTIONS

Employer agrees to budget and to pay for the professional dues, memberships, and subscriptions of Employee necessary for the Employee's continuation of full participation in national, regional, state, and local associations and organizations necessary and desirable for the Employee's continued professional participation, growth, and advancement as City Auditor, and for the good of the Employer in amounts that are approved by the Council in the annual budget of the City of Denton.

SECTION 9. INVOLUNTARY SUSPENSION/REMOVAL

The Employer may suspend the Employee prior to any removal of the Employee but may not suspend or reduce Employee's salary prior to effecting the hearing and removal provisions of this Section. At least 30 calendar days before any removal shall become effective, the Council shall by a majority vote of its members adopt a preliminary resolution of removal. Employee may reply in writing and may require a hearing at a public meeting of the Council, which shall be held not earlier than 20 calendar days and not later than 30 calendar days after the filing of such request. The hearing may be held in executive session, at the option of the Council, unless Employee requests the hearing be held in open session in accordance with Tex. Gov't Code §551.074. After such hearing or public hearing, if one be requested, and after full consideration, the Council by majority vote may adopt a final resolution of removal or reinstatement. This Agreement shall be deemed to terminate on the effective date of a final resolution of removal.

SECTION 10. SEPARATION AND SEVERANCE PAY

A. Upon Involuntary Separation occurring during the Term of the Agreement, the Employee shall be entitled to a lump sum severance payment in an amount not to exceed twelve month's base salary. The Employee shall also be compensated for all accrued vacation leave and sick leave.

B. At the option of the Employee, Employee may take administrative leave with pay for twelve months during which time Employee will continue to enjoy City employment benefits in which they are already enrolled but will not accrue additional vacation or sick leave.

C. Such severance payment shall be the sole remedy of Employee and acceptance shall constitute a waiver of existing claims Employee may have which may arise by virtue of employment with or resignation or removal from the City, including, without limitation, any claims against the City, its officers and employees, agents, affiliates, and subsidiaries including, but not limited to, breach of contract, tort, First and Fourteenth Amendment to the U.S. Constitution, 42 U.S.C. Section 1983, and any and all other claims which might arise under local, state, or federal fair employment practices or employment benefit laws, workers' compensation law, rights and claims arising under the Age Discrimination in Employment Act, Texas Payday & Whistleblower Laws, Title VII of the Civil Rights Act, the Americans with Disabilities Act, and the Texas Commission on Human Rights Act."

D. Notwithstanding Section 5.A. 5.B., or any other provision of this Agreement, the Employer shall not be obligated to pay and the Employee shall not be entitled to receive any amount as severance payment if the Employee's separation from employment is due to the Employee committing: an (1) Act Involving Moral Turpitude; (2) illegal act(s) resulting in personal gain to the Employee; or (3) being convicted of a felony or Class A misdemeanor. However, Employer may be required to recognize and pay benefits that have vested and to which Employee is entitled under the Employer's personnel policies, state law or federal law.

SECTION 11. RESIGNATION

See Section 1.

SECTION 12. HOURS OF WORK

It is recognized by both Employer and Employee that the duties of City Auditor require a great deal of time outside of normal office hours. It is also recognized by the Parties that Employee is required to devote the amount of time and energy necessary to carry out those duties with the highest amount of professionalism possible. That being the case, the Parties recognize that Employee may choose to take personal time off during business hours when it is appropriate and when the Employee's duties allow. Although this personal time off is not considered vacation, neither is it to be considered as compensatory time for time spent by Employee in carrying out the Employee's duties outside of normal office hours, as the Parties agree that the Employee must devote the amount of time necessary to fulfill those duties. The Council will consider the Employee's use of personal time off during the performance evaluation.

SECTION 13. ETHICAL COMMITMENTS

See Section 10(D).

SECTION 14. OUTSIDE ACTIVITIES

Employee is entitled to devote whatever amount of time the Employee feels is appropriate under the circumstances to the pursuit of teaching, counseling, consulting, writing or other non-employer connected business outside of normal business hours of the Employer, provided that this does not conflict or interfere with the Employee's duties as City Auditor, and provided that Employee first notifies the Council that the Employee intends to engage in such activity, including the amount of time the Employee intends to devote to this activity and the Employee's engagement in the activity is approved Council. Any membership on a Corporate Board shall also require notice to the Council.

SECTION 15. INDEMNIFICATION

Intentionally Omitted.

SECTION 16. BONDING

Employer shall bear the full cost of any fidelity or other bonds that may be required of the Employee under any law or ordinance.

SECTION 17. OTHER TERMS AND CONDITIONS OF EMPLOYMENT

The Council, and in consultation with the Employee, shall fix any such other terms and conditions of employment as it may determine from time to time, relating to the performance of Employee, provided such terms and conditions are not inconsistent with or in conflict with the provisions of this Agreement, the City Charter, or any other law, and are memorialized by a written amendment to this Agreement.

SECTION 18. GENERAL PROVISIONS

A. This Employment Agreement constitutes the entire agreement of the parties hereto with respect to the subject matter hereof and this entire agreement supersedes all prior agreements and undertakings, both written and oral, between the Parties with respect to the subject matter hereof, including the Employment Agreement, and the First and Second Amended Employment Agreements.

B. If any provision, or any portion, thereof, contained in this Agreement is held unconstitutional,

invalid, or unenforceable, the remainder of this Agreement, or portion thereof, shall be deemed severable, shall not be affected, and shall remain in force and effect.

C. The venue of any litigation involving this Agreement shall be in a court of competent jurisdiction sitting in Denton County, Texas.

D. APPROPRIATIONS

The Employer agrees that it will appropriate, set aside, and encumber funds of the City in an amount sufficient to fund and pay all financial obligations of the City pursuant to this Agreement, including, but not limited to, the severance pay salary and benefits set forth and described herein.

E. DEFINITIONS

In this Agreement, the following words and phrases shall have the following meanings:

Base Salary means the monetary amount stated in Section 6.A. of this Agreement that the Employee is entitled to as an annual base salary or, if no longer current, then the monetary amount that the Employee is currently entitled to as an annual base salary as approved by the Council-and does not include the value of any other benefit of employment or other amount.

City means the City of Denton, Texas.

Commencement Date means the date on which Employee reports to work.

Act Involving Moral Turpitude means an act that constitutes a crime involving dishonesty or fraud such as theft; forgery, perjury; and bribery.

Involuntary Separation means the Employee's: (1) removal by the Council under Section 4 of this Agreement; or (2) the Employee's resignation upon the Council's reduction or threatened reduction in the Employee's Salary or other financial benefits in a greater percentage than a coinciding across-the-board reduction for all City employees. If Employee resigns upon such a reduction, the calculation of the amount of any severance pay due and owing under this Agreement shall be based on the amount of the Employee's Base Salary immediately before any such reduction.

Term of Agreement means the five-year time period beginning on the Commencement Date and ending on Termination Date, during which this Agreement shall be in full force and effect if not earlier terminated in accordance with the provisions of this Agreement.

Termination Date means the date upon which this Agreement terminates under any applicable provision of this Agreement.

Total Compensation means the combined sum of the Employee's Base Salary and the monetary value of all other benefits that the Employee is entitled to under this Agreement and otherwise as an Employee of Employer.

SECTION 19. PERFORMANCE EVALUATION

A. The Council shall review and evaluate the performance of the Employee annually during the time set aside each year for the annual performance review of other Council appointees. Said review and evaluation shall be in accordance with specific criteria developed jointly by Employee and Employer. Said criteria may be added to or deleted from as the Council and Employee shall agree.

B. Annually, the Council and Employee shall define such goals and performance objectives which they determine necessary for the proper operation of the City and in the attainment of the Council's policy objectives and shall further establish a relative priority among those various goals and objectives.

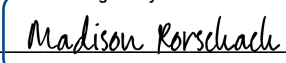
C. The Employee shall participate in an in person mid-year review with Council including providing updates on matters discussed or defined in the annual review, including the goals and performance objectives defined.

IN WITNESS WHEREOF, the Mayor as duly authorized by the Council and on behalf of the City of Denton, has signed and executed this Agreement and the Employee has signed and executed this Agreement, the day and year written in the first paragraph of this agreement.

CITY OF DENTON, TEXAS

EMPLOYEE

GERARD HUDSPETH, MAYOR

DocuSigned by:

MADISON RORSCHACH
CITY AUDITOR