



ECONOMIC DEVELOPMENT CORPORATION

To: Seguin City Council
Donna Dodgen, Mayor

CC: Steve Parker, City Manager
Mark Kennedy, City Attorney

From: Josh Schneuker
Director of Economic Development | SEDC Executive Director

Date: 09/16/2025

Subject: FY 2026 Management Services Agreement

Background

The Management Services Agreement (MSA) between the Seguin Economic Development Corporation (SEDC) and the City of Seguin defines the roles, responsibilities, and financial relationship between the two entities. The agreement is updated and adopted annually to reflect evolving organizational needs, staffing, and fiscal policies. The current agreement is set to expire on September 30, 2025.

The proposed **FY 2026 Management Services Agreement covers the period from October 1, 2025 through September 30, 2026**. It includes several notable updates intended to improve clarity, flexibility, and oversight:

- **Designated Employee Clarification:** The agreement previously stated that the City's Director of Economic Development would serve as the designated employee of the City described in Section 4.03(4) of the SEDC Bylaws, responsible for carrying out the Corporation's plan and program as adopted by the Board. Under the proposed FY 2026 MSA, the City Manager is authorized to designate the individual to serve as the SEDC Executive Director—who may be the Director of Economic Development or another City employee—provided that written notice of the designation is given to the Board.
- **Financial Oversight Thresholds:** To enhance financial accountability, the agreement introduces a two-tier approval system for high-value expenditures:
 - Any **individual expenditure of \$50,000 or more** requires **SEDC Board approval**.
 - Any **expenditure of \$100,000 or more** requires **approval by both the SEDC Board and the Seguin City Council**.
These thresholds are being incorporated into the SEDC Bylaws under proposed amendments to Section 8.05.
- **Check Execution Procedures:** The MSA explicitly incorporates the dual-signature check requirements from Section 8.04 of the Bylaws, requiring:
 - One **non-elected City official** (City Manager or Finance Director), and
 - One **elected official** (Mayor or City Secretary)
to sign checks issued by the City on behalf of the SEDC.
- **Improved Financial Reporting Language:** Disbursements in excess of \$10,000 will continue to be detailed in the monthly financial report presented to the Board, including the payee, amount, and purpose of each check. This reporting mechanism supports ongoing Board oversight and transparency.

The SEDC Board of Directors formally approved the FY 2026 Management Services Agreement at its meeting on **September 11, 2025** via **SEDC Resolution No. 2025-10**.

Action Requested

Approval of the proposed FY 2026 Management Services Agreement with the City of Seguin.

Fiscal Impact

There is no change in the cost-sharing structure. The SEDC will continue to pay the City 10% of annual Type A sales tax revenues for management services. The SEDC will also continue to fund 100% of the salaries and benefits for staff positions supporting the organization, as outlined in the agreement.

Staff Recommendation

Staff and the SEDC Board recommend approval of the FY 2026 Management Services Agreement as presented. The agreement aligns with proposed updates to the SEDC Bylaws and reflects the organization's commitment to transparency, financial oversight, and administrative flexibility.

Attachments

- **Attachment 1:** FY 2026 Management Services Agreement – Clean Draft
- **Attachment 2:** FY 2025 Management Services Agreement – Final Adopted Version
- **Attachment 3:** Summary of Changes (for internal use or as part of Board packet)

**AGREEMENT FOR MANAGEMENT SERVICES
BETWEEN THE CITY OF SEGUIN AND THE
SEGUIN ECONOMIC DEVELOPMENT CORPORATION**

This Agreement for Management Services between the City of Seguin and the Seguin Economic Development Corporation (the “Agreement”) is by and between the City of Seguin, Texas, a municipal corporation (the “City”), acting by and through its City Manager, and the Seguin Economic Development Corporation (the “SEDC”) acting by and through its President of the Board.

In consideration of the mutual promises contained herein, the City and SEDC hereby agree as follows:

A. SERVICES TO BE PROVIDED

The City agrees to provide management, administrative and financial services to the SEDC according to the terms of this Agreement. For purposes of this Agreement, the individual designated by the City Manager—who may be the Director of Economic Development or another City employee—shall serve as the designated City employee described in Section 4.03(4) of the SEDC Bylaws and shall be charged with the responsibility of carrying out the Corporation’s plan and program as adopted by the Board. The City Manager shall provide written notice to the Board of the individual designated to serve in this role, who shall also serve as the Executive Director of the SEDC for the purposes of this Agreement, and shall notify the Board of any subsequent changes to such designation. Direct services the City shall perform for the SEDC shall include, but not be limited to:

1. Development of an Annual Plan of Work, as required by Section 4.03 (1) (a-e) of the Corporation’s Bylaws, for review and approval by the SEDC Board and City Council.
2. Present an Annual Report once each year, no later than December 31, in accordance with Section 4.03 of the Bylaws. The Annual Report shall summarize the Corporation’s activities, accomplishments, financial performance, and progress toward strategic goals, and include the content elements outlined in the Bylaws.
3. Reviewing and advising the SEDC Board of the tasks and responsibilities of the SEDC and its Board pursuant to law and the SEDC Articles and Bylaws to ensure that the SEDC carries out its duties and requirements imposed on it by law and the Articles and Bylaws.
4. Preparing all reports and keeping all books and records required by the SEDC’s Bylaws including Sections 4.03 (5) and 8.12, 8.13 and 9.01 of the Bylaws.
5. Negotiating all contracts on behalf of the Board with any qualified and appropriate person, association, corporation or governmental entity to perform and discharge designated tasks, as directed by the Board and authorized by Section 5.10 of the Bylaws.
6. Administering and monitoring, on the Board’s behalf, all contracts authorized by Section 5.10 of the Bylaws, and monitoring the progress of and report to the SEDC concerning programs for direct economic development the Board has expended tax funds on.

7. Preparing a budget for the forthcoming year for review and approval by the Board and City Council. The budget shall be prepared in accordance with Section 8.02 of the Bylaws.
8. Providing all necessary accounting and financial management through the City's Finance Department. Services shall be provided in accordance with Section 8 of the Bylaws.
9. Providing all personnel necessary for management and administration of projects and programs of the SEDC. City shall be responsible for the hiring, evaluation, and/or termination of personnel, who shall be City of Seguin employees and subject to all personnel policies thereof.
10. Providing all necessary secretarial support, minutes, repository of records, and office and conference space.

Indirect services provided include (but are not limited to) priority staff access to City Planning, Utility, Engineering, Information Technology, Codes and Inspections and Public Works staff resources as needed.

B. LEGAL SERVICES

The SEDC reserves the right to hire an attorney of its own at its own expense. Such legal services shall include representation in litigation and legal proceedings, and review of documents, contracts and legal instruments as to form and legality.

C. COST

The SEDC shall share with the City the cost for the management services provided under this Agreement by paying to the City 10% of the annual Type A sales tax received by the SEDC. Payments are to be remitted monthly. In the event of early termination of this Agreement, the SEDC will be responsible for paying the City only the portion of the cost allocated to periods prior to the effective date of the termination of the Agreement.

D. DUTIES AND AUTHORITY

It is the express purpose of this Agreement to have the City, through the individual designated by the City Manager (as described in Section A), implement, administer, and carry out the duties typically performed by an executive director in administering the economic development programs approved by the SEDC and to manage and administer such programs of the SEDC in accordance with the policies and directives of the SEDC. Nothing in this Agreement shall be construed to divest the SEDC Board of Directors of its discretion and policy making functions.

The SEDC shall also carry out its programs in accordance with the policies approved by the Seguin City Council, as required by Section 4.13 of the Bylaws.

The designated employee identified pursuant to Section A of this Agreement is hereby expressly designated as an agent of the SEDC to execute deeds, deeds of trust, mortgages, bonds, promissory notes, security agreements, and other contracts or legal instruments on behalf of the SEDC, subject to authorization by the SEDC Board and in accordance with applicable provisions of the SEDC

Bylaws. Execution of any such instrument shall require approval by appropriate resolution of the SEDC Board of Directors.

All disbursements in excess of \$10,000.00 shall be included in the monthly financial report presented to the SEDC Board of Directors, which shall include a summary of checks issued, including payee, amount, and purpose. Prior approval of expenditures shall be obtained through the annual budget process, specific Board resolutions, or contracts as appropriate.

Execution of checks shall follow the dual-signature requirements outlined in Section 8.04 of the SEDC Bylaws. Specifically, checks must be signed by one non-elected City official (the City Manager or Finance Director) and one elected official (the Mayor or City Secretary), when executed by the City of Seguin on behalf of the Corporation. These signatories act in an administrative capacity to ensure proper handling of public funds.

In accordance with Section 8.05 of the SEDC Bylaws, the Corporation shall not expend funds in excess of \$50,000.00 for any individual expenditure without the prior approval of the SEDC Board of Directors.

Any expenditure of \$100,000.00 or more shall require approval by both the SEDC Board of Directors and the Seguin City Council.

E. DEPUTY DIRECTOR

In addition to services identified in Section A and D above, the City shall establish a position of Deputy Director of Economic Development. The SEDC shall pay 100% of the costs of the position (salary and benefits) and shall make its payment to the City on a quarterly basis, with all four payments to be received prior to the close of the City's budget year.

F. WORKFORCE DEVELOPMENT MANAGER

In addition to services identified in Sections A, D and E above, the City shall establish a position of Workforce Development Manager. The SEDC shall pay 100% of the costs of the position (salary and benefits) and shall make its payment to the City on a quarterly basis, with all four payments to be received prior to the close of the City's budget year.

G. MARKETING AND EVENTS MANAGER

In addition to services identified in Sections A, D, E and F above, the City shall establish a position of Marketing and Events Manager. The SEDC shall pay 100% of the costs of the position (salary and benefits) and shall make its payment to the City on a quarterly basis, with all four payments to be received prior to the close of the City's budget year.

H. VEHICLE ALLOWANCE

The Director of Economic Development shall receive a Vehicle Allowance of \$700.00 per month, and the Deputy Director of Economic Development shall receive a Vehicle Allowance of \$350.00 per month. The City shall pay 100% of the cost of the Vehicle Allowances.

I. TELEPHONE ALLOWANCE

The Director of Economic Development, the Deputy Director of Economic Development, the Industry and Workforce Development Manager, and the Marketing and Events Manager shall receive a Telephone Allowance of \$75.00 per month. The City shall pay 100% of the cost of the allowance.

J. WIRELESS DATA SERVICE

The Director of Economic Development, the Deputy Director of Economic Development and the Industry and Workforce Development Manager shall receive wireless data service at a cost of \$50.00 per month. The SEDC shall pay 100% of the monthly cost.

K. INTERNSHIP

A paid or unpaid intern can be selected to assist the SEDC on an as needed basis. The SEDC shall pay 100% of the costs of the position and shall make its payment to the City on a quarterly basis, with all payments to be received prior to the close of the City's budget year.

L. TERM OF THE AGREEMENT

Subject to early termination as provided in Article M below, this Agreement shall be in effect for a period of one year, commencing October 1, 2024, and ending September 30, 2025, unless otherwise renewed or extended by the mutual agreement of the parties.

M. TERMINATION

1. This Agreement may be terminated by the City or SEDC, in whole, or from time to time, in part, upon thirty (30) days' notice from the terminating party to the other party. Termination shall be effective thirty (30) days after delivery of Notice of Termination specifying to what extent performance or work under the Agreement shall be terminated thirty (30) days after receipt by the notified party.
2. After receipt of a Notice of Termination the City shall:
 - a. Stop work on the date as specified in the thirty (30) day Notice of Termination to the extent possible.
 - b. Place no further orders or subcontracts except as may be necessary for completion of the work not terminated.
 - c. Terminate all orders and subcontracts to the extent that they relate to the performance of work terminated by the Notice of Termination in so far as possible.
 - d. The SEDC shall pay all expenses incurred through the date of termination.

N. OFFICIALS NOT TO BENEFIT

No public official of the governing body of the City who exercises any functions or responsibilities in the review or the approval of the undertaking or carrying out of any project hereunder shall participate in any decision relating to the project which affects their personal interest, nor shall

they have any personal or pecuniary interest direct or indirect in this Agreement or proceeds thereof.

PURSUIT OF INTERESTS

It is expressly understood that the City and the SEDC each retain the right to pursue other avenues for economic development, when it is determined to be in the best interest of the City or the SEDC to do so and this Agreement shall not limit either the City's right or the SEDC's right to pursue such interests.

O. QUARTERLY PERFORMANCE AGREEMENT COMPLIANCE REPORTS

In addition to its reporting requirements under the SEDC Bylaws, the SEDC agrees to provide the City Council with quarterly compliance reports on the status of active SEDC Performance Agreements and, if the SEDC Board decides to declare an Agreement to be in default, to notify the City Council by the next regularly scheduled Council meeting of the default.

IN WITNESS WHEREOF, the parties have executed this Agreement effective the 1st day of October 2025.

SEGUIN ECONOMIC DEVELOPMENT
CORPORATION
P.O. Box 591
Seguin, Texas 78155

CITY OF SEGUIN, TEXAS
P.O. Box 591
Seguin, Texas 78155

Don Keil, President of the Board
Seguin Economic Development Corporation
Date: _____

Steve Parker, City Manager
City of Seguin
Date: _____

**AGREEMENT FOR MANAGEMENT SERVICES
BETWEEN THE CITY OF SEGUIN AND THE
SEGUIN ECONOMIC DEVELOPMENT CORPORATION**

This Agreement for Management Services between the City of Seguin and the Seguin Economic Development Corporation (the “Agreement”) is by and between the City of Seguin, Texas, a municipal corporation (the “City”), acting by and through its City Manager, and the Seguin Economic Development Corporation (the “SEDC”) acting by and through its President of the Board.

In consideration of the mutual promises contained herein, the City and SEDC hereby agree as follows:

A. SERVICES TO BE PROVIDED

The City agrees to provide management, administrative and financial services to the SEDC according to the terms of this Agreement. For purposes of this Agreement, the City’s Director of Economic Development shall serve as the designated employee of the City described in Section 4.03 (4) of the SEDC Bylaws who shall be charged with the responsibility of carrying out the Corporation’s plan and program as adopted by the Board. Direct services the City shall perform for the SEDC shall include, but not be limited to:

1. Development of an economic development plan, as required by Section 4.03 (1) (a-e) of the Corporation’s Bylaws, for review and approval by the SEDC Board and City Council.
2. Present an Annual Economic Development Report once each year, no later than November 30 of each year, as required by Section 4.03 (5) of the SEDC Bylaws.
3. Reviewing and advising the SEDC Board of the tasks and responsibilities of the SEDC and its Board pursuant to law and the SEDC Articles and Bylaws to ensure that the SEDC carries out its duties and requirements imposed on it by law and the Articles and Bylaws.
4. Preparing all reports and keeping all books and records required by the SEDC’s Bylaws including Sections 4.03 (5) and 8.12, 8.13 and 9.01 of the Bylaws.
5. Negotiating all contracts on behalf of the Board with any qualified and appropriate person, association, corporation or governmental entity to perform and discharge designated tasks, as directed by the Board and authorized by Section 5.10 of the Bylaws.
6. Administering and monitoring, on the Board’s behalf, all contracts authorized by Section 5.10 of the Bylaws, and monitoring the progress of and report to the SEDC concerning programs for direct economic development the Board has expended tax funds on.
7. Preparing a budget for the forthcoming year for review and approval by the Board and City Council. The budget shall be prepared in accordance with Section 8.02 of the Bylaws.
8. Providing all necessary accounting and financial management through the City’s Finance Department. Services shall be provided in accordance with Section 8 of the Bylaws.

9. Providing all personnel necessary for management and administration of projects and programs of the SEDC. City shall be responsible for the hiring, evaluation, and/or termination of personnel, who shall be City of Seguin employees and subject to all personnel policies thereof.
10. Providing all necessary secretarial support, minutes, repository of records, and office and conference space.

Indirect services provided include (but are not limited to) priority staff access to City Planning, Utility, Engineering, Information Technology, Codes and Inspections and Public Works staff resources as needed.

B. LEGAL SERVICES

The SEDC reserves the right to hire an attorney of its own at its own expense. Such legal services shall include representation in litigation and legal proceedings, and review of documents, contracts and legal instruments as to form and legality.

C. COST

The SEDC shall share with the City the cost for the management services provided under this Agreement by paying to the City 10% of the annual Type A sales tax received by the SEDC. Payments are to be remitted monthly. In the event of early termination of this Agreement, the SEDC will be responsible for paying the City only the portion of the cost allocated to periods prior to the effective date of the termination of the Agreement.

D. DUTIES AND AUTHORITY

It is the express purpose of this Agreement to have the City through its Director of Economic Development implement, administer, and carry out the duties that an executive director would have in administering the economic development programs approved by the SEDC and to manage and administer such programs of the SEDC in accordance with the policies and directives of the SEDC. Nothing in this Agreement shall be construed to divest the SEDC Board of Directors of its discretion and policy making functions.

The Director of Economic Development of the City of Seguin is hereby expressly designated an agent of the SEDC as provided in Article 5.04 and Article 8.03 of the SEDC Bylaws to execute deeds, deeds of trust, mortgages, bonds, promissory notes, security agreements, and other contracts and instruments in the name of and on behalf of the SEDC provided that the execution of any such deed, deeds of trust, mortgage, bond, promissory note, security agreement or other contract or instrument has been approved by appropriate resolution of the Board of Directors of the SEDC.

The City Manager or Finance Director are hereby given the authority to execute checks in the amount of \$10,000.00 or less on the SEDC's bank account for the daily operation of the SEDC program without prior Board approval, provided, that said checks are also signed by either the Mayor or City Secretary. Any checks in the amount in excess of \$10,000.00 must be signed by one member of the Board of Directors and one of the City's non-elected officials designated above. It is understood and agreed that the requirement that City officials sign checks drawn on the

account of the SEDC is administrative only to assure against misappropriation and improper use of funds except that the SEDC has to obtain prior approval of the City Council before authorizing disbursement of any funds in excess of \$50,000.00 for any one project. Authorization of expenditures by the Board of Directors of the SEDC shall be deemed binding upon City signatories unless otherwise restrained by judicial order.

E. DEPUTY DIRECTOR POSITION

In addition to services identified in Section A and D above, the City shall establish a position of Deputy Director of Economic Development who shall report to the Director of Economic Development. The SEDC shall pay 100% of the costs of the position (salary and benefits) and shall make its payment to the City on a quarterly basis, with all four payments to be received prior to the close of the City's budget year.

F. INDUSTRY AND WORKFORCE DEVELOPMENT MANAGER POSITION

In addition to services identified in Sections A, D and E above, the City shall establish a position of Industry and Workforce Development Manager Position who shall report to the Director of Economic Development. The SEDC shall pay 100% of the costs of the position (salary and benefits) and shall make its payment to the City on a quarterly basis, with all four payments to be received prior to the close of the City's budget year.

G. MARKETING AND EVENTS MANAGER POSITION

In addition to services identified in Sections A, D, E and F above, the City shall establish a position of Marketing and Events Manager Position who shall report to the Director of Economic Development. The SEDC shall pay 100% of the costs of the position (salary and benefits) and shall make its payment to the City on a quarterly basis, with all four payments to be received prior to the close of the City's budget year.

H. VEHICLE ALLOWANCE

The Director of Economic Development shall receive a Vehicle Allowance of \$700.00 per month, and the Deputy Director of Economic Development shall receive a Vehicle Allowance of \$350.00 per month. The City shall pay 100% of the cost of the Vehicle Allowances.

I. TELEPHONE ALLOWANCE

The Director of Economic Development, the Deputy Director of Economic Development, the Industry and Workforce Development Manager, and the Marketing and Events Manager shall receive a Telephone Allowance of \$75.00 per month. The City shall pay 100% of the cost of the allowance.

J. WIRELESS DATA SERVICE

The Director of Economic Development, the Deputy Director of Economic Development and the Industry and Workforce Development Manager shall receive wireless data service at a cost of \$50.00 per month. The SEDC shall pay 100% of the monthly cost.

K. INTERNSHIP

A paid or unpaid intern can be selected to assist the SEDC on an as needed basis. The SEDC shall pay 100% of the costs of the position and shall make its payment to the City on a quarterly basis, with all payments to be received prior to the close of the City's budget year.

L. TERM OF THE AGREEMENT

Subject to early termination as provided in Article M below, this Agreement shall be in effect for a period of one year, commencing October 1, 2024, and ending September 30, 2025, unless otherwise renewed or extended by the mutual agreement of the parties.

M. TERMINATION

1. This Agreement may be terminated by the City or SEDC, in whole, or from time to time, in part, upon thirty (30) days' notice from the terminating party to the other party. Termination shall be effective thirty (30) days after delivery of Notice of Termination specifying to what extent performance or work under the Agreement shall be terminated thirty (30) days after receipt by the notified party.
2. After receipt of a Notice of Termination the City shall:
 - a. Stop work on the date as specified in the thirty (30) day Notice of Termination to the extent possible.
 - b. Place no further orders or subcontracts except as may be necessary for completion of the work not terminated.
 - c. Terminate all orders and subcontracts to the extent that they relate to the performance of work terminated by the Notice of Termination in so far as possible.
 - d. The SEDC shall pay all expenses incurred through the date of termination.

N. OFFICIALS NOT TO BENEFIT

No public official of the governing body of the City who exercises any functions or responsibilities in the review or the approval of the undertaking or carrying out of any project hereunder shall participate in any decision relating to the project which affects their personal interest, nor shall they have any personal or pecuniary interest direct or indirect in this Agreement or proceeds thereof.

PURSUIT OF INTERESTS

It is expressly understood that the City and the SEDC each retain the right to pursue other avenues for economic development, when it is determined to be in the best interest of the City or the SEDC to do so and this Agreement shall not limit either the City's right or the SEDC's right to pursue such interests.

O. QUARTERLY PERFORMANCE AGREEMENT COMPLIANCE REPORTS

In addition to its reporting requirements under the SEDC Bylaws, the SEDC agrees to provide the City Council with quarterly compliance reports on the status of active SEDC Performance Agreements and, if the SEDC Board decides to declare an Agreement to be in default, to notify the City Council by the next regularly scheduled Council meeting of the default.

IN WITNESS WHEREOF, the parties have executed this Agreement effective the 1st day of October 2024.

SEGUIN ECONOMIC DEVELOPMENT
CORPORATION
P.O. Box 591
Seguin, Texas 78155

CITY OF SEGUIN, TEXAS
P.O. Box 591
Seguin, Texas 78155

Carlos Moreno, President of the Board
Seguin Economic Development Corporation
Date: _____

Steve Parker, City Manager
City of Seguin
Date: _____

Attachment 3: Summary of Changes

Section	FY 2025 MSA Language	FY 2026 MSA Language	Summary of Change
Designated Employee	The City’s Director of Economic Development shall serve as the designated employee of the City to carry out the Corporation’s plan and program.	The City Manager has the authority to designate the individual to serve as the SEDC Executive Director—who may be the Director of Economic Development or another City employee—so long as the City Manager provides written notice to the Board.	Provides flexibility for the City Manager to assign executive responsibilities while preserving board notification. Aligns with Bylaws Section 4.03(4).
Execution Authority	Brief reference to designated employee role	Explicitly authorizes the designated employee to execute contracts and legal instruments, subject to Board approval	Aligns with Bylaws; reinforces chain of authority
Expenditure Thresholds	City Council approval required for any expenditure over \$50,000	- Board approval required at \$50,000 - Board & Council approval required at \$100,000	Introduces tiered approval system; aligns with new Bylaws Section 8.05
Check Signature Requirements	Dual-signature implied but not fully detailed	Formalizes dual-signature: - One non-elected official (City Manager or Finance Director) - One elected official (Mayor or City Secretary)	Mirrors Bylaws Section 8.04; clarifies administrative signing roles
Financial Reporting	General reference to reporting	Monthly report must include all checks over \$10,000 with payee, amount, and purpose	Strengthens Board oversight and transparency
Agreement Term	Not specified in a standalone sentence	States agreement is effective October 1, 2025 through September 30, 2026	Makes term and effective date clear and visible
Formatting & Cross-References	Some outdated section references; less clarity in transitions	Improved structure, section titles, and internal cross-referencing (e.g., “Section A”)	Improves readability and internal consistency

Section	FY 2025 MSA Language	FY 2026 MSA Language	Summary of Change
Compensation / Services	Outlined as % of Type A sales tax and fully funded SEDC positions	Unchanged	Cost structure remains the same