



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: Proposed Amendments to SEDC Bylaws

Background

The Seguin Economic Development Corporation (SEDC) Bylaws were last updated and approved by the Seguin City Council in September 2018. Since then, the SEDC has adopted its first-ever Comprehensive Economic Development Strategy (CEDS) and established an Annual Plan of Work as the framework for implementing strategic goals. Additionally, the SEDC has updated its financial oversight practices to align with recent statutory changes and City Council policy updates.

The proposed 2025 amendments to the bylaws update the Corporation's governance framework in the following ways:

- Require the **Annual Plan of Work** (in alignment with the CEDS) to serve as the operational plan, with clear elements including business climate strategies, utilization of community assets, coordination of resources, accountability for funds, and focus areas.
- Clarify the SEDC's **focus areas** as **Targeted Industry Recruitment, Business Retention & Expansion, Workforce Development, and Infrastructure Development**, consistent with the CEDS and current practice.
- Expand the definition of allowable expenditures to include **infrastructure and improvements necessary to support new or expanding businesses** (e.g., utilities, roads, drainage, and related improvements).
- Formalize that the **Executive Director**—as designated pursuant to the City's Management Services Agreement—serves as the individual charged with carrying out the Corporation's programs and directives.
- Revise the **Annual Report** requirement to mandate presentation to both the **Board of Directors and City Council** by December 31 each year, with reporting aligned to the CEDS, Annual Plan of Work, and measurable benchmarks.
- Update **budget adoption requirements**, replacing the rigid "30 days prior" rule with a requirement that the budget be adopted no later than the last regular Board meeting before the start of the fiscal year, subject to City Council approval.
- Adjust **expenditure thresholds** so that:
 - Expenditures of **\$50,000 or more** require SEDC Board approval, and
 - Expenditures of **\$100,000 or more** require approval by both the Board and City Council. These changes are consistent with **Senate Bill 1173** and the Seguin City Council's recently adopted purchasing policies.
- Incorporate minor technical and stylistic updates throughout to ensure clarity, consistency, and compliance with Chapters 501, 502, and 504 of the Texas Local Government Code.

The SEDC Board of Directors formally approved the amendments to the Corporation's Bylaws at its meeting on **September 11, 2025** via **SEDC Resolution No. 2025-11**.

Action Requested

Approval of the amended Seguin Economic Development Corporation Bylaws as presented.

Fiscal Impact

There is no direct fiscal impact associated with the adoption of the amended bylaws. The amendments clarify expenditure thresholds, reporting requirements, and planning responsibilities but do not authorize additional spending beyond what is currently allowed under state law and Council-approved budgets. The update to expenditure thresholds ensures that SEDC practices remain consistent with the City's updated purchasing policy and the requirements of **SB 1173**.

Staff Recommendation

Staff and the SEDC Board recommend approval of the amended Seguin Economic Development Corporation Bylaws to ensure the governing framework is consistent with state law, current economic development practice, and the City's adopted strategic direction.

Attachments

- **Attachment 1:** Seguin Economic Development Corporation Bylaws (2018 Amendments)
- **Attachment 2:** Seguin Economic Development Corporation Bylaws (Proposed 2025 Amendments)
- **Attachment 3:** Redline Summary of Major Changes (2018 Amendments vs. 2025 Proposed Amendments)

**BYLAWS OF THE
SEGUIN ECONOMIC DEVELOPMENT CORPORATION
A NON-PROFIT ORGANIZATION
SEGUIN, TEXAS**

These Bylaws (referred to as the "Bylaws") govern the affairs of the Seguin Economic Development Corporation (the "Corporation"), a public instrumentality and a non-profit corporation created and governed by the Development Corporation Act (the "Act") and Chapters 501, 502, and 504, Texas Local Government Code.

**SECTION 1
OFFICES**

Sec. 1.01 Registered Office and Registered Agent

The Corporation shall have and continuously maintain in the State of Texas a registered office and a registered agent whose office is identical with such registered office, as required by the Act. The Board of Directors may, from time to time, change the registered agent and/or the address of the registered office, provided that proper notification of such change is given to the Office of the Secretary of State of Texas.

The registered office of the Corporation is located at 211 N. River, Seguin, Texas 78155, and at such address is the Corporation, whose mailing address is P. O. Box 591, Seguin, Texas 78156.

Sec. 1.02 Principal Office

The principal office of the Corporation in the State of Texas shall be located in the City of Seguin, County of Guadalupe, and it may be, but need not be, identical with the registered office of the Corporation.

**SECTION 2
PURPOSE**

Sec. 2.01 Purposes

The Corporation is a non-profit corporation specifically governed Chapters 501, 502, and 504, Texas Local Government Code, as amended. The Corporation is organized exclusively for the purpose of benefiting and accomplishing public purposes of the City of Seguin, Texas, by promoting, encouraging, and enhancing the creation of jobs in the City of Seguin through projects that assist in the retention of existing businesses and industries and the attraction of new businesses and industries and aid in their development and growth in accordance with the Articles

of Incorporation, the Development Corporation Act, and Chapters 501, 502, and 504 of the Texas Local Government Code, as amended.

The Corporation shall have no power to take any action that would be inconsistent with the requirements for exemption from federal tax as a non-profit corporation under Section 501(c)(4) of the Internal Revenue Code or such other applicable Section. The Corporation shall not attempt to influence legislation or participate in any political campaign on behalf of or in opposition to any candidate for public office.

SECTION 3 MEMBERS

The Corporation shall have no members and is a non-stock corporation.

SECTION 4 BOARD OF DIRECTORS

Sec. 4.01 Board of Directors

The business and affairs of the Corporation and all corporate powers shall be exercised by or under authority of the Board of Directors (the "Board") appointed by the governing body of the City of Seguin, (the "City") and subject to applicable limitations imposed by the Texas Business Corporation Act, the Development Corporation Act of 1979, the Articles of Incorporation or these Bylaws. The Board may, by contract, resolution, or otherwise, give general or limited or special power and authority to the officers and employees of the Corporation to transact the general business or any special business of the Corporation, and may give powers of attorney to agents of the Corporation to transact any special business requiring such authorization.

Sec. 4.02 Number and Qualifications

The authorized number of Directors of this Board shall be five (5) in accordance with the Section 504.051 of the Texas Local Government Code, as amended.

The City Council shall appoint the Directors of the Corporation. The number of Directors shall be five (5). Each Director shall meet at least one (1) of the following qualifications.

- a. serve, or have served, as Chief Executive Officer of a company; or
- b. serve, or have served, in a position of executive management of a company; or

- c. serve, or have served, in a professional capacity; or
- d. have experience equivalent to any of the above qualifications.

The City Council shall consider an individual's experience, accomplishments, and educational background in appointing members to the Board to ensure that the interests and concerns of all segments of the community are considered. All appointed members of the Board shall be residents of the City of Seguin or its extraterritorial jurisdiction.

Sec. 4.03 General Duties of the Board

The Board is hereby required to perform the following duties:

1. The Board shall develop, or cause to be developed, an economic development plan for the City that shall include and set forth short and long term goals that the Board deems necessary to accomplish in compliance its economic development plan. Such plan shall be approved by the City Council of the City of Seguin. The economic development plan developed by the Board shall be one that includes the following elements:
 - a. An economic development strategy to permanently bolster the business climate throughout the city.
 - b. Strategies to fully utilize the assets of the city that enhance economic development.
 - c. Identification of strategies to coordinate public, private and academic resources to develop and enhance business opportunities for all citizens of Seguin.
 - d. Assurance of accountability of all tax moneys and all other funds received and expended by the corporation for its implementation of an economic development plan.
 - e. Provisions for identification and implementation of identified strategies for direct economic development as defined in this Section.
2. The Board shall review its economic development plan annually to ensure that said plan is up to date with the current economic climate and is capable of meeting Seguin's current economic development needs.

3. The Board shall expend, in accordance with State law, the tax funds received by it on direct economic development where such expenditures will have a direct benefit to the citizens of Seguin. As used in this article, "direct economic development" shall mean the expenditure of such tax funds for programs that directly accomplish or aid in the accomplishment of creating identifiable new jobs or retaining identifiable existing jobs including job training and/or planning and research activities necessary to promote said job creation. The Corporation's focus will be primarily in the areas of:
 - a. Business Development
 - b. Work Force Development
 - c. Infrastructure Development
 - d. Facility Development
4. The Corporation may, with approval of the City Council, contract with the City of Seguin, or with another entity for management services. The Board may plan and direct its work through a designated employee of the City of Seguin, or other contractual entity, who will be charged with the responsibility of carrying out the Corporation's plan and program as adopted by the Board.
5. The Seguin Economic Development Corporation shall present an annual report to the City Council of the City of Seguin. The Seguin Economic Development Corporation shall discharge this requirement by reporting to the City Council in the following manner:
 - a. The Seguin Economic Development Corporation shall make a detailed report to the City Council once each year, no later than November 30 of each year. Such report shall include, but shall not be limited to, the following:
 1. A review of all expenditures made by the Board in connection with their activities involving direct economic development as defined in this article, together with a report of all other expenditures made by the Board.
 2. A review of the accomplishments of the Board in the area of direct economic development.
 3. The policies and strategy followed by the Board in relation to direct economic development together with any new or proposed changes in said policies and strategy.

4. A review of the activities of the Board for the budget year addressed in an annual report, together with any proposed change in an activity as or activities relate to direct economic development.
5. A review of the activities of the Board in areas of endeavor other than direct economic development together with any proposed changes in such activities.

Sec. 4.04 Duties of Directors

Directors shall exercise ordinary business judgment in managing the affairs of the Corporation. In acting in their official capacity as directors of this Corporation, directors shall act in good faith and take actions they reasonably believe to be in the best interest of the Corporation and that are not unlawful. In all other instances, the Board of Directors shall not take any action that they should reasonably believe would be opposed to the Corporation's best interest or would be unlawful. A director shall not be liable if, in the exercise of ordinary care, the director acts in good faith relying on written financial and legal statements provided by an accountant or attorney retained by the Corporation.

Sec. 4.05 Terms of Office

The City Council shall appoint the Directors of the Corporation. The number of directors shall be five (5). Directors shall serve for three years (3) years. No director shall serve more than two (2) consecutive full terms. Directors may be removed at any time by the City Council by a majority vote of the City Council.

Sec. 4.06 Vacancies

Any vacancy occurring shall be filled by appointment by the City Council to serve the remainder of an unexpired term. Appointments to fill unexpired terms shall not be credited against the two term limit.

Sec. 4.07 Meetings

The Board of Directors shall meet at least six (6) times annually at a place and time to be determined by the President. Any member of the Board may request that an item be placed on the agenda by delivering the same in writing to either the President of the Board, Secretary of the Board or Executive Director no later than ten (10) days prior to the date of the Board meeting.

Notice of any meeting shall be given to the public in accordance with the requirements of the Texas Open Meetings Act, Chapter 551 of the Texas Local Government Code. The notice shall contain information regarding the particular time, date and location of the meeting and the agenda to be considered. All

meetings shall be conducted in accordance with the Texas Open Meetings Act and Section 504.054 of the Texas Local Government Code. All meetings shall be held within the City of Seguin.

The election of officers of the Board of Directors shall take place at the first meeting of the new calendar year.

Sec. 4.08 Special Meetings

Special meetings of the Board of Directors may be called by the President, Executive Director or upon written request of two (2) directors.

Sec. 4.09 Attendance

Regular attendance of the Board meetings is required of all members. The following number of absences shall constitute the need for replacement of a member: three (3) consecutive absences, or attendance reflecting absences constituting 50% of the meetings over a 12-month period. In the event replacement may be indicated pursuant to the standards set forth in the preceding sentence the President shall counsel with the effected member that the President determines that replacement is necessary in the sole discretion, the President shall notify the Mayor in writing and the City Council shall appoint a replacement member to serve the remaining terms of the replacement member.

Sec. 4.10 Quorum

For the purpose of convening a meeting, a simple majority of the appointed number of appointed Directors then serving on the Board shall constitute a quorum. For purposes of transacting the business of the corporation at any meeting, a simple majority of the appointed Directors shall constitute a quorum. If there is an insufficient number of Directors present to convene the meeting, the directors present thereat may recess the meeting from time to time, without notice other than announced at the meeting, until a quorum shall be present.

Sec. 4.11 Compensation

THE DULY APPOINTED MEMBERS OF THE BOARD SHALL NOT RECEIVE A SALARY OR COMPENSATION, but shall be reimbursed for actual or commensurate costs of travel, lodging, and incidental expenses while on official business of the Board in accordance with State law.

Sec. 4.12 Voting: Action of the Board of Directors

Directors must be present in order to vote at any meeting. Unless otherwise provided in these Bylaws or in the Articles of Incorporation or as required by law, the act of simple majority of the Directors present at any meeting for which a

quorum is present shall be the act of the Board of Directors. In the event that a Director is aware of a conflict of interest or potential conflict of interest, with regard to any particular vote, the Director shall bring the same to the attention of the meeting and shall abstain from the vote, unless the Board determines that no conflict of interest exists. Any Director may bring to the attention of the meeting any apparent conflict of interest or potential conflict of interest of any other Director, in which case the Board shall determine whether a true conflict of interest exists before any vote shall be taken regarding that particular matter. The Director as to whom a question of interest has been raised shall refrain from voting with regard to the determination as to whether a true conflict exists.

Sec. 4.13 Board's Relationship with City Council

In accordance with State law, the City Council shall require that the Seguin Economic Development Corporation be responsible to it for the proper discharge of its duties assigned in this article. All policies for program administration shall be submitted for Council approval, and the Board shall administer said programs accordingly. The Board shall determine its policies and direction within the limitations of the duties herein imposed by applicable laws, the Articles of Incorporation, these Bylaws, contracts entered into with the City, and budget and fiduciary responsibilities.

Sec. 4.14 Board's Relationship with Administrative Departments of the City

Subject to the paramount authority of the City Manager under the Charter of the City, the Corporation shall have the right to utilize the services of the City Legal Advisor, the City Secretary, and staff and employees of the Economic Development Department and Finance Department of the City provided the performance of such services does not materially interfere with other duties of such personnel of the City.

SECTION 5 OFFICERS

Sec. 5.01 Officers of the Corporation

The elected officers of the Corporation shall be elected from the Board of Directors. The officers shall be President, Vice President, Secretary, and Treasurer. The Board may resolve to elect one or more Assistant Secretaries or one or more Assistant Treasurers as it may consider desirable. Such officers shall have the authority and perform the duties of the office as the Board may from time to time prescribe or, as the Secretary or Treasurer may from time to time delegate to his or her respective Assistant. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary.

Sec. 5.02 Selection of Officers

The term of office of the President and Vice President shall be for a period of one year, provided, however, that the President and Vice President continue to serve until the election of their successors who will be elected by the members of the Board.

The Secretary and Treasurer shall be selected by the members of the Board and shall hold office for a period of one (1) year; provided, however, that the Secretary and Treasurer shall continue to serve until the election of their successors

Sec. 5.03 Vacancies

Vacancies in any office which occur by reason of death, resignation, disqualification, removal, or otherwise, may be filled by the Board of Directors for the unexpired portion of the term of that office, in the same manner as other officers are elected. Any officer elected or appointed by the Board may be removed at any time by the affirmative vote of a majority of the entire Board.

Sec. 5.04 President

IN GENERAL, THE PRESIDENT SHALL PERFORM ALL DUTIES INCIDENT TO THE OFFICE, AND SUCH OTHER DUTIES AS MAY BE PRESCRIBED BY THE BOARD OF DIRECTORS. The President shall:

1. Preside over all meetings of the Board.
2. Have the right to vote on all matters coming before the Board.
3. Have the authority, upon notice to the members of the Board, to call a special meeting of the Board when in his judgment such meeting is required.
4. Have the authority to appoint standing committees to aid and assist the Board in its business undertakings or other matters incidental to the operation and functions of the Board.
5. Have the authority to appoint ad hoc committees which may address issues of a temporary nature of concern or which have a temporary affect on the business of the Board.
6. At his/her discretion cancel a regularly scheduled meeting of the Board when there is no business to discuss provided the President give notice to Board members and the public of the cancellation no later than 72 hours prior to the regularly scheduled meeting.

7. Sign with the Secretary of the Board any deed, mortgage, bonds, contracts, or other instruments which the Board of Directors has approved and unless the execution of said document has been expressly delegated to some other officer or agent of the Corporation by appropriate Board resolution, by a specific provision of these Bylaws, or by statute.

Sec. 5.05 Vice President

In the absence of the President, or in the event of the President's inability to act, the Vice President shall perform the duties of the President. When so acting, the Vice President shall have all power of and be subject to all the same restrictions as upon the President. The Vice President shall also perform other duties as from time to time may be assigned to the Vice President by the President.

Sec. 5.06 Secretary

The Secretary shall record and keep or cause to be recorded and kept at the registered office a record of the minutes of all meetings of the Board and of any committees of the Board. The Secretary shall also file a copy of said Minutes with the City Secretary and the same to be given, in accordance with the provisions of these Bylaws, or as required by the Texas Open Meetings Act or the Texas Open Records Act or other applicable law. The Secretary shall be custodian of the corporate records and seal of the Corporation, and shall keep a register of the mailing address and street address, if different, of each director.

Sec. 5.07 Treasurer

The Treasurer shall perform such duties as are usually incumbent upon such office. The Treasurer shall see that proper and accurate accounts are kept of the financial condition of the Corporation and that proper books are maintained for their orderly entry. The Treasurer shall insure that the financial policies adopted by the Board are duly followed and that an independent audit is made of the accounts of the Corporation at the end of each fiscal year. The Treasurer shall report the financial condition of the Corporation at each regular meeting of the Board and City Council from time to time for approval, and shall perform any other duties the President assigns from time to time.

Sec. 5.08 Assistant Secretaries and Assistant Treasurers

The Assistant Secretaries and Assistant Treasurers, if any, shall in general, perform such duties as may be assigned to them by the Secretary or the Treasurer, or by the President or the Board of Directors.

Sec. 5.09 Employees

The Corporation may, with approval of the City Council, contract with the City of Seguin, or with another entity or individual, for such full or part-time employees as needed to carry out the programs of the Corporation. These employees shall perform those duties outlined in the contract and assigned to them by the Board.

Sec. 5.10 Contracts for Services

The Corporation may contract with any qualified and appropriate person, association, corporation or governmental entity to perform and discharge designated tasks which will aid or assist the Board in the performance of its duties. However, no such contract shall ever be approved or entered into which seeks or attempts to divest the Board of Directors or its discretion and policy-making functions in discharging the duties hereinabove set forth in this section.

SECTION 6 EX-OFFICIO ADVISORS

Sec. 6.01 Ex-Officio Advisors

The Mayor or his or her designee and the City Manager or his or her designee may attend all meetings of the Board of Directors or Committees, including executive sessions, and may appoint ex-officio officers as needed.

SECTION 7 COMMITTEES

Sec. 7.01 Committees Authorized

The President shall have the authority to appoint standing and ad hoc committees from time to time. Committee members need not be Directors of the Corporation, unless required by these Bylaws or Board Resolution.

The designation and appointment of any such committee and delegation to that committee of authority shall not operate to relieve the Board of Directors, or any individual director of any responsibility imposed by the Bylaws or otherwise imposed on it or on him or her by law. No committee shall have independent authority to act or instead of the Board of Directors to:

- a. Amend the Articles of Incorporation.
- b. Adopt a plan of merger or plan of consolidation with another corporation.

- c. Authorize the sale, lease, exchange or mortgage of any of the property and assets of the Corporation.
- d. Authorize the voluntary dissolution of the Corporation.
- e. Revoke proceedings for the voluntary dissolution of the Corporation.
- f. Adopt a plan for the distribution of the assets of the Corporation.
- g. Amend, alter, or repeal the Bylaws.
- h. Elect, appoint or remove a member of a committee or director or officer of the Corporation.
- i. Approve any transaction to which the Corporation is a party or undertake any action that involves a potential conflict of interest as defined.
- j. Take any action outside the scope of authority delegated to it by the Board of Directors.
- k. Take final action on a matter that requires the approval of the Board of Directors.
- l. Commit Corporation funds without the prior approval of the Board of Directors.
- m. Undertake any other matters appropriate to the authority of the Board of Directors.

Sec. 7.02 Term of Office of Committee Members

Each committee member shall serve for a term as determined by the President subject to the approval of the Board of Directors.

SECTION 8 FINANCIAL ADMINISTRATION

The Corporation may, with approval of the City Council, contract, with the City, or with another entity, for financial and accounting services including the annual audit as stipulated in Section 8.13. The Corporation's financing and accounting records shall be maintained according to the following guidelines:

Sec. 8.01 Fiscal Year

The fiscal year of the Corporation shall run concurrently with the City of Seguin beginning the first day of October and ending the last day in September in each year.

Sec. 8.02 Budget

At least thirty (30) days prior to the commencement of each fiscal year of the Corporation, the Board of Directors shall adopt a proposed budget of expected revenues and proposed expenditures for the next ensuing fiscal year. The budget shall contain such classifications and shall be in such form as may be prescribed from time to time by the City. The budget shall not be effective until the same has been approved by the City Council.

Sec. 8.03 Contracts

As provided in Section V above, the President and Secretary shall execute any contracts or other instruments which the Board had approved and authorized to be executed, provided, however, that the Board may by appropriate resolution, authorize any other officer or officers or any other agent or agents as provided herein to enter into contracts or execute and deliver any instrument in the name of the board on specific instances or defined in general terms.

Sec. 8.04 Checks and Drafts

All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Corporation shall be approved by the Board, except that the City or other contractual entity approved by the city council providing administrative or financial services shall have the authority to execute checks for the daily operation of the Corporation's program without prior board approval in amounts agreed to by the board and on such other terms and provisions contained in the agreement between the board and the entity providing administrative or financial services. In the event the City is the contractual entity providing financial or administrative services to the Corporation, any checks the City is authorized to sign on behalf of the Corporation must be signed by either the city manager or city finance director as a non-elected official and either the mayor or city secretary as an elected official.

Sec. 8.05 Limitation on Expenditures

The Corporation shall not make any commitment for dispersal of any funds for any one project in excess of \$50,000 without prior approval of the City Council.

Sec. 8.06 Deposits

All funds of the Seguin Economic Development Corporation shall be maintained only in accounts, deposits or other investments that are authorized in Tex. Rev. Civ. Stat. Ann. Section 2256 et. Seq. of the Texas Government Code (Public Funds Investment Act), as same now exists or may hereafter be amended.

Sec. 8.07 Gifts

The Seguin Economic Development Corporation may accept on behalf of the Corporation any contribution, gift, bequest, or device for the general purpose or for any special purposes of the Corporation.

Sec. 8.08 Purchasing

All purchases made and contracts executed by the Corporation shall be made in accordance with the requirements of the Texas Constitution and Statutes of the State of Texas.

Sec. 8.09 Investments

The Seguin Economic Development Corporation shall adopt an investment policy, not inconsistent with Section 2256 et. seq. of the Texas Government Code (Public Funds Investment Act), as same now exists or may hereafter be amended.

Sec. 8.10 Bonds

Any bonds issued by the Corporation shall be in accordance with the statute governing this Corporation but, in any event, no bonds shall be issued without approval of the Seguin City Council after review and comment by the City's bond counsel and financial advisor.

Sec. 8.11 Uncommitted Funds

Any uncommitted funds of the Corporation at the end of the fiscal year shall be considered a part of the Fund Balance.

The undesignated Fund Balance may be committed for any legal purpose provided the Corporation's Board of Directors and the City Council both approve such commitment. This may include the establishment of a Permanent Reserve Fund which shall be accumulated for the purpose of using the interest earnings of such fund to finance the operation of the Corporation.

Sec. 8.12 Monthly Reports

The City financial office or any other contractual entity providing financial services to the Corporation will provide to the Board of Directors a monthly report of all matters required, permitted or done pursuant to Sections 8.03 through 8.09 above or as by contract.

Sec. 8.13 Annual Audit

The City of Seguin, or any other contractual entity providing financial services to the Corporation, will provide the Board of Directors with an annual audit of financial statement of all funds. The audit is to be conducted by an outside independent certified public accounting firm selected by the City Council. Any such audit shall be performed in accordance with generally accepted auditing procedures (GAAP). Each audit shall be prepared and submitted annually to the City Council of the City of Seguin, Texas, for approval as soon as practical following the end of each year of the Corporation's fiscal year.

Sec. 8.14 Potential Conflicts of Interest

The Corporation shall not make a loan to a director or officer of the Corporation. A Director, officer or committee member of the Corporation may lend money to and otherwise transact business with the Corporation except as otherwise provided by the Bylaws, Articles of Incorporation and all applicable laws. Such a person transacting business with the Corporation has the same rights and obligations relating to those matters as other persons transacting business with the Corporation. The Corporation shall not borrow money from or otherwise transact business with a Director, officer or committee member of the Corporation unless the transaction is described fully in a legally binding instrument and is in the best interest of the Corporation. THE CORPORATION SHALL NOT BORROW MONEY FROM OR OTHERWISE TRANSACT BUSINESS WITH A DIRECTOR, OFFICER OR COMMITTEE MEMBER OF THE CORPORATION WITHOUT FULL DISCLOSURE OF ALL RELEVANT FACTS AND WITHOUT THE APPROVAL OF THE BOARD OF DIRECTORS, NOT INCLUDING THE VOTE OF ANY PERSON HAVING PERSONAL INTEREST IN THE TRANSACTION.

Sec. 8.15 Prohibited Acts

As long as the Corporation is in existence, no director, officer or committee member of the Corporation shall:

- a. Do any act in violation of the Bylaws or a binding obligation of the Corporation.
- b. Do any act with the intention of harming the Corporation or any of its operations.

- c. Do any act that would make it impossible or unnecessarily difficult to carry on the intended or ordinary business of the Corporation.
- d. Receive an improper personal or business benefit from the operation of the Corporation.
- e. Use the assets of the Corporation, directly or indirectly, for any purpose other than carrying on the business of the Corporation.
- f. Wrongfully transfer or dispose of Corporation property, including intangible property such as good will.
- g. Use the name of the Corporation (or any substantially similar name) or any trademark or trade name adopted by the Corporation, except on behalf of the Corporation in the ordinary course of the Corporation's business.
- h. Disclose any of the Corporation business practices, trade secrets or any other information not generally known to the business community to any person not authorized to receive it.
- i. Commit Corporation funds without the prior approval of the Board of Directors.

Provided further, however, that the Corporation shall not have the power to own or operate any project as a business other than as lessor, seller, or lender or pursuant to the requirements of any trust agreement securing the credit transaction. In addition, the user pursuant to any lease, sale, or loan agreement relation to a project shall be considered to be the owner of the project for the purposes of the application of any ad valorem, sales, and use taxes or any other taxes levied or imposed by the State of Texas or any political subdivision of the State of Texas. The purchase and holding of mortgages, deeds of trust, or other security interests and contracting for any servicing thereof shall not be deemed the operation of a project.

SECTION 9 BOOKS AND RECORDS

Sec. 9.01 Books and Records

The Corporation shall keep correct and complete books and records of all actions of the Corporation, including books and records of account and the minutes of meetings of the Board of Directors and of any committee having any authority of the Board of Directors and of any committee given any authority of the Board and to the City Council.

Sec. 9.02 Inspection

Any member of the City Council of Seguin, Director or officer of the Corporation may inspect and receive copies of all books and records of the Corporation required to be kept by the Bylaws. Any person entitled to inspect and copy the Corporation's books and records may do so through his or her attorney or other fully authorized representative. The Board of Directors may establish reasonable fees for copying the Corporation's books and records by members. Consistent with the obligations and limitations of the Texas Open Records Act, the Corporation shall provide requested copies of books or records no later than ten (10) working days after the Corporation's receipt of proper written notice.

SECTION 10 AUTHORIZATION

Sec. 10.01 Authorization

The Corporation shall carry out its program subject to its Articles of Incorporation, these Bylaws the Development Corporation Act, Chapters 501, 502, and 504 of the Texas Local Government Code, and such resolutions as the Board may from time to time authorize.

Sec. 10.02 Program

The program of the Seguin Economic Development Corporation shall be to promote, encourage, and enhance economic development in Seguin, Texas, subject to applicable State and Federal law, these Bylaws, and the Articles of Incorporation.

SECTION 11 PARLIAMENTARY AUTHORITY

Sec. 11.01 Amendments to Bylaws

These Bylaws may be amended or repealed and new Bylaws may be adopted by an affirmative vote of four (4) of the authorized directors serving on the Board, subject to approval by the City Council.

Notwithstanding the foregoing, no amendment or new Bylaw shall become effective unless the City Council approves the amendment or new Bylaws.

Sec. 11.02 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.

Sec. 11.03 Parliamentary Authority

Robert's Rules of Order, Newly Revised, shall be the parliamentary authority for all matters of procedure not specifically covered by the Bylaws or any specific rules of procedure adopted by this Board.

SECTION 12 DISSOLUTION

Sec. 12.01 Dissolution

On petition of ten (10) percent or more of the registered voters of the City of Seguin requesting an election on the dissolution of the Corporation, the City of Seguin shall order an election on the issue. The election must be conducted according to the applicable provision of the Election Code. The ballot for the election shall be printed to provide for or against the proposition:

"Dissolution of the Seguin Economic Development Corporation"

If a majority of voters voting on the issue approve the dissolution, the Corporation shall continue operations only as necessary to pay the principal of and interest on its bonds and to meet obligations incurred before the date of the election and, to the extent practicable, shall dispose of its assets and apply the proceeds to satisfy those obligations. When the last of the obligations is satisfied, any remaining assets of the Corporation shall be transferred to the City of Seguin and the Corporation shall be dissolved.

SECTION 13 INDEMNITY

Sec. 13.01 Indemnity

The Corporation hereby agrees to indemnify and hold harmless each current or former Director or Officer of the Corporation from and against any costs, expenses (including attorney's fees), fines, settlements, judgments, liabilities and other amounts, actually and reasonably incurred by such person in any action, suit, or proceeding to which he or she is made a party by reason of holding such position as Officer or Director; provided, however, that such Officer or Director shall not receive such indemnification if he or she be finally adjudicated in such instance to liable for gross negligence or intentional misconduct in office. The indemnification herein provided shall also extend to good faith expenditures incurred in anticipation of, or preparation for, threatened or proposed litigation. The Board of Directors

may, in proper cases, extend the indemnification to cover the good faith settlement of any such action, suit, or proceedings, whether formally instituted or not.

Furthermore, the Corporation agrees to indemnify and hold harmless and defend the City of Seguin, its officers, agents, and its employees, from and against liability for any and all claims, liens, suits, demands, and/or actions for damages, injuries to persons (including death), property damage (including loss of use), and expenses, including court costs and attorney's fees and other reasonable costs arising out of or resulting from the Corporation's activities and from any liability arising out of or resulting from the intentional acts or negligence, including all such causes of action based upon common, constitutional, or statutory law, or based in whole or in part upon the negligent or intentional acts or omissions of the Corporation, including, but not limited to, its officers, agents, employees, licensees, invitees, and other persons.

It is further agreed with respect to the above indemnity, that the Corporation will provide prompt and timely notice of any event covered which in any way, directly or indirectly, contingently or otherwise, affects or might affect the Corporation or the City of Seguin, and the City of Seguin shall have the right to compromise and defend the same to the extent of its own interests. It is further agreed this indemnity clause shall be an additional remedy to the City of Seguin and not an exclusive remedy.

SECTION 14 MISCELLANEOUS

Sec. 14.01 Relation to Articles of Incorporation

These Bylaws are subject to, and governed by, the Articles of Incorporation and applicable State statutes under which the Corporation was organized.

(AMENDMENTS APPROVED BY CITY COUNCIL 9-18-18)

**BYLAWS OF THE
SEGUIN ECONOMIC DEVELOPMENT CORPORATION
A NON-PROFIT ORGANIZATION
SEGUIN, TEXAS**

These Bylaws (referred to as the “Bylaws”) govern the affairs of the Seguin Economic Development Corporation (the “Corporation”), a public instrumentality and a non-profit corporation created and governed by the Development Corporation Act (the “Act”) and Chapters 501, 502, and 504, Texas Local Government Code.

**SECTION 1
OFFICES**

Sec. 1.01 Registered Office and Registered Agent

The Corporation shall have and continuously maintain in the State of Texas a registered office and a registered agent whose office is identical with such registered office, as required by the Act. The Board of Directors may, from time to time, change the registered agent and/or the address of the registered office, provided that proper notification of such change is given to the Office of the Secretary of State of Texas.

The registered office of the Corporation is located at 211 N. River, Seguin, Texas 78155, and at such address is the Corporation, whose mailing address is P. O. Box 591, Seguin, Texas 78156.

Sec. 1.02 Principal Office

The principal office of the Corporation in the State of Texas shall be located in the City of Seguin, County of Guadalupe, and it may be, but need not be, identical with the registered office of the Corporation.

**SECTION 2
PURPOSE**

Sec. 2.01 Purposes

The Corporation is a non-profit corporation specifically governed Chapters 501, 502, and 504, Texas Local Government Code, as amended. The Corporation is organized exclusively for the purpose of benefiting and accomplishing public purposes of the City of Seguin, Texas, by promoting, encouraging, and enhancing the creation of jobs in the City of Seguin through projects that assist in the retention of existing businesses and industries and the attraction of new businesses and industries and aid in their development and growth in accordance with the Articles

of Incorporation, the Development Corporation Act, and Chapters 501, 502, and 504 of the Texas Local Government Code, as amended.

The Corporation shall have no power to take any action that would be inconsistent with the requirements for exemption from federal tax as a non-profit corporation under Section 501(c)(4) of the Internal Revenue Code or such other applicable Section. The Corporation shall not attempt to influence legislation or participate in any political campaign on behalf of or in opposition to any candidate for public office.

SECTION 3 MEMBERS

The Corporation shall have no members and is a non-stock corporation.

SECTION 4 BOARD OF DIRECTORS

Sec. 4.01 Board of Directors

The business and affairs of the Corporation and all corporate powers shall be exercised by or under authority of the Board of Directors (the "Board") appointed by the governing body of the City of Seguin, (the "City") and subject to applicable limitations imposed by the Texas Business Corporation Act, the Development Corporation Act of 1979, the Articles of Incorporation or these Bylaws. The Board may, by contract, resolution, or otherwise, give general or limited or special power and authority to the officers and employees of the Corporation to transact the general business or any special business of the Corporation, and may give powers of attorney to agents of the Corporation to transact any special business requiring such authorization.

Sec. 4.02 Number and Qualifications

The authorized number of Directors of this Board shall be five (5) in accordance with the Section 504.051 of the Texas Local Government Code, as amended.

The City Council shall appoint the Directors of the Corporation. The number of Directors shall be five (5). Each Director shall meet at least one (1) of the following qualifications.

- a. serve, or have served, as Chief Executive Officer of a company; or
- b. serve, or have served, in a position of executive management of a company; or

- c. serve, or have served, in a professional capacity; or
- d. have experience equivalent to any of the above qualifications.

The City Council shall consider an individual's experience, accomplishments, and educational background in appointing members to the Board to ensure that the interests and concerns of all segments of the community are considered. All appointed members of the Board shall be residents of the City of Seguin or its extraterritorial jurisdiction.

Sec. 4.03 General Duties of the Board

The Board is hereby required to perform the following duties:

1. The Board shall develop, or cause to be developed, a Comprehensive Economic Development Strategy (CEDS) for the City of Seguin, which shall include short- and long-term goals necessary to strengthen and diversify the City's economy. The CEDS shall be approved by the City Council and serve as the guiding strategic plan for the Seguin Economic Development Corporation.

In alignment with the CEDS, the Board shall adopt an Annual Plan of Work that identifies specific objectives, strategies, and performance measures for the upcoming fiscal year. The Annual Plan of Work shall be used to benchmark progress toward CEDS goals and provide a framework for annual budget priorities.

The economic development plan shall include the following elements:

- a. Strategies to strengthen the business climate throughout the City of Seguin.
- b. Approaches to fully utilize the City's assets, including infrastructure, workforce, land, and quality-of-life amenities, to enhance economic development.
- c. Methods to coordinate public, private, and academic resources to create and retain primary jobs and expand business opportunities for all citizens of Seguin.
- d. Assurance of transparency and accountability for all tax revenues and other funds received and expended by the Corporation in implementing the plan.
- e. Identification and implementation of targeted strategies in the Corporation's primary focus areas, which include Targeted

Industry Recruitment, Business Retention and Expansion,
Workforce Development, and Infrastructure Development.

2. The Board shall review its economic development plan annually to ensure that said plan is up to date with the current economic climate and is capable of meeting Seguin's current economic development needs.
3. The Board shall expend, in accordance with State law, the tax funds received by it on projects and programs that directly accomplish or aid in the accomplishment of creating identifiable new primary jobs or retaining identifiable existing primary jobs, including job training and planning or research activities necessary to promote said job creation or retention.

The Corporation's focus will be primarily in the following areas, consistent with the Texas Local Government Code and as approved by the City Council:

- a. **Targeted Industry Recruitment:** Attracting new primary job employers and targeted industries to the City of Seguin through proactive outreach, marketing, incentives, and site development.
 - b. **Business Retention and Expansion (BRE):** Supporting the growth and stability of existing primary job employers in Seguin through technical assistance, problem-solving, and expansion support.
 - c. **Workforce Development:** Partnering with educational institutions, workforce boards, and industry to develop, attract, and retain a skilled workforce to meet current and future employer needs.
 - d. **Infrastructure Development:** Funding public infrastructure projects, including utilities, roads, drainage, and other improvements necessary to support new or expanding business enterprises.
4. The Corporation may, with approval of the City Council, contract with the City of Seguin, or with another entity for management services. The Board may plan and direct its work through a designated employee of the City of Seguin, or other contractual entity, who will be charged with the responsibility of carrying out the Corporation's plan and program as adopted by the Board.
 5. The Seguin Economic Development Corporation shall present an Annual Report to the Corporation's Board of Directors and Seguin City Council no later than December 31 of each year. This report shall summarize the Corporation's activities, accomplishments, and

financial performance for the preceding fiscal year. The Annual Report shall align with the Comprehensive Economic Development Strategy (CEDS) and the Annual Plan of Work, and shall include benchmarks and performance measures demonstrating progress toward strategic goals. The Annual Report shall include, but is not limited to, the following sections: The Annual report shall include, but not is not limited to, the following sections:

- i. **Organizational Overview:** Mission statement, Board of Directors, staff, and governance structure.
- ii. **Economic Development Activities:** A summary of business recruitment, retail recruitment, marketing initiatives, business retention and expansion activities, workforce development programs, strategic planning initiatives, and infrastructure projects undertaken during the year.
- iii. **Project Highlights:** Notable projects and developments, including capital investment figures, job creation impacts, and other measurable outcomes.
- iv. **Financial Overview:** A review of revenues, expenditures, and fund balance for the fiscal year, with classifications in a form prescribed by the City.
- v. **Strategic Priorities and Benchmarking:** A review of the Corporation's strategic priorities and performance against established goals, as outlined in the Comprehensive Economic Development Strategy (CEDS) or any successor strategic plan adopted by the Board and approved by the City Council. This section shall highlight progress toward the CEDS goals, key performance indicators, and any adjustments or new strategies recommended for the upcoming year. review of the activities of the Board in areas of endeavor other than direct economic development together with any proposed changes in such activities.
- vi. **Other Programs and Initiatives:** A review of grant programs, partnerships, and other activities not otherwise captured above.

Sec. 4.04 Duties of Directors

Directors shall exercise ordinary business judgment in managing the affairs of the Corporation. In acting in their official capacity as directors of this Corporation, directors shall act in good faith and take actions they reasonably believe to be in

the best interest of the Corporation and that are not unlawful. In all other instances, the Board of Directors shall not take any action that they should reasonably believe would be opposed to the Corporation's best interest or would be unlawful. A director shall not be liable if, in the exercise of ordinary care, the director acts in good faith relying on written financial and legal statements provided by an accountant or attorney retained by the Corporation.

Sec. 4.05 Terms of Office

The City Council shall appoint the Directors of the Corporation. The number of directors shall be five (5). Directors shall serve for three years (3) years. No director shall serve more than two (2) consecutive full terms. Directors may be removed at any time by the City Council by a majority vote of the City Council.

Sec. 4.06 Vacancies

Any vacancy occurring shall be filled by appointment by the City Council to serve the remainder of an unexpired term. Appointments to fill unexpired terms shall not be credited against the two term limit.

Sec. 4.07 Meetings

The Board of Directors shall meet at least six (6) times annually at a place and time to be determined by the President. Any member of the Board may request that an item be placed on the agenda by delivering the same in writing to either the President of the Board, Secretary of the Board or Executive Director no later than ten (10) days prior to the date of the Board meeting.

Notice of any meeting shall be given to the public in accordance with the requirements of the Texas Open Meetings Act, Chapter 551 of the Texas Local Government Code. The notice shall contain information regarding the particular time, date and location of the meeting and the agenda to be considered. All meetings shall be conducted in accordance with the Texas Open Meetings Act and Section 504.054 of the Texas Local Government Code. All meetings shall be held within the City of Seguin.

The election of officers of the Board of Directors shall take place at the first meeting of the new calendar year.

Sec. 4.08 Special Meetings

Special meetings of the Board of Directors may be called by the President, Executive Director or upon written request of two (2) directors.

Sec. 4.09 Attendance

Regular attendance of the Board meetings is required of all members. The following number of absences shall constitute the need for replacement of a member: three (3) consecutive absences, or attendance reflecting absences constituting 50% of the meetings over a 12-month period. In the event replacement may be indicated pursuant to the standards set forth in the preceding sentence the President shall counsel with the effected member that the President determines that replacement is necessary in the sole discretion, the President shall notify the Mayor in writing and the City Council shall appoint a replacement member to serve the remaining terms of the replacement member.

Sec. 4.10 Quorum

For the purpose of convening a meeting, a simple majority of the appointed number of appointed Directors then serving on the Board shall constitute a quorum. For purposes of transacting the business of the corporation at any meeting, a simple majority of the appointed Directors shall constitute a quorum. If there is an insufficient number of Directors present to convene the meeting, the directors present thereat may recess the meeting from time to time, without notice other than announced at the meeting, until a quorum shall be present.

Sec. 4.11 Compensation

THE DULY APPOINTED MEMBERS OF THE BOARD SHALL NOT RECEIVE A SALARY OR COMPENSATION, but shall be reimbursed for actual or commensurate costs of travel, lodging, and incidental expenses while on official business of the Board in accordance with State law.

Sec. 4.12 Voting: Action of the Board of Directors

Directors must be present in order to vote at any meeting. Unless otherwise provided in these Bylaws or in the Articles of Incorporation or as required by law, the act of simple majority of the Directors present at any meeting for which a quorum is present shall be the act of the Board of Directors. In the event that a Director is aware of a conflict of interest or potential conflict of interest, with regard to any particular vote, the Director shall bring the same to the attention of the meeting and shall abstain from the vote, unless the Board determines that no conflict of interest exists. Any Director may bring to the attention of the meeting any apparent conflict of interest or potential conflict of interest of any other Director, in which case the Board shall determine whether a true conflict of interest exists before any vote shall be taken regarding that particular matter. The Director as to whom a question of interest has been raised shall refrain from voting with regard to the determination as to whether a true conflict exists.

Sec. 4.13 Board's Relationship with City Council

In accordance with State law, the City Council shall require that the Seguin Economic Development Corporation be responsible to it for the proper discharge of its duties assigned in this article. All policies for program administration shall be submitted for Council approval, and the Board shall administer said programs accordingly. The Board shall determine its policies and direction within the limitations of the duties herein imposed by applicable laws, the Articles of Incorporation, these Bylaws, contracts entered into with the City, and budget and fiduciary responsibilities.

Sec. 4.14 Board's Relationship with Administrative Departments of the City

Subject to the paramount authority of the City Manager under the Charter of the City, the Corporation shall have the right to utilize the services of the City Legal Advisor, the City Secretary, and staff and employees of the Economic Development Department and Finance Department of the City provided the performance of such services does not materially interfere with other duties of such personnel of the City.

SECTION 5 OFFICERS

Sec. 5.01 Officers of the Corporation

The elected officers of the Corporation shall be elected from the Board of Directors. The officers shall be President, Vice President, Secretary, and Treasurer. The Board may resolve to elect one or more Assistant Secretaries or one or more Assistant Treasurers as it may consider desirable. Such officers shall have the authority and perform the duties of the office as the Board may from time to time prescribe or, as the Secretary or Treasurer may from time to time delegate to his or her respective Assistant. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary.

Sec. 5.02 Selection of Officers

The term of office of the President and Vice President shall be for a period of one year, provided, however, that the President and Vice President continue to serve until the election of their successors who will be elected by the members of the Board.

The Secretary and Treasurer shall be selected by the members of the Board and shall hold office for a period of one (1) year; provided, however, that the Secretary and Treasurer shall continue to serve until the election of their successors

Sec. 5.03 Vacancies

Vacancies in any office which occur by reason of death, resignation, disqualification, removal, or otherwise, may be filled by the Board of Directors for the unexpired portion of the term of that office, in the same manner as other officers are elected. Any officer elected or appointed by the Board may be removed at any time by the affirmative vote of a majority of the entire Board.

Sec. 5.04 President

IN GENERAL, THE PRESIDENT SHALL PERFORM ALL DUTIES INCIDENT TO THE OFFICE, AND SUCH OTHER DUTIES AS MAY BE PRESCRIBED BY THE BOARD OF DIRECTORS. The President shall:

1. Preside over all meetings of the Board.
2. Have the right to vote on all matters coming before the Board.
3. Have the authority, upon notice to the members of the Board, to call a special meeting of the Board when in his judgment such meeting is required.
4. Have the authority to appoint standing committees to aid and assist the Board in its business undertakings or other matters incidental to the operation and functions of the Board.
5. Have the authority to appoint ad hoc committees which may address issues of a temporary nature of concern or which have a temporary affect on the business of the Board.
6. At his/her discretion cancel a regularly scheduled meeting of the Board when there is no business to discuss provided the President give notice to Board members and the public of the cancellation no later than 72 hours prior to the regularly scheduled meeting.
7. Sign with the Secretary of the Board any deed, mortgage, bonds, contracts, or other instruments which the Board of Directors has approved and unless the execution of said document has been expressly delegated to some other officer or agent of the Corporation by appropriate Board resolution, by a specific provision of these Bylaws, or by statute.

Sec. 5.05 Vice President

In the absence of the President, or in the event of the President's inability to act, the Vice President shall perform the duties of the President. When so acting, the Vice President shall have all power of and be subject to all the same restrictions

as upon the President. The Vice President shall also perform other duties as from time to time may be assigned to the Vice President by the President.

Sec. 5.06 Secretary

The Secretary shall record and keep or cause to be recorded and kept at the registered office a record of the minutes of all meetings of the Board and of any committees of the Board. The Secretary shall also file a copy of said Minutes with the City Secretary and the same to be given, in accordance with the provisions of these Bylaws, or as required by the Texas Open Meetings Act or the Texas Open Records Act or other applicable law. The Secretary shall be custodian of the corporate records and seal of the Corporation, and shall keep a register of the mailing address and street address, if different, of each director.

Sec. 5.07 Treasurer

The Treasurer shall perform such duties as are usually incumbent upon such office. The Treasurer shall see that proper and accurate accounts are kept of the financial condition of the Corporation and that proper books are maintained for their orderly entry. The Treasurer shall insure that the financial policies adopted by the Board are duly followed and that an independent audit is made of the accounts of the Corporation at the end of each fiscal year. The Treasurer shall report the financial condition of the Corporation at each regular meeting of the Board and City Council from time to time for approval, and shall perform any other duties the President assigns from time to time.

Sec. 5.08 Assistant Secretaries and Assistant Treasurers

The Assistant Secretaries and Assistant Treasurers, if any, shall in general, perform such duties as may be assigned to them by the Secretary or the Treasurer, or by the President or the Board of Directors.

Sec. 5.09 Employees

The Corporation may, with approval of the City Council, contract with the City of Seguin, or with another entity or individual, for such full or part-time employees as needed to carry out the programs of the Corporation. These employees shall perform those duties outlined in the contract and assigned to them by the Board.

Sec. 5.10 Contracts for Services

The Corporation may contract with any qualified and appropriate person, association, corporation or governmental entity to perform and discharge designated tasks which will aid or assist the Board in the performance of its duties. However, no such contract shall ever be approved or entered into which seeks or

attempts to divest the Board of Directors or its discretion and policy-making functions in discharging the duties hereinabove set forth in this section.

SECTION 6 EX-OFFICIO ADVISORS

Sec. 6.01 Ex-Officio Advisors

The Mayor or his or her designee and the City Manager or his or her designee may attend all meetings of the Board of Directors or Committees, including executive sessions, and may appoint ex-officio officers as needed.

SECTION 7 COMMITTEES

Sec. 7.01 Committees Authorized

The President shall have the authority to appoint standing and ad hoc committees from time to time. Committee members need not be Directors of the Corporation, unless required by these Bylaws or Board Resolution.

The designation and appointment of any such committee and delegation to that committee of authority shall not operate to relieve the Board of Directors, or any individual director of any responsibility imposed by the Bylaws or otherwise imposed on it or on him or her by law. No committee shall have independent authority to act or instead of the Board of Directors to:

- a. Amend the Articles of Incorporation.
- b. Adopt a plan of merger or plan of consolidation with another corporation.
- c. Authorize the sale, lease, exchange or mortgage of any of the property and assets of the Corporation.
- d. Authorize the voluntary dissolution of the Corporation.
- e. Revoke proceedings for the voluntary dissolution of the Corporation.
- f. Adopt a plan for the distribution of the assets of the Corporation.
- g. Amend, alter, or repeal the Bylaws.

- h. Elect, appoint or remove a member of a committee or director or officer of the Corporation.
- i. Approve any transaction to which the Corporation is a party or undertake any action that involves a potential conflict of interest as defined.
- j. Take any action outside the scope of authority delegated to it by the Board of Directors.
- k. Take final action on a matter that requires the approval of the Board of Directors.
- l. Commit Corporation funds without the prior approval of the Board of Directors.
- m. Undertake any other matters appropriate to the authority of the Board of Directors.

Sec. 7.02 Term of Office of Committee Members

Each committee member shall serve for a term as determined by the President subject to the approval of the Board of Directors.

SECTION 8 FINANCIAL ADMINISTRATION

The Corporation may, with approval of the City Council, contract, with the City, or with another entity, for financial and accounting services including the annual audit as stipulated in Section 8.13. The Corporation's financing and accounting records shall be maintained according to the following guidelines:

Sec. 8.01 Fiscal Year

The fiscal year of the Corporation shall run concurrently with the City of Seguin beginning the first day of October and ending the last day in September in each year.

Sec. 8.02 Budget

The Board of Directors shall adopt a proposed budget of expected revenues and proposed expenditures for the next ensuing fiscal year no later than the last regularly scheduled Board meeting prior to the start of the fiscal year. The budget shall contain such classifications and shall be in such form as may be prescribed

from time to time by the City. The budget shall not be effective until approved by the City Council.

Sec. 8.03 Contracts

As provided in Section V above, the President and Secretary shall execute any contracts or other instruments which the Board had approved and authorized to be executed, provided, however, that the Board may by appropriate resolution, authorize any other officer or officers or any other agent or agents as provided herein to enter into contracts or execute and deliver any instrument in the name of the board on specific instances or defined in general terms.

Sec. 8.04 Checks and Drafts

All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Corporation shall be approved by the Board, except that the City or other contractual entity approved by the city council providing administrative or financial services shall have the authority to execute checks for the daily operation of the Corporation's program without prior board approval in amounts agreed to by the board and on such other terms and provisions contained in the agreement between the board and the entity providing administrative or financial services. In the event the City is the contractual entity providing financial or administrative services to the Corporation, any checks the City is authorized to sign on behalf of the Corporation must be signed by either the city manager or city finance director as a non-elected official and either the mayor or city secretary as an elected official.

Sec. 8.05 Limitation on Expenditures

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 Board of Directors and the Seguin City Council.

Sec. 8.06 Deposits

All funds of the Seguin Economic Development Corporation shall be maintained only in accounts, deposits or other investments that are authorized in Tex. Rev. Civ. Stat. Ann. Section 2256 et. Seq. of the Texas Government Code (Public Funds Investment Act), as same now exists or may hereafter be amended.

Sec. 8.07 Gifts

The Seguin Economic Development Corporation may accept on behalf of the Corporation any contribution, gift, bequest, or device for the general purpose or for any special purposes of the Corporation.

Sec. 8.08 Purchasing

All purchases made and contracts executed by the Corporation shall be made in accordance with the requirements of the Texas Constitution and Statutes of the State of Texas.

Sec. 8.09 Investments

The Seguin Economic Development Corporation shall adopt an investment policy, not inconsistent with Section 2256 et. seq. of the Texas Government Code (Public Funds Investment Act), as same now exists or may hereafter be amended.

Sec. 8.10 Bonds

Any bonds issued by the Corporation shall be in accordance with the statute governing this Corporation but, in any event, no bonds shall be issued without approval of the Seguin City Council after review and comment by the City's bond counsel and financial advisor.

Sec. 8.11 Uncommitted Funds

Any uncommitted funds of the Corporation at the end of the fiscal year shall be considered a part of the Fund Balance.

The undesignated Fund Balance may be committed for any legal purpose provided the Corporation's Board of Directors and the City Council both approve such commitment. This may include the establishment of a Permanent Reserve Fund which shall be accumulated for the purpose of using the interest earnings of such fund to finance the operation of the Corporation.

Sec. 8.12 Monthly Reports

The City financial office or any other contractual entity providing financial services to the Corporation will provide to the Board of Directors a monthly report of all matters required, permitted or done pursuant to Sections 8.03 through 8.09 above or as by contract.

Sec. 8.13 Annual Audit

The City of Seguin, or any other contractual entity providing financial services to the Corporation, will provide the Board of Directors with an annual audit of financial statement of all funds. The audit is to be conducted by an outside independent certified public accounting firm selected by the City Council. Any such audit shall be performed in accordance with generally accepted auditing procedures (GAAP). Each audit shall be prepared and submitted annually to the City Council of the City of Seguin, Texas, for approval as soon as practical following the end of each year of the Corporation's fiscal year.

Sec. 8.14 Potential Conflicts of Interest

The Corporation shall not make a loan to a director or officer of the Corporation. A Director, officer or committee member of the Corporation may lend money to and otherwise transact business with the Corporation except as otherwise provided by the Bylaws, Articles of Incorporation and all applicable laws. Such a person transacting business with the Corporation has the same rights and obligations relating to those matters as other persons transacting business with the Corporation. The Corporation shall not borrow money from or otherwise transact business with a Director, officer or committee member of the Corporation unless the transaction is described fully in a legally binding instrument and is in the best interest of the Corporation. THE CORPORATION SHALL NOT BORROW MONEY FROM OR OTHERWISE TRANSACT BUSINESS WITH A DIRECTOR, OFFICER OR COMMITTEE MEMBER OF THE CORPORATION WITHOUT FULL DISCLOSURE OF ALL RELEVANT FACTS AND WITHOUT THE APPROVAL OF THE BOARD OF DIRECTORS, NOT INCLUDING THE VOTE OF ANY PERSON HAVING PERSONAL INTEREST IN THE TRANSACTION.

Sec. 8.15 Prohibited Acts

As long as the Corporation is in existence, no director, officer or committee member of the Corporation shall:

- a. Do any act in violation of the Bylaws or a binding obligation of the Corporation.
- b. Do any act with the intention of harming the Corporation or any of its operations.

- c. Do any act that would make it impossible or unnecessarily difficult to carry on the intended or ordinary business of the Corporation.
- d. Receive an improper personal or business benefit from the operation of the Corporation.
- e. Use the assets of the Corporation, directly or indirectly, for any purpose other than carrying on the business of the Corporation.
- f. Wrongfully transfer or dispose of Corporation property, including intangible property such as good will.
- g. Use the name of the Corporation (or any substantially similar name) or any trademark or trade name adopted by the Corporation, except on behalf of the Corporation in the ordinary course of the Corporation's business.
- h. Disclose any of the Corporation business practices, trade secrets or any other information not generally known to the business community to any person not authorized to receive it.
- i. Commit Corporation funds without the prior approval of the Board of Directors.

Provided further, however, that the Corporation shall not have the power to own or operate any project as a business other than as lessor, seller, or lender or pursuant to the requirements of any trust agreement securing the credit transaction. In addition, the user pursuant to any lease, sale, or loan agreement relation to a project shall be considered to be the owner of the project for the purposes of the application of any ad valorem, sales, and use taxes or any other taxes levied or imposed by the State of Texas or any political subdivision of the State of Texas. The purchase and holding of mortgages, deeds of trust, or other security interests and contracting for any servicing thereof shall not be deemed the operation of a project.

SECTION 9 BOOKS AND RECORDS

Sec. 9.01 Books and Records

The Corporation shall keep correct and complete books and records of all actions of the Corporation, including books and records of account and the minutes of meetings of the Board of Directors and of any committee having any authority of the Board of Directors and of any committee given any authority of the Board and to the City Council.

Sec. 9.02 Inspection

Any member of the City Council of Seguin, Director or officer of the Corporation may inspect and receive copies of all books and records of the Corporation required to be kept by the Bylaws. Any person entitled to inspect and copy the Corporation's books and records may do so through his or her attorney or other fully authorized representative. The Board of Directors may establish reasonable fees for copying the Corporation's books and records by members. Consistent with the obligations and limitations of the Texas Open Records Act, the Corporation shall provide requested copies of books or records no later than ten (10) working days after the Corporation's receipt of proper written notice.

SECTION 10 AUTHORIZATION

Sec. 10.01 Authorization

The Corporation shall carry out its program subject to its Articles of Incorporation, these Bylaws the Development Corporation Act, Chapters 501, 502, and 504 of the Texas Local Government Code, and such resolutions as the Board may from time to time authorize.

Sec. 10.02 Program

The program of the Seguin Economic Development Corporation shall be to promote, encourage, and enhance economic development in Seguin, Texas, subject to applicable State and Federal law, these Bylaws, and the Articles of Incorporation.

SECTION 11 PARLIAMENTARY AUTHORITY

Sec. 11.01 Amendments to Bylaws

These Bylaws may be amended or repealed and new Bylaws may be adopted by an affirmative vote of four (4) of the authorized directors serving on the Board, subject to approval by the City Council.

Notwithstanding the foregoing, no amendment or new Bylaw shall become effective unless the City Council approves the amendment or new Bylaws.

Sec. 11.02 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.

Sec. 11.03 Parliamentary Authority

Robert's Rules of Order, Newly Revised, shall be the parliamentary authority for all matters of procedure not specifically covered by the Bylaws or any specific rules of procedure adopted by this Board.

SECTION 12 DISSOLUTION

Sec. 12.01 Dissolution

On petition of ten (10) percent or more of the registered voters of the City of Seguin requesting an election on the dissolution of the Corporation, the City of Seguin shall order an election on the issue. The election must be conducted according to the applicable provision of the Election Code. The ballot for the election shall be printed to provide for or against the proposition:

"Dissolution of the Seguin Economic Development Corporation"

If a majority of voters voting on the issue approve the dissolution, the Corporation shall continue operations only as necessary to pay the principal of and interest on its bonds and to meet obligations incurred before the date of the election and, to the extent practicable, shall dispose of its assets and apply the proceeds to satisfy those obligations. When the last of the obligations is satisfied, any remaining assets of the Corporation shall be transferred to the City of Seguin and the Corporation shall be dissolved.

SECTION 13 INDEMNITY

Sec. 13.01 Indemnity

The Corporation hereby agrees to indemnify and hold harmless each current or former Director or Officer of the Corporation from and against any costs, expenses (including attorney's fees), fines, settlements, judgments, liabilities and other amounts, actually and reasonably incurred by such person in any action, suit, or proceeding to which he or she is made a party by reason of holding such position as Officer or Director; provided, however, that such Officer or Director shall not receive such indemnification if he or she be finally adjudicated in such instance to liable for gross negligence or intentional misconduct in office. The indemnification herein provided shall also extend to good faith expenditures incurred in anticipation of, or preparation for, threatened or proposed litigation. The Board of Directors

may, in proper cases, extend the indemnification to cover the good faith settlement of any such action, suit, or proceedings, whether formally instituted or not.

Furthermore, the Corporation agrees to indemnify and hold harmless and defend the City of Seguin, its officers, agents, and its employees, from and against liability for any and all claims, liens, suits, demands, and/or actions for damages, injuries to persons (including death), property damage (including loss of use), and expenses, including court costs and attorney's fees and other reasonable costs arising out of or resulting from the Corporation's activities and from any liability arising out of or resulting from the intentional acts or negligence, including all such causes of action based upon common, constitutional, or statutory law, or based in whole or in part upon the negligent or intentional acts or omissions of the Corporation, including, but not limited to, its officers, agents, employees, licensees, invitees, and other persons.

It is further agreed with respect to the above indemnity, that the Corporation will provide prompt and timely notice of any event covered which in any way, directly or indirectly, contingently or otherwise, affects or might affect the Corporation or the City of Seguin, and the City of Seguin shall have the right to compromise and defend the same to the extent of its own interests. It is further agreed this indemnity clause shall be an additional remedy to the City of Seguin and not an exclusive remedy.

SECTION 14 MISCELLANEOUS

Sec. 14.01 Relation to Articles of Incorporation

These Bylaws are subject to, and governed by, the Articles of Incorporation and applicable State statutes under which the Corporation was organized.

(AMENDMENTS APPROVED BY CITY COUNCIL _____)

Attachment 3: Redline Summary Overview

Section	2018 Bylaws (Current)	2025 Bylaws (Proposed Revisions)	Key Change / Rationale
Economic Development Plan (Sec. 4.03)	Required an “economic development plan” with short- and long-term goals; listed broad elements (business climate, use of assets, coordination, accountability, implementation).	Replaced with requirement for a Comprehensive Economic Development Strategy (CEDS) approved by Council, plus an Annual Plan of Work adopted by the Board. Plan of Work must include specific elements: business climate strategies, asset utilization, coordination of resources, accountability for funds, and focus areas.	Aligns bylaws with current practice and the 2023 CEDS; establishes the Annual Plan of Work as the operational framework.
Focus Areas (Sec. 4.03)	Focused on Business Development, Workforce Development, Infrastructure Development, Facility Development.	Focus areas updated to Targeted Industry Recruitment, Business Retention & Expansion, Workforce Development, and Infrastructure Development. Infrastructure explicitly includes utilities, roads, drainage, and related improvements.	Modernizes focus areas to reflect the CEDS and state law; emphasizes infrastructure support for new/expanding businesses.
Use of Funds (Sec. 4.03)	“Direct economic development” = creating or retaining jobs, including job training, planning, and research.	Expands authority to include infrastructure and improvements necessary to support new or expanding businesses (utilities, roads, drainage, etc.).	Clarifies and codifies statutory authority under Ch. 501.103 LGC.
Executive Director (Sec. 4.03)	Referred generally to a “designated employee” of the City or other entity to carry out the program.	Specifies that the Executive Director , as designated under the Management Services Agreement, is responsible for carrying out the Corporation’s program and plan.	Aligns bylaws with the Management Services Agreement; clarifies accountability.
Annual Report (Sec. 4.03)	Report due by Nov. 30 each year to City Council only ; focused on expenditures, accomplishments, and strategies.	Report due by Dec. 31 to both the Board and City Council. Must align with the CEDS and Annual Plan of Work and include: organizational overview, activities by focus area, project highlights, financial overview, benchmarking, and other initiatives.	Expands scope, modernizes content to reflect current reporting practice; ensures Board review before Council acceptance.

Section	2018 Bylaws (Current)	2025 Bylaws (Proposed Revisions)	Key Change / Rationale
Budget Adoption (Sec. 8.02)	Budget had to be adopted 30 days prior to the fiscal year.	Budget must be adopted no later than the last regular Board meeting before the fiscal year begins , subject to Council approval.	Provides flexibility; resolves timing issues when Finance delivers numbers in late summer.
Expenditure Thresholds (Sec. 8.05)	Any commitment over \$50,000 required City Council approval .	Expenditures of \$50,000+ require Board approval ; expenditures of \$100,000+ require Board and City Council approval .	Aligns with SB 1173 and City's recently updated purchasing thresholds; ensures consistency between City and SEDC practices.