



## BYLAWS OF THE BELLMEAD ECONOMIC DEVELOPMENT CORPORATION

1. REGISTERED AND PRINCIPAL OFFICES: The address of the initial registered office of the Corporation is City Hall, 3015 Bellmead Drive, Bellmead, Texas 76705. This address shall also serve as the principal address of the Board. The Corporation shall have and maintain at all times within the State of Texas a registered office and registered agent, whose office is identical with such registered office, as required by Chapter 22 of the Business Organizations Code and the Development Corporation Act. The principal office does not have to be the same as the registered office. The location of the registered office or the person serving as registered agent may be changed from time to time by the Board, upon approval by the City.
2. PURPOSE: The purposes of the Corporation are those set forth in its Certificate of Formation, which is incorporated by reference herein. In these Bylaws the term “Act” refers to the Development Corporation Act, Title 12, Subtitle C1 of the Local Government Code (V.T.C.A.)
3. BOARD OF DIRECTORS: The affairs of the Corporation shall be managed by a Board of Directors (the “Directors”) which shall be composed of seven (7) persons appointed by the City Council. Each of the Directors shall be a resident of the City. The number of Directors making up the Board cannot be increased or decreased. Directors shall serve without compensation.
  - 3.1 TERMS. Each Director shall hold office for the term for which the Director is appointed unless sooner removed or resigned. Each Director, including the initial Directors, shall be eligible for reappointment. Directors are removable by the City Council at will and shall be appointed for a term of two (2) years. If a Director is a member of the City Council and ceases to be a member of such, such shall constitute an automatic resignation as a Director and such vacancy shall be filled in the same manner as for other vacancies
  - 3.2 COMPOSITION. At least three of the Directors must be persons who are not employees or officers of the City or members of the City Council. The City Manager and the City Finance Director shall serve as ex officio Directors, but shall not be entitled to vote.
  - 3.3 REMOVAL. Any Director may be removed from office by the City council at will.



- 3.4 RESIGNATION. A Director may resign at any time. To be effective, the resignation must be in writing, and submitted to the Board President, the Mayor and the City Secretary.
  - 3.5 VACANCIES. Vacancies on the Board created by death, removal, resignation or any other reason shall be filled by the City Council. The appointed successor shall serve the remainder of the term of the Directorship vacated.
  - 3.6 ATTENDANCE. Any member with three (3) or more unexcused absences during a 12 month period will be deemed to have forfeited his/her appointment and position on the Bellmead Economic Development Corporation Board of Directors.
    - (a) An absence is considered unexcused if the procedures in Section 3.7 are not followed.
  - 3.7 PROCEDURES. Board Member(s) shall contact the City Manager, Assistant City Manager, and City Secretary if they plan to not attend a scheduled BEDC Meeting within 5 hours prior to the meeting.
    - (a) Contact is defined as a phone call, text message, and/or email.
    - (b) An absence is considered excused if the procedures in Section 3.7 are followed.
4. MEETINGS:
- 4.1 Open Meetings. All meetings of the Board must be held in accordance with the Texas Open Meetings Act, Chapter 551, Government Code. Notice of the time, place, and business agenda for each meeting must be posted/given in accordance with the requirements of the Act.
  - 4.2 Place. Unless otherwise expressly provided by resolution of the Board, all meetings will be held in the City Council meeting room at City Hall, 3015 Bellmead Drive, Bellmead, Texas 76705. All meetings must be held within the municipal boundaries of the City.
  - 4.3 Annual Meeting. The Board shall hold an annual meeting in the last quarter of each fiscal year of the Corporation as set by Board resolution.
  - 4.4 Regular Meetings. The Board shall provide for regular meetings by resolution. Regular meetings will be held not less than quarterly.



- 4.5 Special Meetings. A special meeting may be called or held at the request of the Corporation's President, three Directors, the Corporation's Chief Operations Officer, or the City Manager.
- 4.6 Quorum. A majority of the Directors constitutes a quorum for conducting the official business of the Corporation. The act of a majority of the Directors present at a meeting at which a quorum is present shall constitute the act of the Board and the Corporation unless the act of a greater number is required by law. However, in no event shall any project or expenditure be approved except by the affirmative vote of not less than four (4) directors present at the meeting. A Director may not vote by proxy. Directors must be present to vote at any meeting. Regular attendance is expected.
- 4.7 Conduct of Meetings. Meetings of the board shall be presided over by the Board President, or in his/her absence the Vice-President. The Board, by resolution, may adopt rules governing how its meetings are conducted. Notice of a special meeting shall be given in writing to all Directors at least 72 hours prior to the meeting.
- 4.8 Record of Meetings. The City Secretary will assist the Board Secretary in taking and maintaining the minutes of Board meetings. Attention will be given to assure compliance with requirements of the Open Meetings Act.

## 5. CONFLICTS OF INTEREST.

- 5.1.1 Whenever 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.

## 6. BOARD'S RELATIONSHIP WITH CITY COUNCIL

- 6.1 In accordance with State Law, the City Council shall require that the Corporation be responsible to it for the proper discharge for its duties. The Board shall determine its policies and direction within the limitations of the duties herein



imposed and by applicable laws, the Certificate of Formation, these Bylaws, contracts entered into with the City, and budget and fiduciary responsibilities.

- 6.2 The Corporation is authorized to undertake projects as described in Subchapter C of Chapter 501 of the Local Government Code and Chapter 505 of the Local Government Code (formerly Section 2(11) and Section 4B of Article 5190.6 of Revised Civil Statutes), including but not limited to, projects to promote new or expanded business enterprises that create or retain primary jobs, including public safety facilities, streets and roads, rail spurs, water, sewer or other utilities, drainage, and related improvements, demolition of existing structures, municipally-owned improvements and targeted infrastructure and any other improvements, expenditures, or facilities that are related to any such projects, and other projects that will promote new or expanded business enterprises that create or retain primary jobs; and projects related to recreational and community facilities including convention, tourist, and exhibition facilities, athletic facilities, amphitheaters, public parks, park facilities and events, and open space improvements along with related infrastructure and other improvements that enhance such items; and primary job training provided by institutions of higher education, research and development facilities, and recycling facilities; and the maintenance and operations expenses for any of the above-described projects.

However, all projects are subject to the approval of the City Council.

- 6.3 An annual financial report for the Corporation must be provided to the City Council.

7. BOARD'S RELATIONSHIP WITH ADMINISTRATIVE DEPARTMENTS OF THE CITY

- 7.1 Any request for services made to the administrative departments of the City shall be made by the Board or its designee in writing to the City Manager. The City Manager may approve such request for assistance from the Board when he or she finds such requested services are available within the administrative departments of the City and that the Board has agreed to reimburse the administrative department's budget for the costs of such services so provided.

Any requests for legal assistance from the City Attorney shall be made by the President or his or her designee to the City Attorney. The City Attorney may provide such assistance when such services are available and the Board has agreed to reimburse the City for cost of providing the legal services.



7.2 The Corporation will contract with the City for the provision of administrative and financial services by the City to the Corporation.

## 8. OFFICERS OF THE CORPORATION

### 8.1 Elected Officers

(a) The officers of the Corporation shall be a president, a vice president, a secretary, and a chief operations officer. There may be such other officers, assistant officers and agents as the Board of Directors may deem necessary. The president and each vice president shall be named from among the members of the Board of Directors of the Corporation.

(b) No employee of the Corporation need be a director of the Corporation, a resident of the City or an employee of the City.

(c) Any two or more offices may be held by the same person, except the offices of president and secretary.

8.2 Election of Officers. Except as provided by Section 8.5, all officers shall be elected by the Board of Directors at the Annual Meeting of the Board of Directors. Each newly-elected officer (other than any person who succeeds himself in office) shall take office immediately following his/her election. Any person elected as an officer of the Corporation by reason of the death, disability, retirement, disqualification or removal from office of an officer or by reason of the occurrence of a vacancy of the office of any officer for any other reason, shall take office immediately upon his/her election.

8.3 Term of Office. Except for the initial officers who shall hold office until the first annual board meeting, each officer of the Corporation shall hold office for a term of one year until the next annual meeting of the Board of Directors and until his successor is duly elected and qualified or until his death, resignation, retirement, disqualification or removal from office. There shall be no limitation on the number of consecutive years that a person may serve in the same office.

8.4 Removal. Any officer, employee or agent may be removed from the position held by them, with or without cause, at any time by the majority vote of the directors present at any meeting of the Board of Directors at which a quorum is present



whenever in their judgment the best interests of the Corporation will be served thereby.

- 8.5 Filling of Vacancies. Any vacancy occurring in any office of the Corporation (by death, resignation, removal or otherwise) may be filled by the Board of Directors of the Corporation.
- 8.6 President. The President shall be the chief executive officer of the Corporation, and shall serve as chairman of the Executive Committee, if any. The President shall appoint standing and special committees and task groups as required, and as approved by the Board of Directors. In the absence or disability of the President, his duties shall be performed and his powers may be exercised by the First Vice President designed in these Bylaws. The President shall be an *ex-officio* member of all committees appointed by the President or the Board of Directors.
- 8.7 Vice Presidents
- (a) The Vice President shall generally assist the President and shall have such powers and perform such duties and services as, from time to time, shall be prescribed or delegated to him by the Board of Directors. The Vice President shall, during the absence of or in the event of the death, disability, retirement, disqualification, removal or the occurrence of the vacancy of the office of President for any other reason, perform the duties and exercise the power of the President.
- (b) The Corporation may have additional vice presidents as the Board of Directors may from time to time determine and appoint.
- 8.8 Secretary. The Secretary, with the assistance of the City Secretary, shall see that notices are given of all meetings of the Board of Directors and shall assure that true records of all proceedings of all such meetings are maintained. The Secretary shall determine that all books, documents, papers and records of the Corporation, except those for which some other office or agency is properly accountable, are being properly maintained. The Secretary shall generally perform all duties and shall have authority to exercise all the powers usually appertaining to the office of secretary of a corporation. In the absence or disability of the Secretary, the duties shall be performed by such person as shall be appointed by the Board of Directors.
- 8.9 Chief Operations Officer. The Chief Operations Officer shall be responsible for day-to-day operations including: coordination with the City; serving as a point of



contact for business prospects; coordination of contract/project administration; and other duties as assigned by the Board.

- 8.10 Authority. Officers and agents shall have such authority and perform such duties in the management of the Corporation as are provided in these Bylaws or as may be provided by resolution of the Board of Directors not inconsistent with these Bylaws.
- 8.11 Compensation. Officers who are members of the Board shall not receive any salary or compensation for their services, except that they shall be reimbursed for their actual expenses incurred in the performance of their official duties as officers.
- 8.12 Treasury Functions. The functions normally provided by a corporate treasurer will be provided by the City's Finance Director under an administrative services contract with the City.

## 9. MISCELLANEOUS

- 9.1 Books and Records. The Corporation shall keep books and records of account and shall keep minutes of the proceedings of its Board of Directors and each committee. All books and records of account of the Corporation shall be subject to the provisions of Chapter 552 of the Texas Government Code, relating to public information.
- 9.2 Checks and Notes. The Corporation's depository shall be the same as the City's depository. The Corporation has chosen to contract with the City to administer its accounts, and, therefore, disbursements from the Corporation's accounts will be made on checks signed by the City Manager and the City's Finance Director. However, such disbursements may only be made based on Board approved projects up to budgeted amounts.
- 9.3 Fiscal Year. The fiscal year of the Corporation shall be the same as the fiscal year of the City.
- 9.4 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 its discretion and policy-making functions in discharging the duties.



- 9.5 Annual Corporate Budget. At least sixty (60) 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 Council. The budget shall not be effective until it has been approved by the City Council.
- 9.6 Deposit and Investment of Corporate Funds.
- (a) All proceeds from loans or from the issuance of bonds, notes or other debt instruments (“Obligations”) issued by the Corporation shall be deposited and invested as provided in the resolution, order, indenture or other documents authorizing or relating to their execution or issuance.
- (b) Subject to the requirements of contracts, loan agreements, indentures or other agreements securing Obligations, all other monies of the Corporation, if any, shall be deposited, secured and/or invested in the manner provided for the deposit, security and/or investment of the public funds of the City. The accounts, reconciliation and investment of funds and accounts shall be performed by the City.
- 9.7 Expenditures of Corporate Money. The monies of the Corporation, including sales and use taxes collected pursuant to Chapter 505 of the Act, monies derived from rents received from the lease or use of property, the proceeds from the investment of funds of the Corporation, the proceeds from the sale of property and the proceeds derived from the sale of Obligations may be expended by the Corporation for any of the purposes authorized by the Act, subject to the following limitations:
- (a) Expenditures from the proceeds of Obligations shall be identified and described in the orders, resolutions, indentures or other agreements submitted to and approved by the City Council prior to the execution of loan or financing agreements or the sale and delivery of Obligations to the purchasers.
- (b) Expenditures that may be made from a fund created with the proceeds of Obligations and expenditures of monies derived from sources other than the proceeds of Obligations may be used for the purposes of financing or otherwise providing one or more “Projects,” as defined in Chapter 505 and other provisions of the Act. The specific expenditures shall be described in a resolution or order of the Board and shall be made only after approval by the City Council.





(c) All other proposed expenditures shall be made in accordance with and shall be set forth in the annual budget.

(d) The Corporation may not assume a debt or make any expenditures towards any principal or interest on a debt if the debt existed before the date the City created the Corporation.

(e) Expenditures for Projects require written performance agreements to assure that the public purpose of the expenditure is served. Such agreements must at a minimum meet the stated requirements for performance agreements found in the Act.

(f) In some circumstances, a public hearing may be required before spending money on a Project. Because the population of Bellmead is under 20,000, the public hearing requirement does not apply to Projects directly related to the creation or retention of primary jobs if the proposed project is defined by Subchapter C, Chapter 501 of the Act. If there is a question as to whether a public hearing is required, legal counsel should be consulted.

9.8 Approval of Advice and Consent of the City Council. To the extent that these Bylaws refer to any approval by the City or by the City Council, that approval shall be evidenced by a certified copy of an ordinance, resolution, order, or motion duly adopted by the City Council.

9.9 Indemnity. As provided in the Act, the Corporation is a governmental unit and its actions are governmental functions. The Corporation shall indemnify any director or officer, or former director or officer, of the Corporation, to the fullest extent and manner permissible under the Act, the Non-Profit Act and the Texas Tort Claims Act. The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the Corporation against any liability asserted against him and incurred by him in such capacity or arising out of his status as such a person to the fullest extent under the Act, the Non-Profit Act, and other applicable law.

## 10. EFFECTIVE DATE; AMENDMENTS

### 10.1 Effective Date



These Bylaws shall become effective upon the occurrence of the approval of the City Council and adoption by the Board.

- 10.2 Amendments. These Bylaws may not be altered, amended, or repealed and/or new Bylaws may not be adopted without the prior approval of the City Council of the City of Bellmead.