

**RESOLUTION NO. 2015-40**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COPPERAS COVE, TEXAS, APPROVING AMENDED AND RESTATED BYLAWS OF THE COPPERAS COVE ECONOMIC DEVELOPMENT CORPORATION; AND OTHER MATTERS IN CONNECTION THEREWITH**

**WHEREAS**, the City Council (the "Council") of the City of Copperas Cove, Texas (the "City") has previously authorized the creation of the City of Copperas Cove Economic Development Corporation (the "Corporation") in accordance with the Development Corporation Act, as amended, title 12, Subtitle C1, Texas Local government Code (the "Act"); and

**WHEREAS**, the Board of Directors of the Corporation approved the Bylaws for the Corporation on June 5, 1990 and the Articles of Incorporation on August 7, 1990; and

**WHEREAS**, the Board of Directors of the Corporation has, by resolution amended the existing Bylaws of the Corporation in August 2009, June 2011 and most recently on July 17, 2012; and

**WHEREAS**, City staff has presented to the Council newly amended bylaws based on direction received on October 5, 2015 as Exhibit A.

**WHEREAS**, the Council has reviewed and approved the proposed amendments to the existing bylaws of the Corporation and determined to authorize and approve such amendments; and

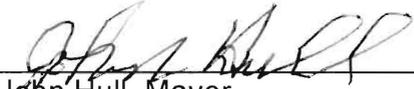
**WHEREAS**, the Council hereby finds and determines the adoption of this resolution is in the best interests of the citizens of the City.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COPPERAS COVE TEXAS, THAT:**

1. That the above recitals are true, and
2. That the City of Copperas Cove City Council hereby approves the amended Bylaws for the corporation in the form attached hereto as Exhibit A.

**PASSED, APPROVED, AND ADOPTED** this 20th day of October, 2015, at a regular meeting held by the City Council of the City of Copperas Cove, Texas, such meeting

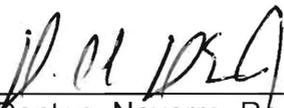
was held in compliance with the Open Meetings Act, *Tex. Gov't Code*, §551.001, et.seq. at which meeting a quorum was present and voting.

  
\_\_\_\_\_  
John Hull, Mayor

**ATTEST:**

  
\_\_\_\_\_  
Mariela Altott, City Secretary

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Denton, Navarro, Rocha, Bernal, Hyde & Zech, P.C., City Attorney



# CORPORATE BYLAWS

Approved by the Copperas Cove Economic Development Corporation  
Board of Directors on 3-24-11

Approved by the Copperas Cove City Council on 6-21-2011

Adopted by the Copperas Cove Economic Development Corporation  
Board of Directors on 7-21-2011

## ARTICLE I POWERS AND PURPOSES

### Section 1.01

In order to implement the purposes for which the Corporation was formed as set forth in the Articles of Incorporation, the Corporation shall receive, secure, and reimburse tax proceeds from the half cent sales tax for economic development and may issue obligations to finance all or part of the cost of one or more "projects" or other uses authorized by Chapters 501, 502 and 504 of the Texas Local Government Code (the "Act"), as amended (the "Code").

### Section 1.02

The Corporation shall not issue any bonds or certificates of obligation pursuant to the Code, unless the City of Copperas Cove City Council (the "Unit") has approved said action by resolution, adopted no less than thirty (30) days prior to the date of the issuance of the bonds or certificates of obligation. The Unit shall have the authority to direct the Corporation to expend funds and issue bonds or certificates of obligation to support eligible projects pursuant to the Code.

### Section 1.03

The Corporation shall keep correct and accurate books and records of account in the financial software system in use by the City (the Unit) and shall also provide monthly financial reporting in a format approved by the Unit. All books and records of the Corporation shall be kept at the principal office of the Corporation in accordance with Section 501.073 of the Texas Local Government Code. The Corporation must reimburse the City for the services provided by the Economic Development accountant of the City.

#### **Section 1.04**

All expenditures of the Corporation shall be completed in accordance with Texas Local Government Code chapter 501, Subchapter A, Section 501.073 and Chapter 504. The Corporation shall have its records and accounts audited annually and shall have an annual financial statement prepared based on the audit. The audit shall be completed by an independent auditor selected by the Unit.

### **ARTICLE II DIRECTORS and OFFICERS**

#### **Section 2.01**

The property and affairs of the Corporation shall be managed and controlled by the Board of Directors, subject to the restrictions imposed by law, the articles of incorporation and bylaws, and shall be composed in its entirety of persons appointed by the Unit. The Directors and Officers shall be appointed and serve in accordance with Texas Local Government Code Chapter 504, Subchapter B.

#### **Section 2.02**

Vacancies in the Board shall be filled by the appointment of successor Directors by the Unit.

#### **Section 2.03**

The property and business of the Corporation shall be managed by the Board of Directors, which may exercise all powers of the Corporation.

#### **Section 2.04**

The number of Directors shall be five (5). Of the five Directors, two shall be appointed from the current serving members of the Unit's governing body. Directors shall serve a term of three (3) years and not more than two (2) consecutive terms. All Director appointments, re-appointments and removal to/from office shall be made by the Unit at any time.

#### **Section 2.05**

The annual meeting of the Corporation shall be held at the principal office of the Corporation to coincide with the Regular October Meeting of the Board of Directors. All other meetings may be held at the place selected within the corporate limits of the City of Copperas Cove, Texas. Every Annual, Regular, or Special Meeting of the Board of Directors shall be open to the public, except as otherwise permitted by the Constitution of the State of Texas or by the Open Meetings Act, Texas Government Code Chapter 551.

#### **Section 2.06**

Regular meetings may be held at such time as shall from time to time be determined by the Board, approved by the Unit and held in accordance with the Texas Open Meetings Act. All meeting minutes of the Board shall be posted on the Corporation's website upon approval of the minutes by the Board.

#### **Section 2.07**

Special meetings of the Board may be called by the Chairman on three days' notice to each Director, either personally, by regular mail or by electronic mail. Special meetings may also be called by the Secretary in a like manner on the written request of two Directors.

#### **Section 2.08**

Meetings of the Board and Requests for Public Information shall comply with the Texas Local Government Code Chapter 501, Section 501.072. The Corporation will keep minutes of the proceedings of its Board of Directors (the "Board of Directors") and committees having any of the authority of the Board of Directors.

#### **Section 2.09**

At all meetings of the Board of Directors the presence of three Directors shall be necessary and sufficient to constitute a quorum for the transaction of business. Unless otherwise provided in these Bylaws or in the Articles of Incorporation or as required by law, the act of a simple majority of the Directors present at any meeting for which a quorum is present shall be the act of the Board of Directors. 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 of Directors 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 exist

#### **Section 2.10**

Public hearings required under Section 147(f) of the Internal Revenue Code of 1954, as amended, may be called and conducted by any officer or Director of the Corporation, and such officer or Director may establish the date, place, and time of the hearing and may give notice of the hearing.

#### **Section 2.11**

The Board of Directors may, by resolution or resolutions adopted by a majority of the whole Board of Directors, establish one or more committees, each committee to consist of two or more of the Directors of the Corporation. Such committee or committees shall have such name or names, and such powers, as may be determined from time to time by resolution adopted by the Board of Directors.

#### **Section 2.12**

The committee shall keep regular minutes of their proceedings and report the same to the Board of Directors when required.

#### **Section 2.13**

Directors, as such, shall receive no compensation for services rendered as Directors, but shall be reimbursed for all reasonable expenses incurred in performing their duties as Directors.

#### **Section 2.14**

Each October, at the Annual Meeting of the Board, the Directors shall organize, appointing a Chairman and Secretary.

#### **Section 2.15**

The Chairman shall preside at all meetings of the Board of Directors and shall be an ex officio member of all standing committees, shall have a general supervision of the management of the business of the Corporation, and shall see that all orders and resolutions of the Board of Directors are carried into effect.

Once reviewed and approved by the Unit, the Chairman may execute bonds, mortgages, and other contracts requiring a seal of the Corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the Corporation.

#### **Section 2.16**

The Secretary shall attend all sessions of the Board of Directors and cause to be recorded accurate minutes of the proceedings in compliance with all statutes and ordinances governing the EDC as well as the bylaws and resolutions of the City Council. He shall give, or cause to be given, notice of all special meetings of the Board of Directors and shall perform other such duties as may be prescribed by the Board of Directors or the Chairman, under whose supervision he shall be. He shall keep in safe custody the seal of the Corporation and, when authorized by the Board, affix the same to any instrument requiring it, and when so affixed, it shall be required as to instruments executed in the course of ordinary business he shall attest to the signature of the Chairman and shall affix the seal hereto. In the absence of the Chairman, the Secretary will serve as Chairman.

#### **Section 2.17**

Any officer may be removed at any time by the affirmative vote of a majority of the whole Board. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Board of Director

#### **Section 2.18**

The Board of Directors may require the serving officers to give the Corporation bond in such sums and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of their office and for the restoration of the Corporation, in case of his death, resignation, retirement, or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Corporation.

#### **Section 2.19**

All members of the Board of Directors shall be required to attend the Basic Economic Development Course (BEDC) at an acceptable institution of higher learning within twelve months of the initial appointment date to the Board of Directors. An acceptable alternative course that would meet the BEDC's curriculum requirements may be substituted with approval in advance by a majority vote of the other Board of Directors. If because of scheduling requirements or no course vacancies are available, one

six-month extension period to the requisite may be granted by a majority vote of the Board of Directors. Otherwise, if this prerequisite is not met with the prescribed time frame, the Board of Directors shall, within thirty days of the end of the prescribed period, recommend to the Unit that the non-complying Board member's position be declared vacant by the Board of Directors within thirty days of the end of the prescribed period. In addition, within 90 days of taking the oath of office, the Board Member shall complete the courses of training of not less than one and not more than two hours regarding the responsibilities of the government body IAW Chapter 551 of the Open Meeting Act and Chapter 552 of the Public Information Act. These courses may be completed on the current State of Texas Web sites.

#### **Section 2.20**

Regular attendance at the Board of Directors' meeting is required of all Directors. Should any Director miss three consecutive meetings without being excused by the remaining Directors or attendance reflecting unexcused absences constituting fifty percent (50%) of the regularly scheduled meetings over any twelve month period. In the event replacement is indicated, Director will be counseled by the Chairman and, subsequently, the Chairman shall submit, in writing, to the City Secretary, a statement informing the Unit of the need to replace the Director in question. The office shall be declared vacant and filled in accordance with these Bylaws.

#### **Section 2.21**

The City Manager or designee or the Unit designee may attend all meetings of the Board of Directors, including executive, private or public. These representatives shall not have the power to vote in the meetings they attend. Their attendance shall be for the purpose of ensuring the flow of information occurs to assist project movement.

### **ARTICLE III NOTICES**

#### **Section 3.01**

Whenever under the provisions of the statutes or these Bylaws, notice is required to be given to any Director, it shall not be construed to mean personal notice, but such notice may be given in writing, by regular mail or electronic mail addressed to such Director at such address as appears on the books of the Corporation and such notice shall be deemed to be given at the time when the same shall be thus mailed.

### **Section 3.02**

Whenever any notice is required to be given under the provisions of the statutes or of these Bylaws, a waiver thereof in writing signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

## **ARTICLE IV FISCAL PROVISIONS**

### **Section 4.01**

No dividends shall ever be paid by the Corporation and no part of its net earning remaining after payment of its expenses shall be distributed to or inure to the benefit of its directors or officers or any individual, firm, corporation, or association, except that in the event the Board of Directors shall determine that sufficient provision has been made for the full payment of the expenses, bonds, and other obligations of the Corporation, then any net earnings, of the Corporation thereafter accruing shall be paid to the City of Copperas Cove, Texas.

### **Section 4.02**

The Board of Directors shall have prepared for each annual meeting a full and clear statement of the business and condition of the Corporation. The Corporation will be audited annually. The audit shall be presented to the Unit for review. Once a month the Corporation shall submit to the Unit a Monthly Report containing unaudited financial status and other significant activities of the Corporation. .

### **Section 4.03**

All checks or demands for money and notes of the Corporation shall be signed by such officers as the Board of Directors may from time to time designate, provided that in no event shall a check be negotiable until it is signed by at least two officers or in the absence of an Officer, the Executive Director may sign checks issued by the Corporation.

### **Fiscal Year**

### **Section 4.04**

The fiscal year shall be from October 1 to September 30 each year.

#### **Section 4.05**

The Executive Director shall prepare each year a Corporation itemized budget to cover the proposed expenditures of the Corporation for the succeeding year. The proposed budget shall be submitted to the Board the 90<sup>th</sup> day prior to the Board adoption of the budget. The Board shall submit the proposed itemized budget to the Unit's City Secretary, for record and placement on the Council agenda, before the 60<sup>th</sup> day the Unit's Governing Body is scheduled to approve the Corporation's budget. The itemized budget shall provide as clear a comparison as practicable between expenditures included in the proposed budget and actual expenditures for the same or similar purposes made for the preceding year. The budget must show as definitely as possible each of the projects for which expenditures are set up in the budget and the estimated amount of money carried in the budget for each project. The budget must contain a complete financial statement of the corporation that shows (1) the outstanding obligations of the corporation; (2) the cash on hand to the credit of each fund; (3) the funds received from all sources during the preceding year; (4) the funds available from all sources during the ensuing year; and (5) the estimated revenue available to cover the proposed budget. A public hearing shall be held by the governing body. The governing body shall set the public hearing date after the 15<sup>th</sup> day after the date the Board files the proposed budget with the City Secretary. The Corporation shall provide notice of the date, time and location of the hearing and the approval date by the Unit's governing body on the Corporation's website.

#### **Fiscal Policy for Maintaining Adequate Level of Reserves in Corporation's Operating Fund and Other Funds**

#### **Section 4.06**

The Corporation shall maintain unencumbered cash reserves equivalent to three (3) months expenditures for the Operating Fund. This twenty-five (25) percent designated reserve shall be based on the approved Operating Fund Budget for that year. Any long-term debt shall have at least a three (3) month reserve or whatever is required by bond ordinance or instrument (once reviewed and approved by the Unit). Unencumbered cash reserves in excess of the recommended amounts may be moved to the Capital Projects Fund upon approval by the Board of Directors. The Capital Projects Funds may be used in a manner prescribed by the Board of Directors for a major capital outlay, capital improvement, land acquisition, or other items allowed by Texas Law. Disbursement from the Capital Project Fund shall be by budget appropriation. Upon approval by the Unit funds may also be transferred from the Capital Project Fund to the Operating Fund Reserve when the level of reserve falls below minimum levels with approval of the Board of Directors.

#### **Section 4.07**

The Executive Director shall be authorized to complete line item transfers within the Budget, without increasing the total Budget. These line item transfers will be completed by Budget Reallocation, as needed, and will be presented to the Board of Directors for approval. Estimated expenditures shall not exceed estimated resources. If at any time the Budget needs to be amended through an increase, a majority vote of the Board of Directors and approval of the Unit will be required. Any budget reallocations equal to or greater than \$50,000.00 will require the approval of the Unit's governing body.

**Section 4.08**

Temporary and idle funds which are not needed for immediate obligations of the Corporation may be invested in any legal manner provided by the Public Funds Investment Act and authorized by the approved Copperas Cove Economic Development Corporation Investment Policy.

**ARTICLE V  
OFFICES**

**Section 5.01**

The principal office of the Copperas Cove Economic Development Corporation (the "Corporation") shall be at 210 South First Street, Copperas Cove, TX, 76522.

**ARTICLE VI**

**Section 6.01**

These Bylaws are not in force until approved by the Unit.

**Section 6.02**

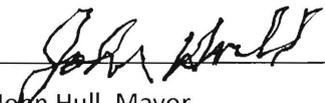
These Bylaws may not be altered, changed, or amended in any manner without review and approval by the Unit. Amendments must be completed in accordance with the Texas Local Government Code Section 501.064(c)(2) and shall be reviewed by the Board at a minimum of every two (2) years.

**Section 6.03  
Executive Director**

The salary of the Executive Director may not exceed \$100,000 per year without prior approval of the Unit and the auto allowance provided to the Executive Director may not exceed \$500 per month without the approval of the Unit.

The Executive Director position shall be posted with the following desired/preferred minimum qualifications for certification requirements: (1) be a graduate of the Economic Development Institute (EDI) within two (2) years from date of employment; and (2) must reside in the corporate City limits of Copperas Cove within six months from date of employment.

APPROVED BY THE UNIT ON THIS 20th day of October, 2015 at a meeting held in compliance with the Open Meetings Act (Texas Government Code, Article 551.001 et seq), at which meeting a quorum was present and voting.

  
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John Hull, Mayor  
City of Copperas Cove

**ATTEST:**

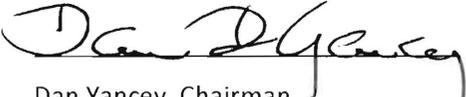
  
\_\_\_\_\_  
Mariela Altott, City Secretary

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Denton, Navarro, Rocha, Bernal,  
Hyde & Zech P.C., City Attorney

APPROVED BY THE COPPERAS COVE ECONOMIC DEVELOPMENT CORPORATION BOARD OF DIRECTORS

this 19 Day of November, 2015 at which meeting a quorum was present and voting.



Dan Yancey, Chairman

ATTEST:



Annabelle Smith, Secretary