

ORDINANCE NO. 2021-23

AN ORDINANCE AMENDING THE CITY OF CANTON CODE OF ORDINANCES TITLE III (“ADMINISTRATION”), CHAPTER 31 (“OFFICERS AND ADMINISTRATION”) BY ADDING NEW SECTIONS RELATING TO THE CANTON ECONOMIC DEVELOPMENT CORPORATION; ESTABLISHING AN ECONOMIC DEVELOPMENT DEPARTMENT OF THE CITY OF CANTON AND DESIGNATING ECONOMIC DEVELOPMENT PERSONNEL AS CITY EMPLOYEES; ADDING A REPEALER CLAUSE; ADDING A SEVERABILITY AND SAVINGS CLAUSE, AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the City of Canton has previously established the Canton Economic Development Corporation (“CEDC”) and CEDC carries out vital economic development activities to benefit the City of Canton and its residents; and

WHEREAS, the CEDC Board of Directors and the City Council have reviewed and approved changes to the CEDC Bylaws on August 30, 2021, and August 31, 2021, respectively; and

WHEREAS, the City Council finds that transferring the CEDC employees to City employees effective October 1, 2021, is in the best interest of the City, CEDC, and the citizens of Canton, Texas and now enacts this ordinance to effectuate those changes;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CANTON, TEXAS, THAT:

SECTION 1. The City Council hereby adopts this amendment to the City of Canton Code of Ordinances, Title III (“Administration”), Chapter 31 (“Officers and Administration”), Subchapter “City Organizations”), by adopting the following amendments:

“TITLE III. ADMINISTRATION

CHAPTER 31. CITY ORGANIZATIONS

Canton Economic Development Corporation.

“§§ 31.16 to 31.19. - Reserved.

§ 31.20. Established.

The Canton Economic Development Corporation (the “EDC”) has been previously established by the City and is a Type B economic development corporation operating pursuant to Chapter 505 of the Texas Local Government Code, as amended.

§ 31.21. Board of Directors.

- (a) The board of directors shall consist of a seven (7) member board appointed by the City Council.
- (b) A director is appointed by the City Council for a two-year term.

- (c) A director may be removed by the City Council at any time without cause.
- (d) A director shall meet the residency requirements as provided for in Section 505.052 of the Texas Local Government Code, as amended.

§ 31.22. Executive Director and Employees.

- (a) The executive director of EDC shall be an employee of the City and shall be appointed by the City Council. This authority may be delegated by the Council to the City Manager. The executive director is a Director-level City employee reporting directly to the City Manager.
- (b) Employees working for EDC shall be employees of the City and shall be appointed by the executive director subject to approval by the City Manager.
- (c) The executive director of EDC and any personnel shall be subject to all provisions and terms of the City's employee manual and personnel policies, and shall enjoy such privileges and benefits of employment as other similar employees. EDC shall be an administrative department of the city, even though salary, benefits, overhead and administrative expenses will be reimbursed to the City by EDC.

EDC shall reimburse the City for the cost of all benefits provided through this Section.

§ 31.23. Duties.

The executive director shall administer economic development programs established by the City Council and the EDC Board of Directors under V.T.C.A., Local Government Code Chapter 380 or any other economic development programs authorized by law. The executive director shall perform such other duties as may be assigned to him or her by the board of directors of EDC, the city manager or the City Council in furtherance of programs which contribute to the economic growth and development of the City.

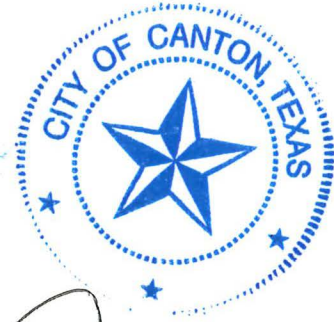
§§ 31.24 to 31.29. - Reserved."

SECTION 2. Any provision of any prior ordinance of the City, whether codified or uncodified, which is in conflict with any provision of this Ordinance is hereby repealed to the extent of the conflict; however, all other provisions of the Code of Ordinances of the City, whether codified or uncodified, which are not in conflict with the provisions of this Ordinance, shall remain in full force and effect.

SECTION 3. It is the intent of the City Council that each word, paragraph, sentence, subdivision, clause, phrase or section of this Ordinance be deemed severable, and should such word, paragraph, sentence, subdivision, clause, phrase or section be declared invalid or unconstitutional for any reason, such declaration of invalidity or unconstitutionality shall not be construed to affect the validity of those provisions of this Ordinance left standing, or the validity of any other ordinance of the City.

SECTION 4. All sections of the City of Canton Code of Ordinances not expressly amended or modified herein are ratified and confirmed and shall remain in full force and effect. This ordinance will be effective after its passage and will go into effect on October 1, 2021.


PASSED, APPROVED AND ADOPTED by the City Council of the City of Canton, Texas, this 31st day of August, 2021.



THE CITY OF CANTON, TEXAS


Lou Ann Everett, Mayor

ATTEST:


Debra Johnson, City Secretary

BYLAWS

OF

CANTON ECONOMIC DEVELOPMENT CORPORATION

As amended by City Council on August 31, 2021.

**ARTICLE I
(Offices)**

The principal offices of the Canton Economic Development Corporation (hereinafter referred to as the "Corporation") shall be in the City of Canton, County of Van Zandt, State of Texas.

**Article II
(Purpose)**

The Corporation is a non-profit economic development corporation specifically governed by the Chapter 505 of the Texas Local Government Code, and other applicable provisions of the Development Corporation Act, Chapters 501 to 505 of the Texas Local Government Code, as amended (hereinafter referred to as the "Development Corporation Act") and the Texas Non-Profit Corporation Act. The purpose of the Corporation is to promote, assist, and enhance economic development in compliance with the provisions of the Development Corporation Act; to improve the business environment and the overall economic opportunity for the City of Canton through target business attraction, real estate development, community promotion, collaborative partnerships, and other appropriate economic development initiatives as permitted by the Development Corporation Act.

**ARTICLE III
(Members)**

The Corporation has no members and is a nonstock corporation.

**ARTICLE IV
(Board of Directors)**

Section 1. (Number and Term of Office). The business and property of the Corporation shall be managed and controlled by a board of seven (7) directors. The Board of Directors shall be appointed by the City Council of the City of Canton, Texas. Place One (1), Place Two (2) and Place Three (3) shall serve until March 2012. Place Four (4), Place Five (5), Place Six (6) and Place Seven (7) shall serve until March 2013. Thereafter each member of the Board of Directors shall serve at the pleasure of the City Council for a term of two (2) years with a maximum of three (3) consecutive terms and may not return to the Board of Directors for a period of at least one (1) year after the completion of the third term. In any event, Board members shall serve until their successors are appointed. At least four (4) members of the Board of Directors shall be a resident of the City of Canton. Three (3) members of the Board of Directors may reside outside the city limits of the City of Canton but must reside within five (5) miles of the Van Zandt County Courthouse, and otherwise consistent with Section 505.052 of the Texas Local Government Code, as amended. Mayor and City Council members for the City of Canton shall not be considered for appointment to the Corporation board of directors. Each member of the Board of Directors shall be entitled to one vote upon the business of the Corporation.

Section 2. (Ex-Officio Directors). The Mayor and City Manager shall be ex-officio directors of the Corporation. The Mayor and City Manager may attend all meetings of the Board of Directors, including executive sessions. These ex-officio members shall not have the power to vote in the meetings they attend. Their attendance shall be for the purpose of ensuring that information about the meeting is accurately communicated to the City Council.

Section 3. (Vacancies). In case of any vacancy in the Board of Directors through death, resignation, disqualification, failure to maintain residency in the City, or other cause, a successor director shall be appointed by the City Council of the City of Canton, Texas.

Section 4. (Place of Meeting). Regular meetings of the Board of Directors shall be held within the City limits of the City of Canton, Texas. A meeting of the Board of Directors for the election of officers and the transaction of such other business as may come before the meeting shall be held on the second Tuesday in April of each year, unless changed by resolution of the Board of Directors. All meetings, regular or special, shall be called and held in accordance with the provisions of the Texas Open Meetings Act, Chapter 551 of the Texas Government Code.

Section 5. (Special Meetings). Special meetings of the Board of Directors shall be held whenever called by direction of the president, or by one-third of the directors then in office.

Section 6. (Notice of Meetings). The Secretary shall cause notice of the time and place of holding each meeting of the Board of Directors to be given to each director. Such notice may be in writing, in person, by telephone, by facsimile, by electronic mail or by postal mail service. Notice of each meeting shall be given to the public in accordance with the provisions of the Texas Open Meetings Act, Chapter 551 of the Texas Government Code.

Section 7. (Quorum). A majority of the Board of Directors shall constitute a quorum for the transaction of business.

Section 8. (Order of Business). At meetings of the Board of Directors business shall be transacted in such order as the Board may determine.

At all meetings of the Board of Directors, the President, or in his or her absence the first vice-president, or in the absence of the first vice president, the second vice president or in the absence of both of these officers, a member of the board selected by the members present, shall preside. The Secretary of the Corporation shall sit as secretary at all meetings of the board, and in case of his or her absence the President or presiding officer of the meeting may designate any person to act as secretary.

Section 9. (Contracts). 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 of its discretion and policy-making functions in discharging the duties set forth in these bylaws. No contract or other transaction between this Corporation and any other corporation, person or entity shall be executed unless the majority of the Board who are present and approve by an affirmative vote such contract are persons with no interest in such other person or entity. Provided, that membership in the City Council shall not constitute an

interest which shall disqualify directors from voting on contracts between this Corporation and the City of Canton.

Section 10. (Additional Powers). In addition to the powers and authorities by these bylaws expressly conferred upon them, the Board of Directors may exercise all such powers of the Corporation and do all lawful acts and things as are not by statute or by the charter or by these Bylaws prohibited. Without prejudice to such general powers and other powers conferred by statute, by the charter and by these bylaws, it is hereby expressly declared the Board of Directors shall have the following powers:

(1) To purchase, or otherwise acquire for the Corporation, any property, rights or privileges which the Corporation is authorized to acquire, at such price or consideration and generally on such terms and conditions as they think fit; and at their discretion to pay therefor either wholly or partly in money, notes, bonds, debentures, or other securities or contracts of the Corporation as may be lawful.

(2) To create, make and issue notes, mortgages, bonds, deeds of trust, trust agreements and negotiable or transferable instruments and securities, secured by mortgages or deed of trust an any real property of the Corporation or otherwise, and to do every other act or thing necessary to effect the same.

(3) To sell or lease the real or personal property of the Corporation on such terms as the board may see fit and to execute all deeds, leases and other conveyances or contracts that may be necessary for carrying out the purposes of this Corporation.

ARTICLE V (Officers)

Section 1. (Compensation of Directors and Officers). Directors and officers, as such, shall not receive any salary for their services but by resolution of the Board, expense incurred in the Corporation's business may be reimbursed.

Section 2. (Executive Officers). The executive officers of the Corporation shall be a president, a first vice president and a second vice president, all of whom shall be elected by and subject to the control of the Board of Directors. The Board of Directors, at each annual meeting of the Board shall elect by a ballot a president, a first vice president and a second vice president. One person may hold more than one office, except that the president shall not hold the office of secretary. The person holding the office of secretary / treasurer shall be held by the Assistant Director of the Corporation. The Board of Directors may appoint such other officers as they may deem necessary, who shall have such authority, and shall perform such duties as from time to time may be prescribed by the Board of Directors.

Section 3. (Powers and Duties of the President). The president shall preside at all meetings of the directors. He or she shall have power to sign and execute all contracts and instruments of the conveyance in the name of the Corporation, to sign checks, drafts, notes and orders for the payment of money, and to appoint and discharge agents and employees, subject to the approval of the Board of Directors. He or she shall have general and active management of the business of the Corporation, and shall perform all the duties usually incident to the office of president.

Section 4. (First Vice-President). The first vice-president shall have such powers and perform such duties as may be delegated to him or her by the Board of Directors. In the absence or disability of the president, the vice-president may perform the duties and exercise the powers of the president.

Section 5. (Second Vice President). The Second Vice President shall have such powers to perform such duties as may be delegated to him or her by the Board of Directors. In the absence or disability of the president and first vice president, the second vice president may perform the duties and exercise the powers of the president.

Section 6. (Power and Duties of the Secretary). The secretary shall keep the minutes of all meetings of the Board of Directors in books provided for that purpose; he or she shall attend to the giving and service of all notices, he or she may sign with the president, or a vice-president, in the name of the Corporation, all contracts and instruments of conveyance authorized by the Board of Directors, and when so ordered by the Board of Directors, he or she shall affix the seal of the Corporation thereto; he or she shall have charge of such other books and papers as the Board of Directors or the Executive Committee may direct, all of which shall, at all reasonable times, be opened to the examination of any director, upon application at the office of the Corporation during business hours; and he or she shall in general perform all the duties incident to the office of secretary, subject to the control of the Board of Directors with such written records to be maintained and filed with the Corporation's permanent records. He or she shall submit such reports to the Board of Directors as may be requested by them.

Section 7. (Treasurer). The treasurer shall have custody of all funds and securities of the Corporation which may come into his or her hands; when necessary or proper he or she shall endorse on behalf of the Corporation for collection, checks, notes and other obligations and shall deposit the same to the credit of the Corporation in such bank or depository as the Board of Directors may designate. Whenever required by the Board of Directors he or she shall render a statement of the Corporation's cash account; he or she shall enter regularly in the books of the Corporation, to be kept by him or her for that purpose, a full and accurate account of the Corporation; he or she shall at all reasonable times exhibit the Corporation's books and accounts to any director of the Corporation or any officer of the City of Canton upon application at the office of the Corporation during business hours; he or she shall perform all acts incident to the position of treasurer, subject to the control of the Board of Directors. Such written statement and accounts to be maintained and filed with the Corporation's, permanent records.

Section 8. (Employees). Effective October 1, 2021, all employees of the Corporation shall become employees of the City of Canton, Texas (the "City") in a new Economic Development Department (the "Department") and shall retain their job titles, descriptions, and duties except as henceforth modified by the City. The Corporation shall reimburse the City for the salary paid by the City for current and future Department personnel in accordance with past practice. Department personnel shall perform job duties exclusively or primarily in furtherance of economic development activities consistent with the goals and stated purposes of the Corporation, and shall perform those duties as assigned to them by the Executive Director and City Manager. The City Manager and Executive Director shall have the authority to discharge all Department employees consistent with City Human Resources guidelines and policies and applicable Texas and federal law.

Section 9. (Executive Director). The Executive Director shall be the general manager, chief administrative officer, and the Public Information Officer (PIO) of the Corporation and,

subject to the supervision of the Board, shall perform such duties as may be incident to his or her office or specifically delegated to him or her by the Board. The Executive Director shall serve at the pleasure of the Board and receive annual review by the Board including such compensation as the Board may determine. The Executive Director, as general manager and chief administrative officer, shall be responsible for policy and program implementation and for all operations of the agency including supervising and reviewing employees' performance as well as defining and assigning their work. The Executive Director shall be a non-voting, ex-officio member of the Board of Directors. The Executive Director shall compile and submit to the Board regular reports and recommendations regarding the programs, policies, staff and business affairs of the Corporation.

Section 10. (Assistant Director). The Assistant Director of the Corporation shall be the Secretary/Treasurer of the Corporation and, subject to the supervision of the Board, shall perform the duties of Secretary/Treasurer as set forth in these bylaws or any duties specifically delegated to him or her by the Board. He or she shall serve as the official Record Retention Officer for the Corporation. The Assistant Director shall serve at the pleasure of the Board and receive annual review by the Executive Director with such compensation as the Board may determine.

Section 11. (Advisory Committees). The Board of Directors may appoint, establish and delegate additional standing and ad hoc advisory committees from time to time. A committee may include persons who are not directors of the Corporation. The Board of Directors may establish qualifications for membership on a committee.

The Board of Directors may charge an advisory committee with clear and specific duties. Committees will serve in an advisory capacity only and will have no power to take action on any matter that is outside the scope of authority delegated to it by the Board of Directors.

Advisory committees will operate under the general rules governing the Board of Directors and the general oversight of the Executive Director and Assistant Executive Director.

ARTICLE VI (Corporation Seal)

No corporate seal shall be required.

ARTICLE VII (Financial Administration)

Section 1. (Fiscal Year). The fiscal year of the Corporation shall begin on the first day of October and terminate on the 30th day of September in each year.

Section 2. (Budget). A budget for the forthcoming fiscal year, together with any proposed amendments thereto during such fiscal year, shall be submitted to, and approved by, the Board of Directors and the City Council of the City of Canton.

Section 3. (Audit). An annual financial audit of the Corporation shall be performed by an independent certified public accountant or firm or independent certified public accountants selected by the Board. Such audit shall be performed, and the report thereon made available to

the Board and the City Council, as soon as practical following the end of each fiscal year of the Corporation.

**ARTICLE VIII
(Miscellaneous)**

Section 1. (Notices and Waivers Thereof). Whenever under the provisions of these bylaws notice is required to be given to any director or officer, unless otherwise provided such notice may be given personally, or it may be given in writing by depositing the same in the post office or letter box in a post paid envelope or postal card addressed to such director or officer, 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. Whenever any notice whatever is required to be given by law, or by 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.

Section 2. (Negotiable Instruments). All checks, drafts, notes or other obligations of the Corporation shall be signed by such of the officers of the Corporation or by such person or persons as may be thereunto authorized by the Board of Directors. All checks shall require the signature of two persons.

Section 3. (Resignations). Any director or officer may at any time resign. Such resignations shall be made in writing and shall take effect at the time specified therein, or, if no time be specified, at the time of its receipt by the president or the secretary. The acceptance of a resignation shall not be necessary to make effective, unless expressly so provided in the resignation.

Section 4. (Approval of the City Council). To the extent these bylaws refer to any approval or other action to be taken by the City, such approval or action shall be evidence by a certified copy of a resolution, ordinance or motion duly adopted by the City Council.

Section 5. (Organizational Control). Other than as stated herein, the City, at its sole discretion, and at any time, may alter or change the structure, organization or activities of the Corporation (including the termination of the Corporation), subject to any limitations on the impairment of contracts entered into by such Corporation. The foregoing notwithstanding, the City, at all times during which any indebtedness of the Corporation, the interest on which is exempt from federal income taxation, remains outstanding, will maintain a beneficial interest in the Corporation.

Section 6. (Books and Records). The Corporation shall keep correct and complete books and records of all actions of the Corporation. The books and records of account, the minutes of meetings of the Board of Directors and of any committee having any authority of the Board, shall be maintained. Report of all activity shall be made on a quarterly basis to the City Council. Directors of the Corporation or his/her agent or attorney may inspect all books and records of the Corporation at any reasonable time; and any information which may be designated as public information by law shall be open to public inspection at reasonable time. The Texas Public Information Act and Open Meetings Act shall apply to disclosure of public information.

**ARTICLE IX
(Provisions Regarding Bylaws)**

These bylaws shall become effective only upon the occurrence of the following events:

- (1) the approval of these bylaws by the City Council of the City; and
- (2) the adoption of the bylaws by the Board of Directors.

These bylaws may be amended at any time and from time to time either by majority vote of the directors then in office with approval of the City or by the City, itself, at the sole discretion of the City Council.

These bylaws shall be liberally construed to effectuate the purposes set forth herein. If any word, phrase, clause, sentence, paragraph, section or other part of the bylaws, or the application thereof to any person or circumstance, shall ever be held to be invalid or unconstitutional by any court of competent jurisdiction, the remainder of these bylaws and the application of such word, phrase, clause, sentence, paragraph, section or other part of these bylaws to any other person or circumstance shall not be affected thereby.

**ARTICLE X
(Dissolution of Corporation)**

It shall not be the purpose of this Corporation to engage in carrying on propaganda or otherwise attempting to influence legislation. Upon the dissolution of the Corporation after payment of all obligations of the Corporation, all remaining assets of the Corporation shall be transferred to the City of Canton, Texas.

THESE AMENDED BYLAWS ARE APPROVED BY THE BOARD OF DIRECTORS OF THE CANTON ECONOMIC DEVELOPMENT CORPORATION ON THIS THE _____ DAY OF AUGUST, 2021.

Kevin Deibert, PRESIDENT

Rhita Koches, FIRST VICE PRES.

Joe Zoubi, SECOND VICE PRESIDENT

DeAnn Callan, DIRECTOR

Gary Hatfield, DIRECTOR

Larry Morgan, DIRECTOR

Corley Ragle, DIRECTOR

ATTEST:

Stacey Crossley, SECRETARY/TREASURER

THESE AMENDED BYLAWS ARE APPROVED BY THE CITY COUNCIL OF THE CITY OF CANTON, TEXAS, ON THIS _____ DAY OF AUGUST, 2021.



LOU ANN EVERETT, MAYOR

ATTEST:

DEBRA JOHNSON, CITY SECRETARY