

**TEXAS ECONOMIC DEVELOPMENT COUNCIL
BY-LAWS**

ARTICLE I. NAME

Section 1. The name of this organization shall be the Texas Economic Development Council, Inc. (hereafter designated TEDC).

ARTICLE II. PURPOSES

Section 1. The mission of TEDC is to provide leadership for the economic development of Texas.

Section 2. The TEDC is a voluntary affiliation of, and a pooling of, mutual interests by professional and volunteer economic development personnel within Texas to:

- (a) provide a medium of conference and interchange of ideas, principles, practices, and ethics in the field of economic development.
- (b) study the means to improve the competitive position of Texas relative to other states in the development of economic and employment opportunities and for the attraction, expansion, or retention of existing and new industry.
- (c) support, counsel, and cooperate with other organizations in the State of Texas in an effort to improve the state's economic environment and business climate.
- (d) express a position in support of, or in opposition to, modifications of pending federal and/or state legislation and/or regulations when such proposed government actions are of major importance to the business and economic development of the state or any major portion thereof.

Section 3. The TEDC in all of its activities will be a bipartisan and non-sectarian body.

Section 4. TEDC is a 501(c)(6) organization under the Internal Revenue Code. TEDC is not authorized to take any action not allowed by the Code for such an organization.

ARTICLE III. MEMBERSHIP

Section 1. Individuals. All persons whose business or volunteer interests are concerned with economic development within the State of Texas shall be eligible for membership in TEDC. Both Texas residents and out-of-state residents interested in Texas economic development will be eligible for membership consideration. Membership in TEDC resides with the individual and is not transferable to any other individual with the following exception: A member in good standing upon resignation, or the employer upon a member's death, may request transfer of the membership to another qualified individual with the same employer by submitting a transfer request to the Vice Chair of Membership. The Board of Directors shall not approve more than one such transfer in any fiscal year for any one employer.

Section 2. Membership Categories.

- (a) There shall be three (3) general categories of membership for all individuals:
- (1) Active: Any individual who spends all or a portion of their professional time directly involved in economic development efforts.
 - (2) Volunteer: Any elected or appointed individual who serves an economic development organization in an unpaid capacity.
 - (3) State: An employee of an Austin-based state agency or administrative organization that receives its funding from state appropriations.
- (b) There shall be two (2) special membership categories:
- (1) Honorary Life Membership: The Board of Directors bestows Honorary Life Memberships upon individuals in recognition of distinguished service to the economic development of Texas. Honorary Life Members shall have all the privileges of membership, with annual dues, registration and other financial obligations to the TEDC complimentary.
 - (2) Life Time Membership: Life Time Membership shall be given to all past Chairs of the Board. Life Time Members are granted all the privileges of TEDC membership with complimentary annual dues.

Section 3. New Member Application and Annual Dues. A prospective new member shall complete the approved "Application for Membership" form and submit the appropriate membership fee. The application will be reviewed by the Membership Committee and referred to the Board of Directors for appropriate action. Membership renewals will be administered as prescribed in Article VII, Section 3.

Section 4. Resignations. A member may resign his or her membership by written notice to the Chair of the Board or the President/CEO.

Section 5. Revocation of Membership. Membership in the TEDC may be revoked at the discretion of the President/CEO for failure to pay membership dues and/or any other debt owed to the TEDC. Revocation of membership for just and appropriate cause, other than failure to pay debts due to the organization, may be requested and affected only after action of two-thirds of the Board of Directors.

ARTICLE IV. BOARD OF DIRECTORS

Section 1. Power. The Board of Directors (hereinafter designated Board) shall be vested with the governing powers of the TEDC. It shall set policy and oversee the activity of the TEDC. The Board shall meet on the dates noted in Article VIII, Section 1, and all of its meetings shall be open with the exception of Executive Sessions. Executive Sessions may be called by the presiding officer of a meeting of the Board to discuss personnel, legal or financial matters, pending or threatened litigation, or any other matters requiring confidentiality as determined by the presiding officer of the Board. Only Board members and persons approved by the Board may attend during any Executive Session.

Section 2. Composition. The Board of Directors shall consist of 33 individuals:

- 24 Active members elected by the TEDC membership;
- the five (5) TEDC Officers;
- the Immediate Past Chair of the Board;
- the Director of the Office of the Governor: Economic Development & Tourism (ex officio without vote);
- the Executive Director of the Texas Workforce Commission (ex officio)

- without vote);
- the President/CEO of the TEDC (ex officio without vote).

Out of the 24 Active members, only two (2) may be of the following professions: city managers; real estate brokers and developers; financial service providers; construction contractors; engineers; architects; and other such service providers as determined by the Nominating Committee. The remaining 22 must be professional economic developers. Volunteer members are not eligible for election to the Board.

- (a) No company/organization may be represented by more than one (1) Board member, however, a company/organization may be represented on the Board if same company/organization is represented on the Executive Committee. In the event a Board member changes employers and becomes the second representative of a company or organization, that Board member shall be permitted to complete his or her term.
- (b) Composition of the Board shall generally reflect the geographical distribution of the State of Texas.
- (c) In the event a Board member changes employment status from professional economic developer to service provider, that Board member shall be permitted to complete his or her term, but may not be elected to serve subsequent terms.

Section 3. Term of Office for those Elected by the General Membership. Twelve (12) directors shall be elected each year for a two-year term. A director may be re-elected once to serve a second consecutive term. Unless elected as an Officer, two (2) more years must pass before a member may be elected again.

Section 4. Nominating Committee. The Nominating Committee shall consist of seven (7) members of TEDC that generally reflect the geographical distribution of the State of Texas. The current Chair of the Board shall appoint the immediate past chair to chair the Nominating Committee. The remaining six (6) members will be the Chair of the Board-elect and five (5) other Active members. The Nominating Committee shall be appointed by the Chair of the Board and approved by the Executive Committee. The Committee shall conduct its work in person, via telecommunications and/or mail/email. Its meetings shall be closed.

Section 5. Nomination and Election of Directors. The Nominating Committee shall submit a slate of Directors to the general Membership at the Annual Meeting. Nominations from the floor must meet all required criteria. The following qualifications must be met to be considered for nomination as a Director.

- (a) The individual must have been a member in good standing of TEDC for at least two (2) years.
- (b) The individual must be an Active member of TEDC.
- (c) The individual must provide to the Chair of Nominating Committee a written letter from his or her employer stating that the individual will be allowed the time and resources to carry out the duties of the position if elected. Should the individual change employers during the term in office, a second letter shall be submitted to the Chair of the Board.
- (d) The individual must submit a TEDC Board Nomination Application to the TEDC staff.

Section 6. Quorum. A majority of the Directors shall constitute a quorum (18 members). The action of the majority of the Directors present at a meeting at which a quorum is in attendance shall constitute action by the Board of Directors.

Section 7. Executive Committee. The Board of Directors may delegate certain, or all, interim governmental authority, excepting election of officers, to the Executive Committee. (Any action taken on an interim basis shall be reported to the Board at the next meeting.) The Executive Committee will consist of the current Officers, the Immediate Past Chair of the Board, three (3) At-Large Directors (that currently serve as Directors or served as Directors in the past two (2) years), and the President/CEO (ex officio without vote). The At-Large Directors will be appointed by the Chair of the Board and approved by the Board of Directors. No company/organization may be represented by more than one person on the Executive Committee.

Section 8. Absences. Absence from two (2) consecutive Board meetings without an excuse deemed valid and so recorded shall be construed as a resignation from the Board. The Directorship vacated will be filled in accordance with Article IV Section 9.

Section 9. Vacancies. In the event of a vacancy in a Directorship for which the unexpired term shall be six (6) months or more, the Nominating Committee will recommend an individual to complete the term. The Board of Directors shall take action on the recommendation.

ARTICLE V. OFFICERS

Section 1. Number of Officers. The organization shall have five (5) officers: Chair of the Board; Chair-Elect; Vice Chair - Programs; Vice Chair - Membership; and Treasurer.

Section 2. Chair of the Board. The Chair of the Board shall preside at all the meetings of TEDC, the Board of Directors, and the Executive Committee. He or she shall perform specific duties which the Board of Directors or the Executive Committee may determine, and discharge such other duties as ordinarily pertain to the office of the Chair of the Board. The Chair of the Board, in conjunction with the Treasurer, shall prepare a written report of the year's activities that will be presented to the Annual Meeting of TEDC and become part of the recorded history of TEDC.

Section 3. Chair-Elect. The Chair-Elect shall act for the Chair of the Board in the event of his or her absence and perform such other duties as may be assigned by the Board, Executive Committee, or Chair of the Board. This officer shall serve as Chair of the Forward Planning Committee.

Section 4. Vice Chair - Programs. The Vice Chair - Programs shall act for the Chair of the Board in the event of his or her absence and that of the Chair-Elect. He or she will also perform such other duties as may be assigned by the Board, Executive Committee, or Chair of the Board. This officer shall serve as Chair of the Conference Committee.

Section 5. Vice Chair - Membership. The Vice Chair - Membership shall be Chair of the Membership Committee and shall perform other duties as assigned by the Board, Executive Committee, or Chair of the Board.

Section 6. Treasurer. The Treasurer shall report annually to TEDC on all matters handled by his or her office. He or she shall make an annual financial report to the Board of Directors that shall be made available for inspection by any member of the TEDC. He or she shall serve as Chair of the Budget

Committee.

Section 7. Nomination and Election of Officers.

- (a) The Nominating Committee shall submit a slate of Officers for election to the Board during the Annual Conference.
- (b) Once elected as Treasurer, an individual will generally be nominated to succeeding positions: Vice Chair- Membership, Vice Chair- Programs, Chair-Elect, and Chair of the Board. The Nominating Committee, however, is not bound by this order.
- (c) The qualifications for nomination as Treasurer are listed below:
 - (1) The individual must have served on the Board of Directors for at least two (2) years (one [1] term).
 - (2) The individual must have attended at least three of the last five Board meetings, including the one at which the election is held.
 - (3) The individual must be an Active member of TEDC as defined in Article III Section 2.
 - (4) The individual must provide to the Chair of the Nominating Committee a written letter from his or her employer stating that he or she will be allowed the time and resources to carry out the duties of this and any forthcoming position(s). Should the individual change employers during service as any officer, a second letter must be submitted to the Chair or the Board.
- (d) Should the Nominating Committee not follow the general order of succession, any individual nominated for any officer position must meet the same qualifications as those for Treasurer.
- (e) The Chair of the Board, the Chair-Elect, the two (2) Vice Chairs, and the Treasurer shall not be eligible for re-election to the respective offices held.

Section 8. Term. The term of each officer position shall be for one year beginning at the conclusion of the Board meeting held at the Annual Conference.

Section 9. Vacancies. In the event of a vacancy in an Officer position for which the unexpired term shall be six (6) months or more, the Nominating Committee will recommend an individual to complete the term. The Board of Directors shall take action on that recommendation as soon as possible via telecommunications, mail, email or actual meeting.

ARTICLE VI. ADMINISTRATION

Section 1. President/CEO.

- (a) The Board of Directors, upon the recommendation of the Executive Committee, shall employ a President/CEO. In the case of a vacancy in the position, a Search Committee will be formed in accordance with policy established by the Board of Directors.
- (b) The President/CEO's general duties shall be outlined in a job description as Recommended by the Executive Committee and approved by the Board of Directors. The President/CEO shall be a non-voting, ex officio member of the Board of Directors, Executive Committee and the Investment Committee.

- (c) The President/CEO will be reviewed by a Compensation Committee on an annual basis. The Compensation Committee shall consist of the following individuals: the Chair of the TEDC, Chair-Elect of the TEDC, and the Immediate Past-Chair of the TEDC.
The Compensation Committee will:
- (1) Provide input to the Budget Committee on compensation issues;
 - (2) Set objectives and perform the annual performance review of the President/CEO;
 - (3) Meet prior to the annual board retreat to recommend to the Executive Committee any changes or additions to the compensation and benefit package for the President/CEO;
 - (4) Provide oversight to the President/CEO on general compensation and benefit plan matters.
- (d) The President/CEO shall direct the daily administrative operations of TEDC and shall have the authority to employ, review and terminate individuals to fill staff positions that have been approved by the Board of Directors. The President/CEO is authorized to enter into contracts and perform other duties necessary to carry out the purposes of TEDC up to the monetary limit as established by the Board.

Section 2. Headquarters. A Headquarters office of TEDC will be maintained in Austin, Texas.

Section 3. Policies. All standing policies that are established by the Board of Directors shall be in writing and available at TEDC Headquarters.

ARTICLE VII. FINANCIAL MATTERS

Section 1. Fiscal Year. The annual fiscal year will be January 1 - December 31.

Section 2. Operations. The President/CEO shall administer the proper collection of dues and any monies due to the TEDC. Operating funds of the TEDC shall be deposited in any financial institution convenient to the use of the President/CEO and approved by the Treasurer. Operating funds may also be temporarily invested in accordance with any investment policy established by the Board. The Board shall review the TEDC's investment policy on an annual basis. All withdrawals shall be made with the appropriate number of signatures in accordance with any policy established by the Board of Directors. Checks requiring two (2) signatures may be signed by any combination of the following: Treasurer, Chair of the Board, Chair-Elect, or President/CEO.

The Investment Policy shall be reviewed by an Investment Committee prior to the first board meeting of that year. The Investment Committee shall consist of the following individuals: The Chair of the TEDC, the Chair of the Budget Committee, and a board member appointed by the TEDC Chair and approved by the Board. The President/CEO of the TEDC and the organization's investment advisor will serve as ex-officio members of the Investment Committee. The Investment Committee will:

- (a) Review the recommendations of the President/CEO and the organization's investment advisor;
- (b) Report and recommend to the Executive Committee and the Board of Directors any changes thereto to the Investment Policy.

Section 3. Membership Dues. The Board of Directors shall be responsible for determining the amount of the annual dues. Each member shall pay his or her annual membership fee in advance of the next year. Members may be suspended from the organization for non-payment of dues by action of the Board of Directors or under procedures established by the Board for the guidance of the Officers.

Section 4. Budget Committee.

- (a) The Budget Committee will be comprised of the Treasurer (Chair of the Committee), Chair of the Board, President/ CEO (ex officio without vote), the Chair-Elect, Chair of the Conference Committee, Chair of the Membership Committee and two (2) At-Large Board members.
- (b) The Budget Committee will develop the annual budget. With the recommendation of the Executive Committee, the Annual Budget will be submitted for approval by the Board at the Annual Conference.
- (c) The Budget Committee will oversee an Annual Audit or Review as performed by an outside CPA. The results of the Audit or Review will be presented to the Board at the first board meeting following completion of the Audit or Review. Furthermore, the Chair of the Board will include in his or her annual written report that such an Audit or Review was made, accepted, and approved.

Section 5. Bonding. The Treasurer, the President/CEO, and any other staff deemed appropriate will be given bond in the amount of \$50,000. The premiums will be paid by the Council.

Section 6. Legal Provisions. The TEDC shall not have the power to purchase, hold, lease, sell, or mortgage real estate; to incur debt; or to borrow money without the permission of a two-thirds majority of the Board of Directors.

ARTICLE VIII. MEETINGS

Section 1. Dates. The TEDC shall meet three (3) times annually with one meeting designated as the Annual Conference. The Board shall establish the dates of the three (3) meetings and shall publish the dates accordingly.

Section 2. Location. The meetings shall be held in any community within the State of Texas. Meetings or conferences held outside of the state must be approved by the Board. The location of the Annual Conference shall be selected two years in advance in accordance with any policy established by the Board of Directors.

Section 3. Special Meetings. Special meetings of the members may be called by the Chair, a majority of the Board of Directors, or by members having not less than one-tenth (1/10) of the votes entitled to be cast at such a meeting.

ARTICLE IX. COMMITTEES

Section 1. Chairs. The Chair of the Board shall appoint all committee chairs not established in the Bylaws after consultation with the Executive Committee.

Section 2. Composition. With the exception of the Nominating, Executive, and Budget, Compensation and

Investment Committees, the composition of each committee will be determined in accordance with any policy set forth by the Board of Directors. (The composition of these committees is prescribed, respectively, in Article IV Section 4, Article IV Section 7, and Article VII, Section 4.)

Section 3. Team Texas

Team Texas was created in 1986 and designated as a special committee of the TEDC in 1989. Team Texas serves as an outreach program of the Texas Economic Development Council. Team Texas facilitates domestic and global marketing initiatives on behalf of its members. Team Texas members must be members in good standing of the TEDC.

Team Texas is governed by an 11-member Advisory Council determined by its membership. From this Advisory Council, Team Texas shall appoint an Executive Council comprised of the Chairman, Past Chairman, First Vice Chairman, and Second Vice Chairman. The TEDC Chair shall appoint one person from the TEDC Executive Committee to serve as the TEDC's liaison and voting member of the Team Texas Executive Council. That person shall be a Team Texas member in good standing and serve a one-year term. The President/CEO of the TEDC shall be an ex-officio member of the Team Texas Executive and Advisory Council. Team Texas Executive and Advisory Council members are covered under the director and officer's liability insurance policy of the TEDC.

The Team Texas annual program of work will be developed and approved by the Team Texas Advisory Council.

The Director of Team Texas is a full-time paid position with salary and benefits and will carry out the Team Texas program of work as approved by the Team Texas Advisory Council. The Director of Team Texas shall serve at the pleasure of the President/CEO of the TEDC and the Executive Council of Team Texas.

As a member of the Team Texas Executive Council and Chief Executive of TEDC, the selection and/or termination of the Director of Team Texas shall be by the President/CEO of the TEDC in concurrence with the Team Texas Executive Council. The candidate selected for the position of Director of Team Texas shall be approved by the Advisory Council of Team Texas.

The Director of Team Texas is an employee of the TEDC and will adhere to the administrative policies and procedures of the TEDC. Daily supervision of the position will be under the direction of the TEDC's President/CEO. As TEDC staff, the Team Texas Director's annual performance review will be the responsibility of the President/CEO of TEDC. The President/CEO of TEDC will recommend any compensation adjustment for the Director. The recommendation will be approved by the Team Texas Executive Council.

Any future positions hired to carry out the Team Texas program of work will also be employees of the TEDC and adhere to the administrative policies and procedures of the TEDC.

ARTICLE XI. AMENDMENTS

Section 1. Notice. Thirty (30) days written notice must be provided in advance of any vote on proposed amendments to the By-laws that are deemed substantive by the TEDC's Executive Committee.

Section 2. Voting Procedure.

- a) The by-laws may be amended at any regular TEDC meeting (or at any special meeting called for that purpose) by a majority vote of the members in good standing, present, and voting.
- b) Prior to being placed before the membership for a vote, the Board must recommend approval of the proposed amendments.

Section 3. In Effect. This document supersedes any previous document.

ARTICLE XII. PARLIAMENTARY AUTHORITY

The rules contained in Robert's Rules of Order as amended shall govern the TEDC in all cases to which they are applicable and in which they are consistent with the by-laws or the special rules of the TEDC.

ARTICLE XIII. DISSOLUTION CLAUSE

The TEDC shall use its funds only to accomplish the objectives and purposes specified in these by-laws, and no part of said funds shall be distributed to members of the TEDC. On dissolution of the TEDC any funds remaining shall be distributed to one or more regularly organized and qualified charitable, educational, scientific, or philanthropic organizations to be selected by the Board as defined in IRS 501(c)(6).