

**AGENDA**  
**NORTH EAST TEXAS ECONOMIC DEVELOPMENT DISTRICT (NETEDD)**  
**COMMITTEE MEETING**  
**AUGUST 31, 2017**  
**IMMEDIATELY FOLLOWING ATCOG**  
**EXECUTIVE COMMITTEE MEETING**

**TITUS COUNTY EXTENSION OFFICE**  
**1708 INDUSTRIAL RD.**  
**MT. PLEASANT, TX**

- Item 1. Call to Order.
- Item 2. Receipt of appointment/reappointment of members by the County Judge for each County. (To be presented by Executive Director Chris Brown)
- Item 3. Election of President. (To be presented by Executive Director Chris Brown)
- Item 4. Election of Vice-President (To be presented by Board President)
- Item 5. Election of Secretary and Treasurer Positions. (To be presented by Board President)
- Item 6. Review and consider approval to proceed in the creation of a DBA, North East Texas Regional Development Corporation, to operate the Community Lending Center (CLC) of North East Texas, administer various regional development projects and secure funding. (See attachment 1) (To be presented by staff member Vickie Williamson)
- Item 7. Review and consider an amendment to the NETEDD Bylaws to further clarify our Functions (Section II) are able to fulfill our Purpose (Section III). (See attachment 2) (To be presented by Executive Director Chris Brown)
- Item 8. Discussion of potential members to ensure representation of the principle economic interests of the Region. (To be presented by Executive Director Chris Brown)
- Item 9. Adjourn.

**BRIEFING PAPER - ACTION ITEM**

**ITEM 6:**

Review and consider approval to proceed in the creation of a DBA, North East Texas Regional Development Corporation, to operate the Community Lending Center (CLC) of North East Texas, administer various regional development projects, and secure funding for those projects.

**BACKGROUND:**

The Ark-Tex Council of Governments Executive Committee approved a request to create a new non-profit for the purposes stated above. However, Troy Hornsby with Miller, James, Miller & Hornsby Law Firm, reviewed the NETEDD by-laws and determined the functions and purposes of NETEDD would allow it to operate the CLC of North East Texas, as well as administer other regional development projects. ATCOG has not been awarded various grants addressing community and social issues in our region for the past two years because the grantors preferred to award to a non-profit. In the future, NETEDD can apply as a non-profit, and hopefully bring funds into our region to address other needs as well. In correspondence with our attorney, Troy Hornsby, about establishing a CLC, he recommended a bylaws change to ensure this program will fit in the Functions (Section II) of NETEDD.

**DISCUSSION:**

The payday/title loan industry is a \$5.78 Billion Dollar industry in the state of Texas. Texas residents pay more than other states for these loans because Texas does not have caps on the interest and fees these businesses can charge. They prey on the most vulnerable of our population in their most desperate circumstances, and as a result, those residents require even more assistance for basic necessities. While most money spent in a community has a multiplier effect in that community to build economic development, every dollar of interest paid to these loans removes \$.25 from the local economy.

NETEDD would include an educational component to the lending operation that would offer life skills training including budgeting, employability, time management, and problem solving skills to aide our residents in planning and implementing strategies to move them forward financially and become self-sustaining, job-ready, homeowners, etc. We would also report their payment history to credit bureaus to build credit scores that could make them candidates for conventional lending.

Once this program is established, we would like to utilize this non-profit to work in other troubling areas such as homelessness, job skills for at-risk youth, and other issues which currently are a drain on your local economies and a blight for our region. Most grants offer larger funding amounts for regional organizations, which, in turn, provides more assistance to each of our members.

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
NORTH-EAST TEXAS ECONOMIC DEVELOPMENT DISTRICT**

Be it resolved at the board meeting held on August 31, 2017, the Board of Directors of North-East Texas Economic Development District hereby formally expresses its interest in applying to Community Loan Center of America to become a Community Loan Center and authorizes Chris Brown, Executive Director, to sign the following documents to become a Community Loan Center:

- CLC Program Application
- CLC Franchise Disclosure receipt
- CLC Sublicense Agreement
- CLC Services Agreement
- Application for CLC website log-in credentials
- Authorization to open a joint Frost Bank Checking Account

**REVIEWED AND APPROVED THIS 31<sup>ST</sup> DAY OF AUGUST, 2017.**

\_\_\_\_\_  
President  
North-East Texas EDD

**ATTEST:**

\_\_\_\_\_  
Secretary  
North-East Texas EDD

**BRIEFING PAPER - ACTION ITEM**

**ITEM 7:**

Review and consider an amendment to the NETEDD Bylaws to further clarify our Functions (Section II) are able to fulfill our Purpose (Section III).

**BACKGROUND:**

In correspondence with our attorney, Troy Hornsby, about establishing a CLC, he recommended a bylaws change to ensure this program will fit in the NETEDD.

**DISCUSSION:**

Bylaws and attorney correspondence are attached. This is a one line addition to Section II:

6. To carry out any other function consistent with its Purpose described in Section III.

**RECOMMENDATION:**

Staff recommends approval of bylaws amendment.

**From:** [Troy Hornsby](#)  
**To:** [Chris Brown](#)  
**Subject:** RE: Opinion on new program  
**Date:** Thursday, July 13, 2017 10:36:50 AM  
**Attachments:** [image002.emz](#)  
[image004.png](#)  
[image003.png](#)

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Chris,

Based upon what you sent me, I understand the proposed program. I understand the NETEDD limitations and I understand your question.

The problem is the "Functions" and "Purpose" in the by-laws. The By-law don't explain exactly what those two things are and how they interact. That is a problem in light of the fact that in my opinion the proposed program would clearly fit in the "Purpose" but would not fit with the "Functions." Number 2 in the Functions gets close but allows "such programs of research" whatever that is. So I see a problem.

However, I think I have a solution. I propose you amend the By-laws to add a catch-all provision to Section II - Functions. I would proposed something broad like:

6. To carry out any other function consistent with its Purpose described in Section III.

That simple amendment would clearly allow such a program.

**Troy Hornsby**

Civil Appellate Law

*Miller, James, Miller & Hornsby, L.L.P.*

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**From:** Chris Brown [mailto:cbrown@atcog.org]

**Sent:** Wednesday, July 12, 2017 1:28 PM  
**To:** Troy Hornsby <troy.hornsby@gmail.com>  
**Cc:** Vickie Williamson <vwilliamson@atcog.org>; Shena Washington <swashington@atcog.org>  
**Subject:** Opinion on new program

Troy,

I had talked with you about setting up a new nonprofit for a Community Loan Center (CLC), and you suggested we speak with Phillip Jordan. After a meeting and an email, I still haven't heard anything back so I thought I would follow back up with you on hopefully an easy question. Instead of setting up a new organization, could we simply operate the CLC under our existing Northeast Texas Economic Development District (NETEDD). I've attached the bylaws, but also cut and pasted the Functions and Purpose sections below. I also pasted a brief description of the Community Loan Center, but attached a brochure and application as well. Mainly I'm looking for an opinion as to whether the purpose of the NETEDD is broad enough to include the CLC.

NETEDD Articles of Incorporation begin on page 1 of the attachment and the Bylaws on p 7. (It shows amended in 1988, but only changes in membership occurred after.)

#### THE COMMUNITY LOAN CENTER

People need short-term loans that are quick and easily accessible. To address this need, the Rio Grande Valley Multibank and Texas Community Capital created the Community Loan Center Small Dollar Loan Program.

The Community Loan Center provides workers with an alternative to predatory loans, and demonstrates that an inexpensive small dollar loan product can be a successful social enterprise for non profits.

The Community Loan Center is designed around proprietary software that enables scalability and sustainability. With over 14,000 loans in multiple markets in Texas, we know that the program can work in your area.

BY-LAWS  
NORTH EAST TEXAS ECONOMIC DEVELOPMENT DISTRICT  
AS AMENDED NOVEMBER 9, 2009

Section I

Eligibility for membership to District

Sufficient action establishing intent to join said District shall be such action as required by the local laws of the governing body of each county or municipality, and also as may be required by applicable State law for inter-municipal organizations.

The members of the North East Texas Economic Development District, Inc., shall include the following counties and political subdivisions within these counties: Bowie, Camp, Cass, Delta, Franklin, Hopkins, Lamar, Marion, Morris, Red River, and Titus.

Said membership becomes effective immediately following completion of such action as is required by the local laws of the governing body of each county or municipality, and also as may be required by applicable State law for inter-municipal organizations, for joining the District.

## Section II

### Functions

This District shall have the following authority, responsibilities, and functions:

- I. To make, adopt, and extend an overall economic development plan for the District with due regard for the development of the overall economic needs of the District, as well as such other portions of the area or State as may be affected thereby. To advise and assist its members within the District on how to best implement and make effective the plan for the overall best interest of each member of the District.
2. To prepare and execute such programs of research as may be necessary and advisable in carrying out its purposes.
3. To contract for service for person or firms or other units and levels of government to Carry out the purposes of this organization.
4. To prepare periodic reports as may be required by the By-Laws of this District or Federal or State legislation or regulations pertaining thereto.
5. To acquire and hold property for its use and to incur expenses to carry out these functions.

## Section III

### Purpose

The North East Texas Economic Development District, Inc., is being created for the following purposes:

1. To prepare and develop a district overall economic development program for long-range economic growth which includes adequate land use and transportation planning and contains a specific program for district cooperation, self-help, and public investment.
2. To formulate, develop, and administer a program for planning and development in order to improve economic conditions in the District in respect to unemployment, under-employment, and distressed economic conditions.
3. To coordinate the overall economic planning and development in the District among the member municipalities.
4. To carry out such research, planning, and advisory functions as are necessary and helpful

to the foregoing.

5. This District shall not supersede or replace any of the existing political jurisdictions now in existence.

Let me know if you have additional questions.

Thanks,

**Chris Brown**  
Executive Director



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BY-LAWS  
NORTH EAST TEXAS ECONOMIC DEVELOPMENT DISTRICT  
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2. To prepare and execute such programs of research as may be necessary and advisable in carrying out its purposes.
3. To contract for service for person or firms or other units and levels of government to Carry out the purposes of this organization.
4. To prepare periodic reports as may be required by the By-Laws of this District or Federal or State legislation or regulations pertaining thereto.
5. To acquire and hold property for its use and to incur expenses to carry out these functions.

6. To receive gifts, contributions, and donations which may be made to or consistent with the reasons for its creation for its own use and purposes.
7. To publish studies in connection with its work which may be of benefit to its members, municipalities, or other agencies or programs within and outside of the District.
8. To receive funds from the member counties or municipalities of this District, as may be provided for under the By-Laws of this District, to finance the costs of operation of this District.
9. To prepare an annual budget to be submitted to the Economic Development Administration, the appropriate State agency, and the constituent members hereto.

### Section III

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1. To prepare and develop a district overall economic development program for long-range economic growth which includes adequate land use and transportation planning and contains a specific program for district cooperation, self-help, and public investment.
2. To formulate, develop, and administer a program for planning and development in order to improve economic conditions in the District in respect to unemployment, under-employment, and distressed economic conditions.
3. To coordinate the overall economic planning and development in the District among the member municipalities.
4. To carry out such research, planning, and advisory functions as are necessary and helpful to the foregoing.
5. This District shall not supersede or replace any of the existing political jurisdictions now in existence.

Section IV

Budget and Sharing of Costs of District

The District Board of Directors shall adopt an annual budget. The member counties and municipalities shall pay annually to the District's budget a pro rata share to be agreed to by the members.

Failure to pay such assessment by any member within ninety days of receiving notice from the District of its being due shall be grounds for revocation of membership in the District of the delinquent member.

Section V

Length of Terms of Members of Board of Directors

The terms of the members of the Board of Directors shall be for a period of two (2) years; except that at the inception, each shall serve as such until his successor is elected or appointed as provided for herein.

Section VI

Board of Directors

The governing body of the North East Texas Economic Development District, Inc., shall be designated as the Board of Directors; and its membership shall be constituted as follows:

1. Each county shall have no more than five (5) representatives on said Board of Directors. They shall be appointed by the County Judge of the participating member counties.
2. Should the County Judge fail to make appointments to the Board of Directors as stipulated herein, then the Commissioners Court of that county shall make the appointments.
3. The members, elected or chosen, shall represent government, labor, business, agriculture, and minority ethnic groups such that the per centum of minority Board Members shall equal or exceed the minority per centum of the District's population.
4. Such Director shall serve for a period of two (2) years or until such time as his successor appointed as provided for herein.

Directors, as such, shall not receive any stated salaries for their services; but by resolution of the Board of Directors, a fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board. Nothing herein contained shall be construed to preclude any Director from serving the corporation in other capacity and receiving compensation therefor.

Any action required by law to be taken at a meeting of Directors, or any action which may be taken at a meeting of Directors, may be taken without a meeting if a consent in writing, setting forth the actions so taken, shall be signed by all of the Directors.

## Section VII

### Executive Committee

There shall be an Executive Committee of the Board of Directors composed of the following:

1. The President, Vice President, and Secretary-Treasurer of the North East Texas Economic Development District, Inc.
2. One committeeman from each of the member counties appointed by the County Judge.
3. Additional minority committeemen may be appointed by the President from the remainder of the Board of Directors such that the per centum of the minority Executive Committee members shall equal the minority per centum of the District population.
4. Any committeeman who misses 3 consecutive meetings (not excused by the official board) shall be dropped and his replacement be supplied as prescribed above.

The Executive Committee shall serve for a period of two (2) years with no limitation for succession.

The President shall be the principal executive officer of the corporation and shall in general supervise and control all of the business and affairs of the corporation. He shall preside at all meetings of the Executive Committee and of the Board of Directors. He may sign, with the Secretary or any other proper officer of the corporation authorized by the Executive Committee, any deeds, mortgages, bonds, contracts, or other instruments which the Executive Committee have authorized to be executed; and in general, he shall perform all duties incident to the office of President and such other duties as may be prescribed by the Executive committee from time to time.

In the absence of the President or in event of his inability or refusal to act, the Vice-President shall perform the duties of the President, and when so acting, shall have all powers of and be subject to the restrictions upon the President. The Vice-President shall perform such other duties as from time to time may be assigned to him by the President, Executive Committee or by the Board of Directors.

If required by the Executive Committee, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Executive Committee shall determine. He shall have charge and custody of and be responsible for all funds and securities of the corporation; receive and give receipts for moneys due and payable to the corporation from any source whatsoever; and deposit all such moneys in the name of the corporation in such banks, trust companies, or other depositories as shall be selected by the Executive Committee.

The Secretary shall keep the minutes of the meetings of the Executive Committee and of the Board of Directors in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law; be custodian of the corporate records and of the seal of the corporation and see that the seal of the corporation is affixed to all documents, the execution of which, on behalf of the corporation under its seal, is duly authorized in accordance with the provisions of these By-Laws; keep a register of the post office address of each member which shall be furnished to the secretary by such member; and in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President, Executive Committee or by the Board of Directors.

#### Section VIII

##### Amendments to the Articles of Organization

The articles of organization may be amended by a two-thirds vote of the membership of the Board of Directors, obtaining such additional approval as may be required under applicable State laws and State administrative regulations and as may be required by the Secretary of Commerce, United States Government.

#### Section IX

##### Main Office

The name and street address of the initial-registered office of the North East Texas Economic Development District, Inc., is to be determined by the Executive Committee, and the main office of this District shall be at such location as may be designated by the Board of Directors of this District.

Section X

Meetings

- A. Meetings of the Board of Directors shall:
1. Take place at least once each year, or
  2. On call of a majority of the members of the Executive Committee.
- B. Meetings of the Executive Committee shall:
1. Take place at least quarterly, or
  2. On call of the Chairman of the Executive Committee.
- C. Meetings shall require at least three days written notice to the members of the Board of Directors or the Executive Committee.

Section XI

Quorum

A quorum shall be present at any meeting for either the Board of Directors or the Executive Committee with the presence of a simple majority of the membership.

Section XII

Vote Required for Action by Board of Directors

Any action of the Board of Directors may be taken by a simple majority vote of the Board with a quorum present, except that a two-thirds vote of those Directors present, with a quorum present, shall be required for approval of budgetary matters, expulsion for cause of a member of the District, acceptance of withdrawal of a member from the District, or amendment to the Articles of Organization or By-Laws of the District.

Section XIII

Vote Required for Action by Executive Committee

The same requirements of a majority for action by the Executive Committee shall apply as pertaining to the Board of Directors.

Section XIV

Election of Officers & Duties of These Positions

The following officers shall be elected every two years by the membership of the Board of Directors and shall have the indicated duties:

- A. President: The President shall preside at all meetings of the Board of Directors and the Executive Committee and shall perform such other duties as may be assigned to him by action of the Board of Directors or Executive Committee.
- B. Vice-President: In the event of the absence or inability of the President, the Vice-President shall act as President.
- C. Secretary: The Secretary-Treasurer of the Corporation shall serve as Secretary of the Executive Committee and shall: (a) keep minutes of the proceedings of the Board of Directors and the Executive Committee in appropriate books provided for that purpose; (b) see that all notices are duly given as required by law, regulation, or the By-Laws of the District; (c) the Secretary-Treasurer shall keep the seal of the corporation; and (d) in general perform all the duties incident to the office of Secretary and such other duties as may be assigned or delegated to him by the President, the Board of Directors, or the Executive Committee.

Also, the Secretary-Treasurer of the said Corporation shall serve as such for the Executive Committee and shall (a) have general charge and custody of and be responsible for all funds of the District; (b) deposit all moneys received, in the name of the District, in such banks or other depository as may be designated by the Board of Directors; (c) keep correct and complete books and records of account; and (d) perform such other duties as may be assigned to him by the Board of Directors.

Not more than one Director from each county shall be elected an officer of the corporation.

Said officers shall provide such bond as may be required by the Board of Directors.

Section XV

Duties of the Executive Committee

As a general guide, the Executive Committee shall have the following functions, duties, and responsibilities:

- A. To prepare an annual budget.
- B. To hire an Executive Director subject to approval of the Board of Directors.
- C. To appoint advisory committees to advise the Executive Committee and to assist in carrying out the purposes, functions, duties, and responsibilities of the District as outlined in the Articles of Organization and By-Laws of this District.
- D. To notify the Board of Directors on the acceptance or rejection by the District of any grants, gifts, contributions, and donations offered to the District.
- E. Take such other actions, make recommendations, and formulate policy on those matters which may be delegated to it by the Board of Directors, which will best effectuate and carry out the PURPOSES AND FUNCTIONS for which this District is created and as outlined in the Articles of Organization and By-Laws.

Section XVI

Requirements for Periodic Reports

No less than once annually, the Board of Directors shall report comprehensively to its membership, the Governor of the State of Texas, and the Director of the Economic Development Administration, and shall have such other reports prepared as may be required by Federal, State, or municipal law or regulation as may be required other than under these Articles of Organization and By-Laws.

Section XVII

Obligation for Dues on Withdrawal or Admission

In the event of withdrawal by a member from the District, said member shall be entitled to no return of any annual dues or portion thereof, hitherto paid; in the event of admission of a new



member during the fiscal year, said new member shall pay a pro rata share of the annual dues required for the balance of the fiscal year yet remaining.

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### Section XVIII

#### Amendments to By-Laws

These By-Laws may be amended by a vote of the Board of Directors approving the amendment at any meeting, provided that the proposed amendment has been submitted in writing to each member of the Board at least seven (7) days in advance of each meeting and ratified by a majority vote of two-thirds (2/3) of the Board of Directors at the meeting.

### Section XIX

#### Waiver of Notice

Whenever any notice is required to be given under the provisions of the Texas Non-Profit Corporation Act or under the provisions of the Articles of Incorporation or the By-Laws of the corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

### Section XX

#### Publication of Proceedings

The minutes of the meetings of the Board of Directors and the Executive Committee shall be published as required for local government units by the laws of the State of Texas.

### Section XXI

#### Fiscal Year

The Fiscal Year for the District shall be the fiscal year coinciding with that of the United States Government.

### Section XXII

#### Rules for Parliamentary Procedure

Robert's Rules of Order shall govern on all matters of parliamentary procedure.