

RESOLUTION NO. 2013-04-____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCKINNEY,
TEXAS AUTHORIZING AMENDMENT OF THE BYLAWS PERTAINING
TO THE MCKINNEY CONVENTION AND VISITORS BUREAU**

WHEREAS, as required by the City Charter, the City Manager has prepared an amendment to the bylaws of the McKinney Convention and Visitors Bureau and submitted same to the City Council for its approval and a true and correct copy is attached.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MCKINNEY, TEXAS, THAT:

Section 1. Pursuant to the City Charter requirements of the City of McKinney, Texas, in the fiscal year 2012-2013 the McKinney Convention and Visitors Bureau Bylaw Amendment (*Exhibit A*) is hereby authorized and approved.

Section 2. This Resolution shall take effect immediately from and after the date of passage and is so resolved.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF MCKINNEY, TEXAS ON THE 16th DAY OF APRIL, 2013

CITY OF MCKINNEY, TEXAS

BRIAN LOUGHMILLER
Mayor

ATTEST:

SANDY HART, TRMC, MMC
City Secretary
BLANCA I. GARCIA
Assistant City Secretary

DATE: _____

APPROVED AS TO FORM:

MARK S. HOUSER
City Attorney

EXHIBIT A

SECOND AMENDED AND RESTATED BYLAWS

OF THE

**McKINNEY CONVENTION AND VISITORS BUREAU, INC.
(A Nonprofit Corporation)**

ARTICLE I

PURPOSE AND POWERS

Section 1. Purpose.

The purposes for which the McKinney Convention and Visitors Bureau, Inc. ("MCVB") is organized are: (i) to promote McKinney as an attraction to tourists, visitors and individuals as an economic development strategy; (ii) to solicit groups, conventions, meetings, trade shows, exhibits, expositions and special events to convene and take place in the City of McKinney, through advertising, sales contracts, publications and distribution of descriptive material and such other means as may be necessary or expedient to attract such tourists, visitors, individuals, groups, conventions, meetings, trade shows, exhibits, expositions and special events to the City of McKinney; (iii) to develop increased civic interest in the City of McKinney as a visitor attraction; and (iv) to generally do all those things necessary or appropriate to carry out such purposes and thereby relieve the burdens of government.

Section 2. Powers.

In the fulfillment of its corporate purpose, the MCVB shall be governed by Chapter 351 of the Texas Tax Code ("Code"), and shall have all of the powers set forth and conferred in its Articles of Incorporation, in the Code, and in other applicable law, including but not limited to the Texas Non-Profit Corporation Act, subject to the limitations prescribed therein and herein and to the provisions thereof and hereof.

Section 3. Second Amendment.

This Second Amended and Restated Bylaws shall replace and supersede the First Amended and Restated Bylaws adopted effective November 19, 2007.

ARTICLE II

OFFICES

Section 1. Principal Office.

The principal office of the MCVB in the State of Texas shall be located at 200 W. Virginia Street in the City of McKinney, Collin County, Texas, 75069.

Section 2. Registered Office and Registered Agent.

The MCVB shall have and continuously maintain in the State of Texas a registered office and a registered agent, whose office is identical with such registered office, as required by the Texas Non-Profit Corporation Act. The registered office may be, but need not be identical with the principal office of the corporation in the State of Texas and the address of the registered office may be changed from time to time by the Board. Currently, the registered agent is Mark S. Houser and the address of the registered office is 740 East Campbell Road, Suite 800, Richardson, Texas, 75081.

ARTICLE III MEMBERSHIP

The MCVB shall have no members or stockholders.

ARTICLE IV BOARD OF DIRECTORS

Section 1. Powers, Number and Term of Office.

- (a) The property and affairs of the MCVB shall be managed and controlled by a Board of Directors ("Board"). Subject to the restrictions imposed by law, by the Articles of Incorporation, and by these Bylaws, the Board shall exercise all of the powers of the MCVB.
- (b) The Board shall be responsible for establishing operating policies for the MCVB and for evaluating the progress of the MCVB in the attainment of its goals. The Board shall have full and complete power to (i) oversee all business and affairs of the MCVB; (ii) to elect officers; (iii) to select and set the compensation of or remove the Executive Director; and (iv) to authorize the sale, conveyance, transfer, assignment, trade, exchange, lease, mortgage, otherwise encumber or pledge any property, real or personal, of the MCVB.
- (c) The Board shall consist of nine (9) Directors each of whom shall be appointed by City Council of the City of McKinney ("City Council"). The Directors shall serve two (2) year staggered terms, with five (5) terms expiring in even- numbered years and four (4) terms expiring on odd-numbered years.
- (d) Each member of the Board of Directors shall serve a two (2) year term, or until his/her successor is appointed, unless sooner removed or resigned. Each Director shall be eligible for reappointment; however, no Director shall serve more than three (3) consecutive terms. Any vacancy occurring on the Board shall be filled by appointment of the City Council, to hold office for the unexpired term. Unless otherwise provided, terms shall expire on September 30th.
- (e) Any Director, including Board officers, may be removed from office by the City Council at any time without cause.

(f) The City Council shall appoint persons who are best-suited to fulfill the Purpose of the MCVB, as such is described in Article I. As a guideline but not a limitation, the City Council may consider Board member applicants from the following business sectors or any other business sector:

- i. Hotel/motel/lodging
- ii. Sales
- iii. Travel
- iv. Marketing
- v. Restaurant
- vi. Technology
- vii. Event Planning
- viii. Sports
- ix. Professional

A majority (at least 5) of the Board members described in (i)-(ix) above shall be residents of the City of McKinney. Non-resident Board members shall have their primary business or place of employment within the City of McKinney.

Section 2. Regular and Special Meetings.

The Directors shall hold their regular meetings at such place or places within the City limits as the Board may from time to time determine; provided, however, in the absence of any such determination by the Board, the meetings shall be held at the principal office of the MCVB as specified in Article II of these Bylaws. Special meetings of the Board shall be held whenever called by the chair, by a majority of the Directors, by the Mayor of the City, or by a majority of City Council. Special meetings of the Board shall likewise be held within the City limits. In addition to posting a meeting notice in accordance with these Bylaws, a copy of each such meeting notice shall be delivered to each Director not less than seventy-two (72) hours before the time of the meeting. A meeting notice shall be deemed delivered to any Director when deposited in the United States mail addressed to the Director at his or her address as it appears on the records of the MCVB or when delivered by email to the Director's current email address on file with the secretary-treasurer. Such additional notice may be waived in writing by a Director at any time either before or after the time of the meeting and such additional notice shall be deemed waived by attendance.

Section 3. Notice and Open Meetings Act.

Notice of the time, place and matters to be considered and action taken for each meeting of the Board of Directors shall be posted as required by V.T.C.A. Gov't. Code §551.001 et seq. (Texas Open Meetings Act), and written or electronic notice will be provided to individual Board members.

Section 4. Quorum and Voting.

A majority of the duly appointed members of the Board of Directors shall constitute a quorum for the transaction of business. The affirmative vote of a majority of the Board present in person at a meeting at which a quorum is present shall be the act of the Board of Directors, unless a greater number is required by law, by the Articles of Incorporation, or by these Bylaws. In the event that a quorum is not present at any meeting, the Directors present may adjourn the meeting without further notice until a quorum can be properly assembled.

Section 5. Attendance.

Regular attendance is required at all meetings. Three (3) consecutive unexcused absences from scheduled regular meetings of the Board shall cause the basis for replacement of a Director. An unexcused absence is one for which the Chair/Executive Director did not have prior notice of such Director's non-attendance. Any Director who has four (4) or more absences in a given fiscal year shall be considered to have forfeited the seat and it shall be considered vacant and subject to appointment by the City Council.

Section 6. Conduct of Business.

- (a) At the meetings of the Board, matters pertaining to the business of the MCVB shall be considered in accordance with the rules of procedure as from time to time prescribed by the Board.
- (b) At all meetings of the Board, the chair shall preside, and in the absence of the chair, the vice chair shall exercise the powers of the chair.
- (c) The secretary-treasurer of the MCVB shall act as secretary of all meetings of the Board, but in the absence of the secretary-treasurer, the presiding officer may appoint any person to record the minutes of the meeting.

Section 7. Sub-Committees of the Board.

The Board may designate no more than three (3) Directors to constitute an official sub-committee of the Board to exercise such authority of the Board as may be specified in any resolution. It is provided, however, that any sub-committee shall function as a recommending body only. Final official action of the MCVB may be exercised only by the Board. The sub-committees may include external members if such members are approved by a majority of the Board. Each sub-committee shall keep regular minutes of the transactions of its meetings.

Section 8. Compensation.

Officers of the Board shall not receive any salary or compensation for their services, except that they may be reimbursed for their actual and reasonable expenses incurred in the performance of their duties hereafter. Other officers who are not members of the Board may be compensated as directed by the Board.

Section 9. Personnel.

The MCVB may establish full-time and part-time personnel positions. Personnel positions so established shall be reflected in the Annual Corporate Budget and approved accordingly, as referenced in Article VI Section 2 of these Bylaws. Personnel shall be employees of the City of McKinney and subject to all provisions of the City Employment Handbook, other personnel policies and the City Charter. The Board may execute an administrative services agreement with

the City of McKinney for the provision of such employees. The Board has supervision of and authority regarding such personnel for all purposes unless expressly delegated by the Board.

ARTICLE V OFFICERS

Section 1. Titles and Terms of Office.

- (a) The officers of the MCVB shall be a chair, a vice chair, a secretary-treasurer and such other officers as the Board may from time to time elect or appoint. One person may hold more than one office, except that the chair shall not hold the office of secretary-treasurer. Terms of officers shall be one (1) year, ending September 30, with the right of the officer to be re-elected.
- (b) All officers shall be elected by and subject to removal from office at any time by a vote of a majority of the entire Board.

Section 2. Chair.

The chair shall be a member of the Board and shall:

- (a) Preside over all meetings of the Board.
- (b) Vote on all matters coming before the Board.
- (c) Upon notice to the members of the Board, call a Special Meeting of the Board when in his or her judgment such a meeting is required.
- (d) Appoint, with Board approval, sub-committees to aid and assist the Board in its business undertakings or other matters incident to the operation and functions of the Board.
- (e) Sign and execute all contracts and other legal documents in the name of the MCVB as approved by the Board.

Section 3. Vice Chair.

The vice chair shall be a member of the Board and shall exercise the powers of the chair during the chair's absence, refusal, or inability to act. Any action taken by the vice chair in the performance of the duties of the chairperson shall be conclusive evidence of the chair's absence or inability or refusal to act at the time such action was taken.

Section 4. Secretary-Treasurer.

The secretary-treasurer shall have the responsibility to monitor the handling, custody, and security of all funds and securities of the MCVB in accordance with these Bylaws. The secretary-treasurer shall see to the entry in the books of the MCVB full and accurate accounts of all monies received and paid out on account of the MCVB. The secretary-treasurer shall, at the expense of the MCVB, give such bond for the faithful discharge of his duties in such form and amount as the

Board may require. In addition, the secretary-treasurer or his/her designee shall keep the minutes of all meetings of the Board in books provided for that purpose, shall give and serve all notices, may sign with the Chair upon the approval of the Board in the name of the MCVB, and/or attest to the signature thereto, all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes and other instruments of the MCVB, shall have charge of the corporate books, records, documents and instruments, except the papers as the Board may direct, all of which shall at all reasonable time be open to public inspection upon application at the office of the MCVB during business hours, and shall in general perform all duties incident to the office of secretary-treasurer subject to the control of the Board.

Section 5. Executive Director.

- (a) The executive director shall be a salaried employee of the Board, whose compensation shall be fixed from time to time by the Board, and shall be an employee of the City of McKinney and subject to all provisions of the City Employment Handbook, other personnel policies, and the City Charter. The executive director shall be the chief executive officer of the MCVB responsible for all daily operations and the implementation of Board policies and resolutions. The executive director shall attend all called Board meetings. The executive director shall have, subject to the powers of the Board of Directors: (i) general supervision and control over the entire business of the MCVB; (ii) employ, fix the compensation of and discharge all employees; (iii) perform all of the duties; and (iv) exercise all of the powers usually incident to the office or which may be assigned to the executive director by the Board of Directors. The executive director shall be hired based on demonstrated professional qualifications and have the authority to sign all contracts and other written instruments consistent with the annual budget approved by the Board of Directors and the City Council. The executive director shall report to the Board at its meetings the progress and affairs of the MCVB.
- (b) The executive director shall not have been an appointed member of the Board for one (1) year prior to being hired as executive director. The executive director shall work with the finance committee to prepare the annual budget and shall submit the annual budget at least ninety (90) days prior to the start of the new fiscal year to the Board of Directors for approval. Upon approval of the budget by the Board, the executive director shall submit the budget to the City Council for review and consideration for final approval. The executive director shall also submit to the Board of Directors timely financial statements, including but not limited to a comparative analysis of actual versus budgeted income and expenses.

Section 6. Election of Officers.

The chair and vice chair shall be elected from among the members of the Board. The secretary-treasurer may be a Board member or may be an employee of the City, in which case the employee shall be approved by the Finance Director of the City of McKinney to oversee the finances of the MCVB.

Section 7. Ex Officio Members.

The City Council may designate Ex Officio members from among the City Council members. The Ex Officio members may attend all meetings of the Board or sub-committees, and shall have the right to take part in any discussion, but shall not have the power to vote.

ARTICLE VI
FUNCTIONAL CORPORATE DUTIES AND REQUIRMENTS

Section 1. Annual Report.

The MCVB shall prepare an annual report on or before the first day of April of each year for the City Council, outlining the accomplishments of the MCVB's activities of the previous fiscal year as they relate to the development of tourism projects and initiatives for the City of McKinney in conformance with the mission and the goals of the Board.

Section 2. Annual Corporate Budget.

On or before the first day of July of each year, the Board shall adopt a proposed budget of expected revenues and proposed expenditures of the next ensuing fiscal year. The budget shall not be effective nor shall expenditures occur until the same has been approved by the City Council.

Section 3. Books, Records, Audits.

- (a) The MCVB shall keep and properly maintain, in accordance with generally accepted accounting principles, complete books, records, accounts and financial statements pertaining to its corporate funds, activities, and affairs. Notwithstanding Article V. Section 4, the MCVB may maintain any financial records solely at the City offices.
- (b) The books, records, accounts, and financial statements of the MCVB shall be audited at least once each fiscal year by an outside, independent auditing and accounting firm approved by the Board. The audit may be prepared in conjunction with the annual financial audit of the City of McKinney.

Section 4. Deposit and Investment of Corporate Funds.

- (a) All proceeds from the issuance of bonds, notes, or other debt instruments ("Obligations") issued by the MCVB shall be deposited and invested as provided in any resolution, order, indenture, or the other documents authorizing or relating to any such issuance.
- (b) All other monies of the MCVB shall be deposited, secured and/or invested in the manner provided for the deposit, security, and/or investment of the public funds of the City and in compliance with the Public Funds Investment Act. The Board shall designate authorized signatures on all payment authorization and/or check requests. The accounts reconciliation and investment of such funds and accounts may be reviewed by the Finance Department of the City, at the City's expense. The Board may maintain a separate City account for revenues which are derived from sources other than municipal hotel occupancy taxes received under the Code.

Section 5. Expenditures of Corporate Money.

The monies of the MCVB, including, but not limited to, municipal hotel occupancy taxes collected by the City pursuant to the Code, monies derived from MCVB contracts, monies derived from the repayment of loans, rents or contract revenues received from the lease or use of property, proceeds from the investment of funds of the MCVB, proceeds from the sale of property, and proceeds derived from the sale of Obligations, may be expended by the MCVB for any purposes authorized by the Code, these Bylaws, or by other applicable laws, including but not limited to the Texas Non-Profit Corporation Act. All proposed expenditures shall be made in accordance with and shall be set forth in the annual budget required in Section 2 of this Article.

Section 6. Conflict of Interest.

The members of the Board are local public officials within the meaning of the Texas Local Government Code, Chapter 171. If a Director has a substantial interest in a business entity or real property which is the subject of deliberation by the Board, the Director shall file an affidavit with the secretary of the MCVB as to the nature and extent of the interest. Such affidavit shall be filed prior to any vote or decision upon the matter of the Board, and the interested Director shall abstain from any vote, decision or discussion upon the matter.

Section 7. Gifts.

The Board may accept on behalf of the MCVB, any contribution, gift, bequest, or devise for the general purposes or for any special purposes of the MCVB.

**ARTICLE VII
COMMITTEES**

Section 1. Finance Committee.

Annually the chair shall recommend and the Board shall elect the members of the finance committee. Each member of the finance committee shall be a member of the Board. The Treasurer shall be a standing member of the finance committee. The finance committee shall have three (3) members, as determined by the Board. Members of the finance committee will be comprised of voting members of the Board. The finance committee shall oversee the annual audit of the MCVB's financial statements prepared by an independent certified public accountant or accounting firm and prepared in accordance with generally accepted accounting principles. Also, the finance committee shall oversee the preparation of the annual budget and shall review the MCVB's financial position and make recommendations and reports regarding these matters to the Board. The final approval of the annual budget shall remain with the Board and the City Council as stated in Article VI, Section 2.

Section 2. Other Committees.

The Board may designate by a resolution adopted by a majority of the Directors in office any other committees deemed necessary or prudent. Each such committee shall consist of two (2) or more Board members and such other persons as selected by the Board. Committees designated by this section shall not have or exercise the authority of the Board in the management or operation of the MCVB.

ARTICLE VIII
DISSOLUTION

Section 1. Procedure.

The Board shall adopt a resolution recommending that the MCVB be dissolved. Upon adoption of the resolution by the Board and approval thereof by the City Council, notice of dissolution shall be mailed to each known creditor of and claimant against the MCVB.

Section 2. Distribution of Assets.

The assets of the MCVB shall be applied as follows: (i) all liabilities and obligations of the MCVB shall be paid, satisfied and discharged; and (ii) assets held by the MCVB upon condition requiring return, transfer or conveyance, which condition occurs by reason of the dissolution, shall be returned, transferred or conveyed in accordance with such requirements. The remaining assets, if any, shall be distributed to the City, and all financial records and other documents and information held by the MCVB shall be transferred to the City.

ARTICLE IX
MISCELLANEOUS PROVISIONS

Section 1. Fiscal Year.

The fiscal year of the MCVB shall be the same as the fiscal year of the City.

Section 2. Seal.

The seal of the MCVB shall be determined by the Board.

Section 3. Resignations.

Any Director or officer may resign at any time. 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 chair or secretary. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

Section 4. Approval or Advice and Consent by the Council.

To the extent that these Bylaws refer to any approval by the Council or refer to advice and consent by the City Council, such advice and consent shall be evidenced by a certified copy of a resolution, order or motion duly adopted by City Council.

Section 5. Services of City Staff and Officers.

The MCVB shall have the right to utilize the services of City personnel for usual and routine matters, provided that the performance of such service does not materially interfere with the other duties of such personnel of the City. Subject to approval of the City Manager or the City Council, the MCVB may utilize the services of City personnel for unusual and non-routine matters. The MCVB shall pay reasonable compensation to the City for such services or use of any City personnel.

Section 6. Indemnification of Directors, Officers and Employees.

- (a) As provided in the Articles of Incorporation, the MCVB is, for the purposes of the Texas Tort Claims Act (Subchapter A, Chapter 101, Texas Civil Practices and Remedies Code), a governmental unit and its actions are governmental functions.
- (b) The MCVB shall indemnify each and every member of the Board, its officers, its employees, its attorneys, each member of City Council and each employee of the City, to the fullest extent permitted by law, against any and all liability or expense, including attorneys fees incurred by any of such persons by reason of any actions or omissions that may arise out of the functions and activities of the MCVB.
- (c) The MCVB may purchase and maintain insurance on behalf of any Board member, officer, employee or agent of the MCVB, or on behalf of any person serving at the request of the MCVB as a Board member, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against any liability asserted against that person and incurred by that person in any such capacity or arising out of any such status with regard to the MCVB, whether or not the MCVB has the power to indemnify that person against liability for any of those acts.
- (d) Any indemnification or liability insurance provided under this Section may be obtained through the City's general insurance coverage.

Section 7. Legal Construction.

These Bylaws shall be construed in accordance with the laws of the State of Texas. All references in these Bylaws to statutes, regulations, or other sources of legal authority shall refer to the authorities cited, or their successors, as they may be amended from time to time.

Section 8. Severability.

If any provision or section of these Bylaws is held to be invalid, illegal or unenforceable in any respect, the invalidity, illegality or unenforceability shall not affect any other provision, and the Bylaws shall be construed as if the invalid, illegal, or unenforceable provision had not been included in the Bylaws.

Section 9. Parties Bound.

The Bylaws shall be binding upon and inure to the benefit of the Directors, officers and agents of the MCVB and their respective heirs, executors,

administrators, legal representatives, successors and assigns, except as otherwise provided herein.

Section 10. Applicability of City Charter, Policies and Procedures.

The City Charter and all duly approved City policies and procedures shall apply directly to the MCVB and the Board unless such charters, policies or procedures are superseded by state law or are not related to the functions of the Board. The Board has the discretion, subject to the approval of the City Council, to adopt other policies and procedures in addition to or in place of these policies and procedures of the City.

ARTICLE VII
EFFECTIVE DATE, AMENDMENTS

Section 1. Effective Date.

These Bylaws shall become effective upon the occurrence of all of the following events:

- (a) the adoption of these Bylaws by the Board; and
- (b) the approval and adoption of these Bylaws by the City Council.

Section 2. Amendments to Articles of Incorporation and Bylaws.

The Articles of Incorporation of the MCVB and these Bylaws may be amended or repealed and amended Articles of Incorporation and Bylaws may be adopted by an affirmative vote of at least five (5) Board members present at any regular meeting or any special meeting, if at least three (3) days written notice is given of an intention to amend or repeal the articles of incorporation and bylaws or to adopt new articles of incorporation and bylaws at such meeting. Any amendment of the articles of incorporation and bylaws will be effective upon approval by the City Council.

Adopted this the _____ day of _____, 2013.

Chair of the Board of Directors

Attest:

Board Secretary-Treasurer