

Kaydi Smith

From: Jenny Massey (WBJH) [REDACTED]
Sent: Thursday, March 20, 2025 10:03 AM
To: Kaydi Smith; City Manager; Michelle Medina; Brian Brooks
Subject: Fw: FW: City Inquiry

Importance: High

Good morning,

Happy Thursday! Here is the response we received form our EDC lawyer on EDC director becoming a city employee.

From: Jenny Massey [REDACTED]
Sent: Saturday, March 1, 2025 12:55 PM
Subject: Fwd: City Inquiry

Good afternoon,

For your information . I have shared this requested information with the City that I received from our lawyer

Date: Fri, Feb 28, 2025, 11:45 AM
Subject: RE: City Inquiry
To: Jenny Massey [REDACTED]
Cc: <citymanager@sweenytx.gov>

Jenny,

I hope all is well. There is nothing directly in state law which addresses whether an executive director is a City employee or EDC employee. This issue is typically addressed in the bylaws whether employees of the EDC are City employees or EDC employees.

Years ago an issue came up with whether EDC employees could get the same City or TML benefits that City employees receive. So, a bill was passed to authorize EDC employees to get City benefits. I have attached that statute below – Section 501.067 of the Texas Local Government Code. I want to stress this bill does not require EDC personnel to be City employees or EDC employees. It simply provides authority for EDC employees to obtain City benefits if they are EDC employees.

The provision I think addresses this issue is Section 501.401 of the Texas Local Government Code (attached below). This section in pertinent part provides that the City can control the “corporation’s structure” at all times. I think that would include whether EDC personnel is City or EDC employees.

Hope this helps.

Thanks, Jeff

Sec. 501.067. INSURANCE AND BENEFITS.

(a) Notwithstanding any law to the contrary and with the consent of the corporation's authorizing unit, a corporation may obtain:

- (1) health benefits coverage, liability coverage, workers' compensation coverage, and property coverage under the authorizing unit's insurance policies, through self-funded coverage, or under coverage provided under an interlocal agreement with a political subdivision; or
- (2) retirement benefits under a retirement program the authorizing unit participates in or operates.
- (b) Health benefits coverage may be extended to the corporation's directors and employees, and to the dependents of the directors and employees.
- (c) Workers' compensation benefits may be extended to the corporation's directors, employees, and volunteers.
- (d) Liability coverage may be extended to protect the corporation and the corporation's directors and employees.
- (e) Retirement benefits may be extended to the corporation's employees.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. [2278](#)), Sec. 3.01, eff. April 1, 2009.

Sec. 501.401. ALTERATION OR TERMINATION BY AUTHORIZING UNIT.

- (a) At any time a corporation's authorizing unit, in its sole discretion, may in accordance with this subtitle:
 - (1) alter the corporation's structure, organization, programs, or activities; or
 - (2) terminate the existence of the corporation.
- (b) The authority of an authorizing unit under this section is limited only by the law of this state on the impairment of contracts entered into by the corporation.
- (c) An authorizing unit may make an alteration or may terminate the corporation's existence only by a written resolution of the authorizing unit's governing body.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. [2278](#)), Sec. 3.01, eff. April 1, 2009.

Subject: City Inquiry

Good evening,

Happy Wednesday! As the EDC president, I am sending this email to inquire on the correct verbiage to share with the City of Sweeny lawyer with the possibility of our EDC director becoming a City of Sweeny employee. The City of Sweeny lawyer does not think this can happen and might be against law.

Can you please provide us the correct verbiage and any references that can support the EDC Diector possibility of being employed by the city.

This information would be greatly appreciated for the next City council meeting.

Have a Blessed week,
Jenny Massey, M.Ed

Please be aware.
This email originated from a mailbox outside of your organization.