

# **Governance of Board of Directors and Membership for Prairie Trails Club Inc. Activities (Amendments through July 1, 2020)**

**This document (the “Document”) governs proceedings of the Prairie Trails Club, Inc. (the “PTC”) Board of Directors (the “Board”), its relationship to the PTC membership (the “Membership”), and the activities of the Board and the Membership with respect to the PTC. Membership approved the original version of the Document during a meeting held July 11, 2017. Board and Membership comments regarding Document elements are in *italics*. Comments are to help clarify intent but do not implement governance. Unless otherwise specified, comments were made during the July 11, 2017 meeting.**

## **1. Effective Dates**

- A. The PTC Board was elected in November 2016 to serve beginning January 1, 2017. Effective January 1, 2017 any PTC board of directors is dissolved that was formed before 2016.**
- B. The effective date for the original Document was July 11, 2017. The effective date for any amendments to the original Document are as specified.**

*Bruce Fingerhut said he was uncertain but believed the PTC established a board of directors in its early existence. To avoid the possibility of redundancy any board established before 2016 should be dissolved.*

## **2. General Principles of Board Purpose**

**The PTC Board:**

- A. Assists with the development of PTC policy.**
- B. Is authorized to approve, approve with conditions, or disapprove in advance any PTC expenditure that would exceed \$1,000.**
- C. Performs any function required of the Board to comply with the following: (1) the requirements of a federal, state or local agency; and (2) the terms of a grant application.**
- D. Considers any matter referred during a meeting of the PTC Membership.**

*Steve Lucas recalled the Membership supported the need for the Board and to develop operational procedures. The April 2017 minutes of the Membership point to the need to identify the Board’s “scope”. The minutes added that, in part, the Board helped “meet IRS expectations for a not-for-profit association.” Greg Wittig reflected during the April meeting that another purpose was for the “‘checks-and-balance’ relationship with the PTC officers.” Subpart A helps achieve these purposes.*

*During the May 2017 Membership meeting Karen Witting moved to refer for Board guidance two matters about which agreement was not reached. Subpart D of this item confirms the opportunity for Membership referrals to the Board.*

*The Board reflected on recent successes and the PTC’s improving financial state. Bruce noted a year ago a \$3,000 purchase would have been impossible. With improving finances the possibility and seriousness of ill considered judgment has greater consequences. Even so PTC activities should not be unduly hampered by purchasing restrictions. He suggested \$1,000 be set as a spending limit that could not be exceeded without Board approval. An individual member could on faith of future PTC approval spend more than the \$1,000 amount, as members have done previously. Sharon Smead said she agreed with the need for a limit on spending without Board approval and also agreed \$1,000 was a reasonable limitation.*

### **3. Board Election and Eligibility Requirements**

- A. The Board shall consist of seven members that serve for two-year terms as staggered in Part B.**
- B. During a meeting in the preceding November or December, the Membership shall elect four persons for terms that begin January 1 of even-numbered years and three persons for terms that begin January 1 of odd-number years. o be eligible for the Board a person must have been among the Membership on August 1 preceding the election.**
- C. If a Board member resigns or becomes unable to perform the functions of a member, an officer may cause an item to be placed on the agenda of the Membership to elect a replacement to serve for the remaining office term.**

*The Membership established the Board with six members during the November 2016 meeting. The Board members were to serve for one-year terms beginning on January 1, 2017. When preparing the Document the Board agreed the November process was workable but discussed the wisdom of adding a seventh Board member from among younger Membership. Doing so would make achieving a quorum easier, diversify the Board, and reduce the likelihood of a tie vote. The Board agreed to confirm a six-member board but to ask that the Membership consider adding a seventh member.*

*The Board also discussed the concept of providing staggered terms for membership. Three members would serve beginning in odd years and three (or four, if a seventh member is added) would serve beginning in even years. The period of service for members would be two years rather than one year and could support continuity. The Board did not to act on this concept.*

*During its July 11, 2017 meeting, the Membership added a seventh Board member and provided for two-year terms. Four of the seven would begin terms in even-numbered years and the other three in odd-numbered years.*

### **4. Board Quorum and Officer Provisions**

- A. Four members constitute a quorum for the conduct of a meeting of the Board.**
- B. For passage at least four members of the Board must vote in favor of a motion or resolution.**
- C. The Board shall elect from its members a Chair and Vice Chair. The Chair (or in the absence of the Chair, the Vice Chair) shall preside over meetings. In the absence of the Chair and Vice Chair the members may select another member to preside.**
- D. The Board may also elect a Secretary from the Membership. A Secretary who is not a Board member does not contribute to the quorum and cannot vote in Board matters.**
- E. The Chair or Vice Chair may authorize a Board member to participate for all purposes in a Board meeting by electronic means.**

*The Board discussed the wisdom of requiring a Board quorum. A quorum has not been set for activities of the Membership, and the Board does not seek to set one. With the more limited but arguably more formal role of the Board, requiring a quorum was determined appropriate.*

*This item provides for Board election of a Chair and a Vice Chair from among the Board members. The selection of a Secretary is authorized but not required. With Board meetings expected to be held less frequently than meetings of the Membership, a Secretary might serve only for a single meeting. The Secretary shall be from Membership but is not required to be a Board member. If not a Board member the Secretary does not count for quorum and does not have a vote. The Treasurer elected by the Membership also serves as Treasurer for the Board.*

*Most Board discussion was directed to the need to include in critical discussions the participation of Board members who are unable to be physically present. Subdivision E would grant discretion but not*

*require a Chair (or Vice Chair when presiding) to allow a member to participate by electronic means. The Chair or Vice Chair would determine which if any electronic means was acceptable for a particular meeting. A member joining by electronic means counts for quorum and toward a motion or resolution and may participate as if present in person.*

## **5. Board Annual Meeting and Special Meetings**

**A. The Chair shall schedule the annual meeting as soon as is practicable after January 1. B. A special meeting of the Board may be scheduled upon reasonable notice by any of the following:**

- 1. The Chair.**
- 2. The Vice Chair.**
- 3. The PTC President.**
- 4. A majority vote of the Membership present during a meeting.**

*Subpart A implements the intent of the Membership expressed in the November 2016 meeting. Subpart B provides a flexible approach for special meetings (in other words, any meeting held in addition to the required annual meeting) of the Board. Special meetings may be called by the Board's Chair or Vice Chair. In addition the Board agreed the PTC President or a majority of the Membership during a meeting may schedule a special meeting. Steve said providing this authority to the PTC President and the Membership could help assure that the Board will meet as needed to carry out PTC business. Sharon said another benefit is to encourage the Board to address promptly a Membership referral made pursuant to item 2D.*

## **6. Election of Officers**

**The annual Membership meeting shall be scheduled as soon as practicable after January 1. During the annual meeting the members shall elect a President, Vice President, Secretary, Treasurer, and Liaison to the Hoosier Valley Railroad Museum. To qualify as an officer a person must be a PTC member in good standing. If an officer resigns, is incapacitated, or removed by the Membership for good cause, a special election may be held to fill the position of the officer for the remainder of the term. An officer serves until the next annual Membership meeting.**

*From the organizational meeting of the PTC held on March 30, 2011, officers were elected typically during the first meeting of a calendar year. The purposes of this clause are to formalize the practice, clarify the duration of officer status, and provide a mechanism for filling a vacancy. The clause also identifies particular officer positions with an understanding that these may be changed by a resolution of the Membership. The clause was made effective July 1, 2020.*

## **7. Use of Membership Names and Addresses**

**The Board and Membership of the PTC shall not sell a member's name or address. Members' names may be shown on a list and the list distributed, unless a member otherwise specifies. Recruiting new members and seeking renewals of existing memberships shall be performed consistently with this item.**

**The Membership approved this item effective on its meeting date of August 22, 2017. Application of this item was also referenced its meeting of September 27, 2017.**

## **8. Restrictions on Funding Offered to or Held by the PTC**

**The PTC can perform missions and goals most effectively if its funding is not limited to particular purposes. Funding offered to or held by the PTC should be expended lawfully following authoriza-**

tion made in a meeting of the Board or of the Membership as a whole. Officers are authorized to cause the payment of fees and bills when appropriate to the conduct of ordinary PTC business. In the absence of an authorization by the Board or the Membership as a whole, a member is not authorized to, and shall refrain from, making promises or commitments to potential donors regarding how funds would be expended. Exceptions apply if the restriction:

- (1) is appropriate to a PTC grant application made to a governmental unit, quasi-governmental entity (such as a utility or conservancy district), or a non-profit nongovernmental organization;
- (2) requires a reasonable cost-share for a major project such as new trail construction or land acquisition;
- (3) is on an approved PTC check-off list for donations; or
- (4) has been otherwise approved in advance by a resolution of the Board or the Membership as a whole.

*The Membership discussed this item generally during its meeting of August 21, 2018 with the stated intention of considering a resolution for implementation during the next meeting. On its meeting of September 27, a proposed resolution was presented to and considered by Membership. Brian McMillin asked for a summary of what it would accomplish. Bruce Fingerhut responded the item would help make clear, that unless otherwise approved in advance by Board or by Membership vote, a person cannot promise a potential donor funds will be put to a particular use. The item would recognize exceptions for grant applications, qualified cost-share projects, and matters on an approved donation check-off list. Kathy Lucas added that if the resolution were approved, she could draft for Membership review, a revised Membership form that would include a donation check-off list.*

*Richard Stalbrink asked whether the resolution would prevent Membership from specifying an approved purpose in advance. Steve Lucas answered the Membership could still approve a purpose in advance. An example would be in subdivision (2) if the Membership approved a requirement for a cost share for a qualified special purpose. A purpose could also be approved in advance if on a donation check-off list or already authorized during a Board or Membership meeting. Effective September 27, 2018, the Membership approved a resolution that is substantively the same as the one set forth in this item.*