



To: Institute Members  
From: Susan Frelich Appleton  
Chair, Governance Committee  
Date: March 31, 2016  
Re: Bylaw Amendments

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The Council and the Governance Committee recommend approval at the Annual Meeting (May 16-18, 2016) of the proposed amendments to the Bylaws shown in the attached Annex. The amendments would expand eligibility for serving in ALI's volunteer offices and make the President Designate role an officer position.

### **I. Eligibility for volunteer offices**

Currently, the Bylaws limit eligibility to serve as a volunteer officer to members of the Council. Council emeriti are not eligible. Council members who are serving as officers when they reach their Council term limit receive an extension only through their then-current term of office. (The President receives a slightly longer extension in a first term in that office; the Council term is extended through a second term as President.)

The recommended amendments expand eligibility in response to consequences of the Council term limits implemented in 2007. First, new members with leadership capacity have joined the Council. Yet, once they have gained ALI experience by attending Council meetings and serving on committees, they might be reaching the end of their terms. Second, Council emeriti with considerable ALI experience are ineligible for office just when they might be able to make the time commitment to serve.

The amended Bylaws would allow any Council member who is an officer to serve on the Council until he or she no longer holds any office, subject to the term limit for each office. The amended provisions also would allow Council emeriti to be eligible for election to office by permitting reelection to the Council upon nomination to serve in office. Their eligibility to serve on the Council would continue for as long as they hold any office, subject to the term limit for each office.

The proposed amendments revise the existing reelection provision for Council emeriti in Bylaw 4.07 and replace the narrower term-extension provision for officers in Bylaw 4.05 with a broader provision in Bylaw 4.06.

## **II. President Designate**

Making the President Designate an officer position is recommended to formalize the role and bring the individual serving in it within the leadership circle. The proposed amendments to Bylaws 5.01 and 5.04 create the office and limit service to one term.

Related amendments to the Rules of the Council and the Executive Committee Charter define the President Designate's responsibilities, add the President Designate as a member of the Executive Committee, and expand the maximum size of the Executive Committee by one. These amendments do not require membership approval.

**BYLAW 4 – COUNCIL AND COMMITTEES**

**4.01** A. Subject to the delegation of authority to the Executive Committee in accord with Bylaw 4.03, the Council oversees the management of the business and affairs of the Institute. In carrying out this responsibility, a member of the Council who acts in good faith and reasonably believes that reliance is warranted may rely on the acts, statements, reports, or opinions of the Executive Committee, of other duly constituted committees, of an officer of the Institute, or of any other person.

B. The primary functions of the Council are to determine projects, programs, and activities to be undertaken by the Institute, either alone or with other organizations; to determine the form of Institute projects; to evaluate and, in accord with Bylaw 6, to approve work as representing the position of the Institute; and to receive and review reports from the Executive Committee.

**4.02** The authority reserved to the Council by these Bylaws is expressed by reference to the Council's having to act "by Rule," to the matter being "only" for the Council, or to the matter being specifically "reserved to" the Council. In addition, the authority reserved to the Council includes, but is not limited to, the following:

A. To adopt and amend Rules of the Council, not inconsistent with these Bylaws;

B. To make the final interpretation of any Bylaw or Council Rule;

C. To lease, mortgage, or sell any of the Institute's real property (only if authorized by a majority of the Council at a meeting called for that purpose); and

D. To reserve additional authority to itself by Rule or resolution.

**4.03** A. The Executive Committee is composed solely of Council members and is a required standing committee of the Institute. Its primary responsibility is the oversight of the management of the business and affairs of the Institute under a broad delegation of the Council's authority except what is reserved to the Council by applicable law, by these Bylaws, or by the Council by Rule, resolution, or other recorded action.

B. Six other standing committees of the Institute are also required: Audit, Governance, Investment, Membership, Nominating, and Projects. The Council, by Rule, may create additional standing committees.

C. Each standing committee of the Institute must have a formal charter adopted (or amended) only by the Council, in which the committee's composition, authority, and responsibilities are stated. The Executive and Nominating Committees are appointed only by the Council, but the Council may delegate its authority to appoint any of the other standing committees.

D. Any delegation of Council authority to a standing or other committee, whether by charter or otherwise, is not exclusive, and the Council continues to retain and may exercise all delegated authority.

**4.04** The Council consists of no fewer than 42 and no more than 65 members. The Council may transfer Council members to emeritus status in accord with its Rules. Council members emeritus may participate in meetings of the Council but are not members of the Council and may not vote.

**4.05** A. Council members are elected from the Institute's membership by the members at an annual meeting of the membership. Except as provided in Bylaw 4.06, the term of Council members is five years beginning at the close of the annual meeting at which the election occurs and terminating at the close of the annual meeting five years later.

B. A vacancy that occurs on the Council due to the death, resignation, or removal of a Council member during the member's term may be filled temporarily only by the Council. A person appointed under this paragraph to fill a vacancy is a member of the Council only until the next annual meeting of the membership of the Institute.

C. Except as provided in Bylaw 4.06, a Council member may serve no more than three consecutive terms, ~~except that if at the end of three consecutive terms a Council member is an officer of the Institute, that member's term on the Council is extended, if it otherwise would have terminated, so that it terminates at the same time as the member's then term of office. However, if the Council member is serving a first term as president and the Council elects the member to a second term as president, the member's term on the Council is extended to terminate at the same time as the second term in the office of president, after which it is extended further to terminate at the same time as the member's term as chair of the Council if so appointed.~~

**4.06** A. A Council member may serve more than three consecutive terms and remain eligible for reelection to the Council for as long as the member holds any office, subject to the term limits in Bylaw 5.04. The term of a Council member who has served for more than three consecutive terms as permitted by this paragraph terminates when the person no longer holds any office.

B. The offices covered by this Bylaw 4.06 and Bylaw 4.07 are all offices under Bylaw 5.01 other than the director and deputy director.

C. Regardless of the Council class to which the member was assigned when elected to the Council, the term of each member of the Council at the time this Bylaw 4 is approved by the membership terminates at the close of the 2007 annual meeting of the membership. Such persons are eligible for reelection to the Council only as provided in the applicable transition rule approved by the Council on December 7, 2006.

**4.07** A Council member who becomes ineligible for reelection to the Council as a result of term limits under Bylaw 4.05 or 4.06 ~~and~~ or the applicable transition rule (approved by the Council on December 7, 2006) may be reelected to the Council after two years have elapsed, except that a person who is nominated for any office may be reelected to the Council after no lapse, effective at the same time as the term of office begins. A Council member who leaves the Council (whether during or at the end of a term) prior to reaching the applicable term limits may be reelected to the Council at any time. However, no person may serve more than four terms on the Council, whether or not the terms are consecutive, unless so permitted under Bylaw 4.06 or the applicable transition rule.

**4.08** No member or former member of the Council may receive any compensation from the Institute for services rendered during that person's term as a Council member.

**4.09** The Council should meet in person at least once a year.

**4.10** One-third of all Council members constitutes a quorum for a Council meeting, but one-third need not be present at all times. Except as provided by applicable law, a majority vote of those present when the vote is taken on any matter at a duly constituted Council meeting is effective as the Council's action.

**4.11** A. The term of appointed members of standing committees is three years. All terms begin and end at the close of an annual meeting of the membership. Except as provided in paragraph B, C, or D of this Bylaw 4.11, appointed members of standing committees may serve no more than two consecutive terms.

B. At the end of the second consecutive term an appointed member or chair of a standing committee is eligible for reappointment for two years only as chair, unless that person previously served more than one term as chair.

C. In extraordinary circumstances, at the request of the President, the Council may grant a one-time extension to allow an appointed chair of a standing committee to serve beyond the term limits under paragraphs A and B of this Bylaw 4.11.

D. Members of a standing committee at the time this Bylaw 4 is approved by the membership are eligible for reappointment to that standing committee only as provided in the applicable transition rule approved by the Council on December 7, 2006.

E. Members of a standing committee who are ineligible for reappointment to the committee as a result of term limits under paragraph A, B, C, or D of this Bylaw 4.11 and the applicable transition rule approved by the Council on December 7, 2006, may be reappointed to the committee after two years have elapsed.

F. The Council may appoint special committees and prescribe the authority and responsibilities of each.

G. Any member of a standing or special committee may be removed, with or without cause, by the Council or by any other person or entity that is authorized to appoint the committee.

**4.12** A majority of the members of any standing or special committee constitutes a quorum for a committee meeting, but a majority need not be present at all times. A majority vote of those present when the vote is taken on any matter at a duly constituted meeting is effective as the committee's action.

**4.13** A. Except when an in-person meeting is required by applicable law, these Bylaws, a Council Rule or resolution, or a committee charter, any meeting of the Council or of a committee may be held in person, by teleconference, or by any other means whereby all participants in the meeting are able to talk with each other.

B. Any action that may be taken at a meeting of the Council or of a committee may be taken without a meeting by an approving vote of a majority of its members, except that if any of its members requests that a meeting be held on the matter, the action may not be taken except at a meeting (which need not be an in-person meeting). Voting by the Council or by a committee without a meeting must be by a method determined by the President or Chair of the Council, in the case of the Council, and by the committee's chair, in the case of a committee.

C. Proxy voting by members of the Council or of any committee is not permitted.

#### BYLAW 5 – OFFICERS

**5.01** The Institute's officers are a president, a first vice president, a second vice president, a secretary, a treasurer, a director, and a deputy director. The Council may designate additional officers, including but not limited to a chair of the Council, [a president designate](#), an assistant secretary, and an assistant treasurer. No two offices may be held simultaneously by the same person. Officers serve with the authority and duties prescribed by the Council.

**5.02** Neither the director nor deputy director may serve on the Council. All other officers must be members of the Council and persons in or formerly in those offices may not receive any compensation from the Institute for services rendered during their term in office.

**5.03** Only the Council may elect, appoint, or, with or without cause, remove an officer, except that the Council may delegate such authority to the Executive Committee with respect to the deputy director.

**5.04** A. The term of office of each officer other than the director and deputy director is three years. All officer terms begin and end at the close of an annual meeting of the membership of the Institute.

B. Except as provided in this Bylaw 5.04 and in Bylaw 5.05, no person may serve more than three terms in the same office.

C. Only the immediate past president may serve as chair of the Council, and, except as provided in Bylaw 5.05, no person may serve more than one term in that office.

D. No person may serve more than one term as president designate.

~~D~~E. The director and deputy director each serve for a fixed term set at the time of appointment not to exceed three years. There is no limit to the number of terms the director and deputy director may serve.

**5.05** The officers at the time this Bylaw 5 is approved by the membership are eligible for reelection or reappointment to the same office only as provided in the applicable transition rule approved by the Council on December 7, 2006.