



GOVERNING DOCUMENTS COMMITTEE



GDC RECOMMENDATIONS FOR PROPOSED BYLAW AMENDMENTS @ THE 2010 ANNUAL MEMBERS MEETING

Thursday, December 17, 2009

Dear Members,

Following are the recommendations of the Governing Documents Committee (GDC) on several proposed bylaw amendments that will be up for consideration by the membership of the PDCA in accordance with current bylaw requirements. The proposed bylaw amendments are herewith attached in Appendix I format.

The first proposed bylaw amendment is a submittal from the California, Hawaii, and Nevada councils. The GDC does NOT recommend acceptance of this proposed bylaw amendment. The GDC carefully reviewed the proposed bylaw amendment submitted by these three councils and after thorough consideration, the GDC recommends that PDCA is better served without making this proposed bylaw amendment. In regards to this submission, the “re-introduction” of the “concept of council voting strength” after having been previously taken out by a vote of 2/3 of the members present at that meeting is unnecessary and adds a couple of unneeded additional layers of process for consideration of either a matter of dues or a proposed bylaws amendment.

In conclusion on the subject of the submittal from the California, Hawaii, and Nevada councils, the GDC believes that the current bylaws language is clear and reasonable resulting in the recommendation NOT to support acceptance of this proposed bylaw amendment.

There are four more proposed bylaw amendments that the membership should consider. All four of these proposed bylaw amendments are submissions from the GDC. As a result, the GDC request the consideration by the membership for a motion of ACCEPTANCE of these four proposed bylaw amendments. The first of the four submissions from the GDC is a consideration of a matter of dues by the BOD in lieu of the members. The second of the four from the GDC is a consideration of the clarification of bylaw language as it pertains to a “local associate member”. The third of the four from the GDC is a consideration of when the budget should be presented for BOD consideration and a change in dues re-imburements under particular circumstances. The fourth of the four from the GDC is a consideration of the requirements of proposed bylaw amendments.

Working with and for PDCA Members,
The Governing Documents Committee
Monty Cates – Chair
Paul Corey
Ken Sisco
Jim Foster
Mark Casale – BOD liaison



Appendix I

Submitted for Policy, Bylaw or Agenda Item

Submitted by ___ California Council, Hawaii Council and Nevada Council,

On behalf of ___ All members of the P.D.C.A.

Self, Committee Name, Group, Entity, Staff, or Officer

(Please attach sheets if necessary to complete appendix I).

Proposed Policy/Bylaw Language, with relevant existing Policy/Bylaw, or Agenda Item for Action:

Change the following:

Article IX, Section 9.4 – Voting, (a) Change to read:

“Only Active members in attendance (except in the case of proxies, and delegates voting on dues increases and Bylaws changes) at the Annual Members’ Meeting or Special Meeting of the membership, and who are current in their membership dues payment, shall have a vote on all matters to be considered. Each Active member present, or proxy, shall have one (1) vote.”

Add the following:

Article IX, Section 9.4 – Voting, (c) When there is a proposed change to bylaws, or a proposed dues increase, member strength voting shall take place using the following procedure:

- (1) When an annual member meeting or a special called meeting is scheduled, no later than forty-five (45) days prior to the meeting, the Credentials Committee shall count the number of Active Members in each council, using the National PDCA database information.**
- (2) The Delegate of each council will be entitled to one (1) vote in addition to its member strength vote. Each delegate shall be an active member. Names of delegates shall be recorded with the CEO at least 24 hours before the annual meeting, or before the opening session of a special called meeting.**
- (3) Alternate delegates, who are active members, may act on behalf of regular appointed delegates.**
- (4) The delegate of each council or their appointed alternates shall cast votes as directed by his/her active members.**



Change the following:

Article XII 12.5 Change to read:

“Votes to adjust the dues shall be by a recorded member strength roll call vote, and only by an affirmative two thirds (2/3) vote provided that a quorum is present.”

Article XIII 13.3 (e) Change to read:

“Bylaw amendments may be approved at an annual meeting or a special meeting. Voting shall be by recorded member strength roll call vote, and only by an affirmative two thirds (2/3) vote provided that a quorum is present.”

Add the following:

Article IV – 4.1 Councils.

- (j) Delegate. The active members of each council may appoint a Delegate to vote on their behalf on matters of dues increases and Bylaws amendments at the annual members’ meeting and special meetings.**

- (k) Member Strength. Member strength is the total number of active members in each council who are current in their membership requirements.**

This submission solves (please include relative background information, pros and cons, advantages/disadvantages, alternative approaches and/or consequences):

One of the purposes of PDCA as outlined in Article II of our bylaws is to represent “the collective interests of the membership.” Our board policy takes this a step further, and says that we will govern with emphasis on “collective rather than individual decisions.”

Clearly, our bylaws and policy are saying that the views of our members should be considered when making important changes to our bylaws and dues structure. So if we wish to be a member-driven organization, why would we leave such important decisions up to the few who are able to attend an annual or special called meeting?

Pros/advantages of Member-strength voting:

- Every member of every council’s vote will be counted in issues of Bylaws changes, or dues increases. Not just the votes of those present with their 3 proxy votes.**
- The delegate that represents his or her members will know the wishes of all the members of his/her council before the annual or special-called meeting.**



- If necessary, the delegate will be able to split the member's votes in accordance with the wishes of all members of the council.
- Allowing members to participate in their annual meeting through their appointed delegate will increase member attendance at annual and special called meetings.

Cons/disadvantages of Members-strength voting:

- If a council does not send a delegate to the annual or special-called meeting, the members' votes will not be counted. The same holds true even with the present system.
- The council delegate will have to take the time to poll all members of the council (via the chapters or any other means) to get their view on important issues like bylaw changes or dues increases, and be prepared to vote accordingly.
- Naturally, the larger council will have more votes. But isn't this a true representation of where the members are?

Our meetings are conducted at various cities in the country, which is a good way to get an over-all sampling of our members at various conventions. However, when an important issue like bylaw changes or dues increases is to be decided, it is not by an accurate sampling of the membership as a whole. Member strength voting will allow for each member from all segments of the country to vote through the delegate representing him/her.

So instead of having a few members with only three proxy votes to decide on important issues, why not insure that all of our members have representation and a vote?

Thank you for considering this very important bylaw change.



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Submitted by The Governing Documents Committee

On behalf of	The Governing Documents Committee
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Self, Committee Name, Group, Entity, Staff, or Officer

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Proposed policy/bylaw language, with relevant existing policy/bylaw, or agenda item for action:

The GDC herewith proposes the following changes to language contained within the bylaws.
Language in “red” will be proposed additions of language and “strikethroughs” will be proposed deletions of language.
The following sections are from Article XII – Dues
12.4 Proposed changes on matters of dues must be communicated to all members no later than one hundred twenty (120) days prior to the next Annual Members’ Meeting or Special Meeting of the membership BOD meeting at which the proposed changes are to be considered and voted upon.
12.5 Votes to adjust the dues shall be by a two-thirds (2/3) affirmative vote of the Active members directors casting a vote, provided a quorum is present.

This submission solves (please include relative background information, pros & cons, advantages/disadvantages, alternative approaches and/or consequences):

Consideration of any proposed changes on matters of dues should be undertaken by the entity charged with the duty of the governance of an association. In the case of the PDCA, that entity is the Board of Directors. It is the BOD that has the “governance / financial information” at hand to consider any proposed change on matters of dues. Since the general membership may not have all of the governance / financial information that the BOD has, the general membership may not have all of the relevant information needed to make an informed decision on whether a proposed change on matters of dues meets the needs of the association.



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Proposed policy/bylaw language, with relevant existing policy/bylaw, or agenda item for action:

The GDC herewith proposes the following changes to language contained within the bylaws.
Language in “red” will be proposed additions of language and “strikethroughs” will be proposed deletions of language.
The following section is Article III – Membership, 3.4
3.4 Associate members shall be raw material suppliers, manufacturers, wholesalers, distributors, and dealers in equipment, services and materials of all kinds used in connection with or incidental to the conduct of the coating application industry. Associate members shall not be eligible to hold office other than that of Secretary or Treasurer of a council, chapter, or forum, or that of Treasurer of the BOD. Associate members shall have voting representation on the BOD.
3.4 Associate Members
(a) Associate members shall be raw material suppliers, manufacturers, wholesalers, distributors, and dealers in equipment, services, and materials of all kinds used in connection with or incidental to the conduct of the coating application industry. Associate members shall not be eligible to hold office other than that of Secretary or Treasurer of a council, chapter, or forum, or that of Treasurer of the BOD. Associate members shall have voting representation on the BOD.
(b) Local Associate members shall be representatives of neighborhood, state, or regional raw material suppliers, manufacturers, wholesalers, distributors, and dealers in equipment, services, and materials of all kinds used in connection with or incidental to the conduct of the coating application industry. Local Associate members may be a representative of an Associate member as defined in 3.4, (a).
(c) Local Associate members shall be eligible to hold the office of either Secretary or Treasurer of a council, chapter, or forum. Local Associate members shall pay dues to



respective councils, chapters, or forums.

This submission solves (please include relative background information, pros & cons, advantages/disadvantages, alternative approaches and/or consequences):

The current bylaws do not differentiate between an associate member and a “local” associate member. For example, there are “local” associate member “types” that may never be members of the association on the national level, but may very well be members of a chapter and/or council. As a result, the Governing Documents Committee believes that a “local” associate member needs to be more clearly defined than is present in the association’s current bylaws.



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The GDC herewith proposes the following changes to language contained within the bylaws.
Language in “red” will be proposed additions of language and “strikethroughs” will be proposed deletions of language.
The following section is Article VIII – Officers, 8.5, (c) of the bylaws.
(c) Treasurer: It shall be the duty of the Treasurer to inspect the financial planning, activities and conditions to insure compliance with Policy. The Treasurer shall provide a budget for consideration at the BOD meeting held not less than four (4) two (2) months prior to the beginning of the following calendar year.
The following section is Article XII – Dues, 12.8 of the bylaws.
12.8 Headquarters shall pass through all dues monies to councils, chapters, and forums within thirty (30) days of receipt quarterly. If monies owed are more than one hundred dollars (\$100.00), then checks will be issued monthly.

This submission solves (please include relative background information, pros & cons, advantages/disadvantages, alternative approaches and/or consequences):

The GDC is making the above recommended changes in consultation with the Finance Committee. Originally, the GDC was getting feedback on the need to allow consideration of a budget by the BOD later in a calendar year. As a result, the GDC asked the Finance Committee for its’ position on this matter. The Finance Committee then offered its’ position on this matter and also asked for consideration of a problem that it viewed as needing correction under 12.8 of the bylaws.



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In regards to the proposed changes under 8.5, (c), the main reason for changing the timeline of when the BOD should consider the budget for the next year is that the later into the present year the association can go; better financial information is received to “forecast” a budget for the next year. Enough time also needs to be preserved in the present year for the consideration of next year’s budget by the BOD.

In regards to the proposed changes under 12.8, the main reason for this change is that the association is currently issuing checks on a monthly basis for very small amounts. Often as small as three to four dollars. This is a “cost issue” that needs to be resolved. The cost to PDCA to send out these checks is more than the dollar amount of the check involved in the case of these checks of small amounts. The only way to resolve this issue is to make a change in the bylaws. It is just good business to set a threshold for when dues reimbursements are sent to the councils, chapters, and forums.



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The GDC herewith proposes the following changes to language contained within the bylaws.
Language in “red” will be proposed additions of language and “strikethroughs” will be proposed deletions of language.
The following section is Article XIII – General Matters Concerning Bylaws, 13.3
13.3 Amendments. These Bylaws may be amended as follows:
(a) Amendments may be proposed by the BOD; or the Governing Documents Committee; any council, chapter, or forum; or by written petition of not less than five (5) Active members.
(b) Amendments may be proposed by any council, chapter, forum, or Active member provided that the signatures of five (5) Active members are included.
(c) (b) A vote on proposed amendments may be taken at an Annual Members’ Meeting at which a quorum is present.
(d) (e) Proposed amendments shall be submitted on PDCA Policy form Appendix I and must be received by headquarters no less than ninety (90) days prior to the Annual Members’ Meeting.
(e) (d) The Governing Documents Committee shall submit with a recommendation all properly received proposed Bylaws amendments to the membership no less than forty-five (45) days prior to the date of the Annual Members’ Meeting where the amendments will be considered.
(f) (e) Bylaw amendments may be approved at an Annual Members’ Meeting by a two thirds (2/3) affirmative vote of the Active members casting a vote, provided that a quorum is present.



This submission solves (please include relative background information, pros & cons, advantages/disadvantages, alternative approaches and/or consequences):

The bylaws currently state that any chapter, council, or forum may submit proposed bylaw changes. The bylaws also currently state that five (5) *Active* members “together” may submit proposed bylaw changes. Whether the submission is coming from a chapter, council, forum, or not; the reality is that the submission is coming from *Active* members. The GDC is suggesting here that regardless of the origin of the submittal other than the BOD or the GDC, five (5) signatures from *Active* members be required for the submission. The five (5) signatures are akin to a “second” after a “first” on a motion put forward in a meeting. This suggested bylaw change makes for good governance protocol.