

Bylaw Changes to be Voted on at February 23rd General Membership Meeting

The SCARE Board of Directors is proposing several changes to the SCARE Bylaws to bring them up to date and in conformity with the needs of the organization. As SCARE becomes more of an advocacy organization for retirees, we need our rules to reflect that role. The proposed changes are shown below but the following gives you some idea of why they are needed:

- Article III, Section 5, adding language related to taking legal action. We have taken votes from the members related to legal issues in the past but it was never spelled out in the bylaws.
- Article V, Section 10, Allows another venue for holding Board meetings when decisions are needed between formal Board meetings.
- Article VIII, Section 2(f) changes wording related to sending out financial statement to what is required by law.
- Article VIII, Section 6, allows a SCARE committee to take action by email as well as letter to allow the use of modern technology.
- Article IX - Section 7. A new section is proposed to allow the Board of Directors to hold an executive/closed session to allow for the private discussion of anticipated or current litigation. Given our long standing law suit against the County Board of Supervisors over the reduction of the County's subsidy of retiree health benefits, this section is needed.
- Article X, Section 2 - Additions to this section would allow SCARE to pay for legal bills on a deferred basis. The lengthy litigation with the County over the retiree health insurance subsidy requires this new approach in order to press the litigation forward.

We look forward to presenting these changes to the Bylaws at our business meeting on February 23rd and answering any questions that you may have. We will take a vote on the proposed changes after the discussion. As shown in our bylaws, we do not use proxies. While we realize that does not allow many of you to vote, that decision was made because of the cost of doing votes using proxies, and the difficulty in getting quorums when proxies are used and then not returned. If anyone who cannot attend the meeting has a strong objection to one of the changes, you can at least contact one of our Board members to express your objection. Thank you for your understanding.

We are not putting the full bylaws in the newsletter as they are too lengthy. They are available online at <http://sonomacountyretirees.com/bylaws.pdf> or you can ask Patty Hamley (707 579-1726) to send you a copy. Below are the sections that are being changed. For those of you who get the newsletter online, you will see changes in color but for those who get hardcopies, changes will be bolded and underlined. Strikeouts mean language is being deleted.

Article III , Membership: Section 5. It is intended that the basic rights and privileges of this corporation afforded members by these bylaws and the California Nonprofit Mutual Benefit Corporation Law shall be vested in its members. Regular members shall vote upon changes to bylaws, election of Directors, changes in membership dues, decisions related to mergers or dissolution of the corporation, **causing the corporation to conduct or participate in formal dispute resolution procedures involving matters pertaining to their county retirement and/or health benefits**, as well as any other matters the Board of Directors submits to the Regular membership for a vote. Each Regular member has one (1) vote.

Article V, Board of Directors: Section 10. **Regular or** special meetings may be held by conference call (so long as all participants may speak to and hear one another during the meeting), or in person. **Meetings**

may also be held via internet conference “chat room” so long as all participants may speak to and hear one another during the meeting.

Article VIII, Committees, Section 2 (f) The Financial Oversight Committee reviews the corporation’s financial statements and backup documents/bank statements after the end of the calendar year. ~~before the annual report is sent to members.~~ Annual financial statements will be disclosed to members when and as may be required by law.

Section 6. Any action that a committee is required or permitted to take may be taken without a meeting if all committee members consent in writing by letter or email to the action. Such action by written consent shall have the same force and effect as any other validly approved committee action. All such consents shall be filed with the minutes of the proceedings of the committee.

Article IX, General Meetings: Section 7. Upon the motion of any corporate officer, any meeting of the Board of Directors may hold a closed/executive session at any duly called meeting to review, discuss, or plan anticipated or current litigation involving the corporation, with or without legal counsel present. In such instances, the Board shall meet privately and may exclude any non-Board members from the session.

Article X, Limitations: Section 2. No commercial loan or debt shall be incurred in excess of the funds in the treasury of the corporation, provided however that the Board of Directors may, in its good faith judgment, retain legal counsel for the corporation with a contingent or deferred fee arrangement, or a combination of both, on terms and conditions deemed fair and reasonable to the corporation by the Board.

Your Board of Directors