



MEMORANDUM

TO: Members, Ohio City Incorporated (OCI)
FROM: Board of Trustees, Ohio City Incorporated (OCI)
RE: Synopsis of recommended updates to OCI's Articles of Incorporation and Code of Regulations ("By Laws")
DATE: February 25, 2014

I. Introduction and Overview

Ohio City Incorporated (OCI) recently adopted an exciting new three-year strategic vision that will guide the organization's focus in its daily work in the areas of people, place, and promotion. But the plan also wisely includes a fourth section dealing with policy that looks at OCI's governance, operations, opportunities for collaboration, and resources. And within the governance section, a full review of the organization's fundamental governance documents ("by-laws") is placed front and center.

All strong organizations should conduct a regular review of their Articles of Incorporation and Code of Regulations. Even if that review does not produce substantive changes, it provides the Board of Directors with a refresher on the guiding principles and operational guidelines of the organization, and engenders important conversation by the Board about what the core purpose of the organization is and how it should conduct its governance work.

To achieve this goal, OCI's Board appointed members from its ranks to an *ad hoc* committee to conduct the by-law review and make recommendations to the full board. The special board committee met on January 25, 2014 and February 19, 2014 to review and make suggestions to the Board of Trustees for updates to Ohio City Incorporated's existing governance documents. During its work, the committee received advice, analysis, and drafting assistance from OCI's corporate attorney and its strategic planning consultant (who is also an attorney). From that meeting, the committee generated the following recommendations, which were reviewed and approved by the Board.

A synopsis of the major suggested changes and the rationale for each suggested change can be found below, and a copy of the proposed documents is attached to this memorandum.

II. ARTICLES OF INCORPORATION

The Articles are intended to serve as the keystone document for the organization. They lay out its purpose and any other fundamental items that the members want to memorialize. Think of it as the Constitution, whereas the Code of Regulations (often called by-laws) are like laws that govern the operation of the board. The most important, fundamental items for the organization should be in the Articles, with the rest left to the Code of Regulations.

- a. Purpose.** The purpose language has been updated to use the language recently adopted by the organization in its 2013 "bylaws" document. Currently, the Articles were inconsistent with what was found in the Code of Regulations.
- b. Membership.** The new recommended articles now contain clear membership language, which was lacking in the existing version. The new version makes it clear that the members

can include residents, businesses, and institutions from the service area and associate members.

- c. Board.** The recommended Articles add language that makes it clear that the board will always be a majority resident-based and majority elected. This was seen as a fundamentally important value of the organization that should be present in its Articles.
- d. Service Area.** The current Articles lack any language regarding what geography the corporation exists to serve. The recommended updates would add language that the corporation exists to serve the Ohio City neighborhood.
- e. Clearer Non-Profit Language.** The current language is weak regarding the non-profit status of the organization. The recommended updates add stronger, clearer language regarding the charitable purpose of the and 501(c)3 statues of the organization.

III. CODE OF REGULATIONS

- a. Title.** Drop the term “By-Laws” and use Code of Regulations instead, as it is the proper term under Ohio law.
- b. Annual Election.** The recommended updates include the introduction of an Annual Election of the Board of Trustees separate from and following the Annual Meeting. This Annual Election would be held at least 30 days following the annual meeting. This suggested change is a response to numerous Member comments about the difficulty in voting associated with holding the vote at the same time of the annual meeting. It will also help encourage membership by signing up new members at the time of the annual meeting, and prevent any issues with disenfranchising those who sign up as a Member on the date of the Annual Meeting. The overarching goal is enfranchising those with a stake in the Ohio City neighborhood while also holding an orderly, transparent election that produces confidence in the results.
- c. No Need to Annually Renew Membership.** Previously, members were required to annually renew their membership. The recommended updated version eliminates this requirement to encourage membership and reduce staff resources dedicated to re-registering each member annually.
- d. Number and Type of Trustees.** Currently, the maximum number of trustees is 15. The recommended change is to increase total Board membership from 15 to 19, while requiring 12 of the Trustees to be Residential Members who are elected by the general membership, thus ensuring that roughly two thirds of the Trustees are always residents and elected rather than appointed. The larger number of Trustees also allows the Board to reflect the diversity of interests in the neighborhood, including for-profit businesses, non-profit institutions, the Market District Improvement Corporation, and Associate Members.
- e. Amendment and Repeal (XII).** Currently, there is contradictory language in the Code of Code of Regulations that makes the role of the Board of Trustees unclear. The recommended update would clarify that a two thirds (2/3rds) vote of approval of the Board of Trustees would achieve any amendments to the Code of Regulations. The Articles would continue to require a majority vote of the Members for any amendments.

IV. CONCLUSION

The Board will call a special meeting on March 26, 2014 to vote on the recommended changes and answer any additional questions. In the interim, Trustees will be attending block clubs and other neighborhood meetings to discuss the recommended changes and address any questions or concerns. Thank you for your continued dedication to our neighborhood and organization, and we look forward to seeing you on the March 26th.