

Minnesota Association of Townships



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Memorandum on MAT's Proposed Bylaw Changes

At MAT's Annual Meeting this December, the voting officers will be asked to consider a set of changes to MAT's Bylaws. We request your consideration, questions, and comments on the proposals in advance of the annual meeting. MAT intends to hold informational and discussion meetings on these proposals before the annual meeting, with the goal that town officers will have considered these proposals before they attend the annual meeting.

MAT's Bylaws are a set of rules that guide the operations of MAT while also providing operational flexibility for MAT to provide services to town officers. The Bylaws have been changed 23 times since 1981, with the most recent changes being made in 2016. Changes used to be made regularly, on average every two years.

An in-depth review of MAT's Bylaws offers opportunities for improvement that are reflected in the Proposed Bylaws. The changes can be separated into several categories. The first category addresses problems with the current bylaws. Those problem sections are listed in this document, with a brief description of the problem and the change proposed. The second category addresses extraneous powers or language that has not been used and is not expected to be needed. This includes the removal of the Honorary Membership in MAT, which has not been used in MAT's history, to our knowledge. The last category concerns grammatical and stylistic changes intended to make the document easier to use. These changes do not change the meaning of the document.

The list below describes problems with current bylaws and solutions reflected in the proposed bylaw changes. Note that not all changes in the proposed bylaws are listed here, because this list concerns only the changes that address a problem with the current bylaws.

Proposed Changes Addressing Problems with the Bylaws

1. Problem: Who or what is a Member of MAT is not well-defined.

Art. III, sec. 1 currently uses the term "members" to describe townships as members and says town officers of a "township admitted to membership" are "considered members." The current bylaw language is confusing concerning who are the members of MAT and how township officers fit into MAT.

The proposed new language clarifies that townships are the members of MAT, and the privileges of membership will be provided to the member's supervisors, clerks, treasurers, and deputies. Town officers who are allowed to vote at MAT functions are to be called "Voting Officers". The new language will not change who gets to vote at MAT functions.

The new language explains that privileges granted to individuals may be removed without terminating a town's membership.

2. Problem: MAT Bylaws attempt to set qualifications of membership of MATIT.

Art. IV, sec. 3 and Art. IV, sec. 3 state that townships must be members of MAT to participate in the Minnesota Assoc. of Townships Insurance Trust (MATIT). MATIT is a joint powers self-government risk pool made of townships who choose to join it. While MAT was instrumental in helping townships form MATIT and MAT provides services to MATIT by contract, MAT cannot set the terms of participation in MATIT.

The proposed bylaws remove references to MATIT entirely. Only MATIT can set its terms of participation.

3. Problem: Reference to parliamentary procedure rules that cause confusion for members, are not necessary, and prevent members from adopting rules easily.

Art. V, sec 4 requires the Annual and Special Meetings of MAT be governed by Robert's Rules of Order (revised). The bylaws are not required to establish a set of procedural rules at all. Robert's Rules of Order are a well-known set of rules but are notoriously difficult to employ accurately. A 700-page rule book is not required for town officers to have meaningful and effective discussion at the meetings of MAT.

The proposed bylaws remove the requirement for Robert's Rules. The voting officers at the annual meeting will be able to adopt a set of rules, if needed, or they may operate without an established rule book. Most likely, the group will continue to operate informally with the commonly used methods for making motions, amendments, and taking votes.

4. Problem: Authorization for Proxies.

Art. V, sec. 5 authorizes the use of proxy voting for annual and special meetings of MAT. A proxy vote is a vote cast by a person on behalf of another person. Put another way, it allows absent people to let other exercise their vote. Minnesota law allows the use of proxy voting in membership corporations, like MAT, but their use is not required. In effect, proxy voting allows those who collect the votes of others to have more votes than others at the same meeting. While they can allow a person absent from a meeting to cast a vote, they can also undermine the discretion individuals would have to exercise his or her own judgement on a question facing the body.

The proposed bylaws remove the use of proxies. MAT has seen little to no use of proxies at annual meetings, at least in recent years. The use of proxies carries administrative burdens of notice, costs to produce forms or use published space in the Insider, administer their collection, and verify the grant or revocation of a proxy, among other burdens. Overall, we feel those who attend the meeting and engage in it are best suited to cast votes concerning MAT.

5. Problem: Floor nominations for District Director positions.

Art. VI, sec. 5(i) allows for nominations from the floor of the District Meetings on the election of the district director. This process has encouraged the practice of contested

elections by surprise, in which a challenger runs a quiet or secret campaign for district director but does not put MAT and the membership on notice by filing for the position. Voting officers currently need to attend district meetings on the possibility of an election, rather than a certainty of one, or may not attend a district meeting under the mistaken belief there will not be a contested election.

The proposed bylaws remove floor nomination as a method of election to the MAT Board, except when no filings are received. This encourages fair notice of the candidates among the voting officers and more time for the voting officers to consider the choices available. This change will also encourage greater turnout at district meetings at which there is a contested election. When there is no contested election, town officers will know they do not need to attend the meeting for that purpose. Uncertainty is not a good operating policy for a company, and putting voting officers on notice of the election reduces uncertainty. All voting officers will still have access to the election, they just cannot surprise anyone with a floor nomination.

6. Problem: Process and authority to fill a vacancy is not clear.

Art. VI, sec. 5(iv) currently allows the MAT Board discretion in whether to call an election to fill a vacancy on the MAT Board. However, Art. VI, sec. 5(v) says that “if for any reason, a district fails to elect a director”, the MAT Board may appoint a director to the vacancy. These two sections, taken together, already allow the MAT Board to either call for a special election or to appoint a person to fill a vacancy. The language and structure though, do not make this obvious.

The proposed bylaw change makes clear that a vacancy can be filled by election or by appointment, at the discretion of the MAT Board. This does not change the current rule because the Board could refuse to call a special election and then appoint a successor. This language makes it obvious to a reader that either result is possible.

7. Problem: Bylaws do not define vacancy; ex. Resignations do not create a vacancy

Art. VI, sec. 9 says a vacancy is created on the MAT Board when a board member ceases to be a town officer. Notably, the bylaws do not list any other circumstances that create a vacancy. The proposed bylaws list four possible events that create a vacancy to ensure the new Directors can be selected when appropriate.

8. Problem: Process and authority to amend the MAT Bylaws:

Art. VIII describes the power to change the bylaws and sets a two-thirds majority of the voting officers for the passage of a bylaw amendment. It lists two processes that can be used to amend the MAT Bylaws. One process calls for a resolution of support from a county unit or association of townships, submitted at least 180 days before the MAT Annual Meeting. The second process allows the MAT Board to approve proposed changes for consideration by the voting officers at the Annual Meeting, if approved by the board at least 60 days before the Annual Meeting. All bylaw amendments must be approved by the MAT Board before they may be considered. These processes have caused confusion among members.

In addition to the processes described in the bylaws, Minnesota's non-profit statute (Minn. Stat. § 317A.181, subd. 2), reserves the power to change the organization's bylaws to the non-profit's board. These powers are in addition to the processes described in the bylaws. Under that statute, the MAT Board may make changes to the bylaws, subject to a challenge process that can be used by the members to remove a change made by the board. The current bylaws make no mention of this power, and its unlikely members are aware of it.

The proposed language retains the two-thirds majority vote for changes to the bylaws, but allows any Voting Officer to propose a bylaw change to MAT. County unit support will not be required. Since all bylaw amendments need approval by the MAT board to proceed, the proposed bylaws remove the confusing language suggesting that the members have a separate method of proposal amendments through a county unit.

Alternative Bylaw Amendment language: The language below is offered as an alternative to the language in the proposed bylaws. It describes the Board's authority to change the Bylaws, subject to the power of the voting officers to challenge a change made by the Board. The current bylaws omit a description of that power. The alternative proposal below is a more informative and honest statement of the methods to change the bylaws. If this language were to be used, it would entirely replace the language in Article VIII.

The Bylaws may be amended by: (1) a majority of the Board, per the process described in Minnesota Statute chapter 317A.181, subd. 2; or (2) a two-thirds majority vote of the Voting Officers present and voting at any annual meeting of MAT, subject to the rules described in this Section. Bylaw amendments may be submitted by any Voting Officers to the Board for consideration. Any proposed bylaw amendment must be approved by the MAT Board before consideration by the Voting Officers, and such approval must be made at least 60 days before the annual meeting. Notice of the proposal to amend the Bylaws or to repeal any portion of these Bylaws shall be included in the notice of the Meeting of the Association as provided for in Article V, Section 3, of the Bylaws of the Minnesota Association of Townships.

We look forward to discussion with town officers on these proposals, and hopefully to consensus that these changes are in the best interests of MAT and our mission to support township officers and further the township form of government.

Sincerely,

Gary Burdorf
MAT Board President