

MICHIGAN ASSOCIATION OF COUNTIES BY-LAWS

MISSION STATEMENT

The Michigan Association of Counties (sometimes referred to herein as “MAC” or the “Association”) founded on February 1, 1898, is the only statewide organization dedicated to the representation of all county commissioners in Michigan.

MAC is a non-partisan, nonprofit organization which advances education, communication and cooperation among county government officials in the state of Michigan. MAC is the counties’ voice at the State Capitol, providing legislative support on key issues affecting counties.

ARTICLE I. PURPOSE

The purpose of this Association shall be to improve county and local governments through cooperative and mutual efforts.

ARTICLE II. GENERAL PROVISIONS CONCERNING MEMBERS

Section 1 Classes of Members. There are three (3) classes of members with qualifications and rights as follows:

(a) Individual Members: All members of the county board of commissioners which is a member of this Association qualify as individual members by complying with these by-laws. A county commissioner who ceases to be a county commissioner shall thereupon cease to be an individual member.

(b) County Members: Any county in the State of Michigan may become a county member by paying the dues herein set forth and complying with these bylaws.

(c) Affiliate Members: Associations or corporations organized for the purpose of fostering and promoting the improvement of county government and its administration in this state may be admitted by the board of directors (hereafter “Board”). The membership dues of affiliate members shall be determined as hereinafter provided.

Section 2 Voting Power. Only members of a county board of commissioners from member counties and eligible individuals referenced in Article IV, Section 1(c) have the right to vote and hold MAC office.

ARTICLE III. GENERAL MEMBERSHIP MEETINGS

Section 1 Annual Meeting. The annual meeting shall be at a time and place designated by the Board. At least thirty (30) days but not more than sixty (60) days prior notice shall be given personally, by mail, or by electronic transmission (e.g. email) from the Executive Director to the members. Unless specifically restricted in the notice, the purpose of any annual meeting shall be to elect the Board and conduct any other business that may come before the meeting.

Section 2 Special Meetings. Special meetings may be called at any time by the President. Such meeting shall be held at such time and place as shall be designated by the Board.

Written notice of the time, place and purposes of a special meeting of members shall be given to each member personally, by mail, or by electronic transmission (e.g. email) at least ten (10) days but not more than sixty (60) days before the date of the meeting. No business shall be conducted at a special meeting except as specified in such notice.

Section 3 Place of Meetings. Meetings shall be held in the State of Michigan. Caucuses may be called in conjunction with the NACo Conferences.

Section 4 Quorum and Voting. When an action is to be taken by vote of the individual members, it shall be authorized by a majority of the votes cast by the individual members duly registered and present at a meeting, which may be held during the annual MAC conference or other MAC convention or conference. The members who are present for the meeting shall constitute a quorum for lawful purposes, including the election of directors.

Section 5 Proxies. A proxy shall be operative if it is signed by the individual member and filed with the MAC President. Unless the proxy states otherwise, the proxy shall extend to all meetings of the individual members and shall remain in force one year from its date and no longer.

Section 6 Platform. A member wishing to submit an amendment to the MAC Platform shall submit the amendment to MAC at least five (5) days prior to the opening day of the MAC Annual Conference. Such amendment will require a majority vote at the annual meeting to be adopted.

An amendment to the MAC Platform may be presented from the floor during the annual meeting. Such amendment will require a 2/3 majority vote of the members at the meeting at which a quorum is initially established to be adopted.

ARTICLE IV. MAC BOARD OF DIRECTORS

Section 1 Number. The powers, business and property of MAC shall be exercised, conducted and controlled by a Board not to exceed sixteen (16) members.

- (a) Regional Directors. Directors shall be selected in number from geographical areas set forth below. Regional caucuses shall be scheduled during the annual meeting or any other MAC conference as needed.

Region 1 Two (2) directors from the counties of Alger, Baraga, Chippewa, Delta, Dickinson, Gogebic, Houghton, Iron, Keweenaw, Luce, Mackinac, Marquette, Menominee, Ontonagon and Schoolcraft.

Region 2 Two (2) directors from the counties of Antrim, Benzie, Charlevoix, Clare, Emmet, Grand Traverse, Isabella, Kalkaska, Lake, Leelanau, Manistee, Mason, Mecosta, Missaukee, Montcalm, Newaygo, Oceana, Osceola and Wexford.

Region 3 Two (2) directors from the counties of Allegan, Barry, Berrien, Branch, Calhoun, Cass, Eaton, Ionia, Kalamazoo, Kent, Muskegon, Ottawa, St. Joseph and Van Buren.

Region 4 Two (2) directors from the counties of Clinton, Genesee, Hillsdale, Huron, Ingham, Jackson, Lapeer, Lenawee, Livingston, Sanilac, Shiawassee, St. Clair and Tuscola.

Region 5 Three (3) directors from the counties of Macomb, Monroe, Oakland, Washtenaw and Wayne; one (1) of the directors from Region 5 shall be a qualified, elected and serving member of the Wayne County Board of Commissioners elected by that body.

Region 6 Two (2) directors from the counties of Alcona, Alpena, Arenac, Bay, Cheboygan, Crawford, Gladwin, Gratiot, Iosco, Midland, Montmorency, Ogemaw, Oscoda, Otsego, Presque Isle, Roscommon and Saginaw.

All caucus elections and nominations shall be reported to the MAC President immediately following the conclusion of the caucus meeting. The results of the election to the MAC Directors shall be posted at the MAC registration area immediately following the caucus meetings.

(b) At-Large Three (3) directors are elected from the state at-large and chosen from the Association's individual membership.

Section 2 Election. No director shall serve more than three (3) full three (3) year terms (including those who are currently serving in a director capacity) with the exception of those fulfilling a vacancy as provided in Section 12. The following rules shall apply to the election of directors:

(a) Prior to being elected as a director, each nominee in Section 1 shall complete an application prepared by the Board, which will include information related to such nominee and an affirmation that such person will commit to upholding MAC rules, standards, and expectations. No person may serve as a director unless the application is submitted to the Board at least thirty (30) days prior to the MAC annual conference (or another MAC conference at which an election shall occur).

(b) When a region shall have a director to be elected, the regional members shall caucus for the election. Election shall be based upon one vote for each county which has at least one individual member duly registered and present at the caucus.

(c) When a director-at-large is to be elected, a candidate who has submitted an application as provided in subsection (a) shall be nominated at regional caucuses where each member county has one vote. The voting within each county shall be based on one vote for each individual member within that county who is duly registered and present at the caucus meeting. Each region may nominate as many candidates as there are directors-at-large to be elected. The candidate who wins a simple majority of regional caucus elections shall be determined the winner. A floor vote shall take place if an individual member candidate fails to win a majority at the regional caucus elections. The director-at-large who wins a simple majority of the floor votes shall be determined the winner.

(d) The Executive Board shall have the authority to suspend any director of the Board and recommend that the director be removed from the Board if the director engaged in improper conduct or violated any Association rules or regulations as solely determined by the Executive Board. At its next meeting, the Board shall make a final determination as to whether the director shall be removed from the Board or reinstated.

Section 3 Organizational Meeting of Directors. The Board shall meet immediately after the election of directors at the annual meeting (without notice) to conduct business and to elect and confirm: a President; one or more Vice Presidents; an Executive Director who shall be the Secretary and Treasurer of the Association.

Section 4 Regular Meetings. There shall be at least four regular meetings during each calendar year at such times and places as the Board shall, from time to time, determine.

Section 5 Special Meetings. Special meetings may be called by the President, or a majority of the Board with written notice which includes the agenda items.

Section 6 Place of Meetings. Meetings may be held within the State of Michigan or in conjunction with NACo Annual or Legislative Conferences.

Section 7 Quorum. A majority of the Board shall constitute a quorum.

Section 8 Vote of Board. When an action is to be taken by vote of the Board, it shall be authorized by a majority of the votes cast by the directors at a meeting at which a quorum is initially established unless a greater vote is required by law.

Section 9 Waiver of Notice. Notice of time, place, and purpose of any meeting of the Board of Directors may be waived in writing before or after such a meeting has been held.

Section 10 Presence by Means of Telephone or Other Remote Communication. A member, director, or committee member may participate in any meeting by conference telephone or other means of remote communication if all individuals who are participating in the meeting can communicate with the other participants. Participation in a meeting pursuant to this section constitutes attendance in person at the meeting.

Section 11 Action by Written Consent. Any action required or permitted to be taken at any meeting of the Board may be taken without a meeting if, before or after the action, all members of the Board shall have signed a written consent. Any such written consents shall be filed with the minutes of the proceedings of the Board or the committee. Written consent may be given by electronic transmission. An electronic transmission consenting to an action transmitted by a director is written, signed, and dated for purposes of this section if it is delivered with information from which the Association can determine that it was transmitted by the director and the date on which it was transmitted. The date on which an electronic transmission is transmitted is the date on which the consent is signed for purposes of this section. The President or his/her designee shall print or otherwise store a copy of each consent given by electronic transmission and file it with the Association's minutes.

Section 12 Vacancies. When a vacancy on the Board shall occur, a caucus from the region or regions affected shall take place at the next scheduled MAC Annual Conference (or any other MAC conference). The purpose of the caucus is to elect a qualified replacement to the Board. The elected replacement shall hold office for the unexpired term. If the elected replacement shall serve more than half of the unexpired term, it shall be considered as if such person has served one full term for purposes of term limits as provided in Section 2. If the person filling the vacancy shall serve less than half of the unexpired term, that person shall be permitted to serve up to three (3) additional full three (3) year terms.

Any director who ceases to be an individual member shall thereupon cease to be a member of the Board.

ARTICLE V. POWERS AND DUTIES OF DIRECTORS

The directors are authorized and obligated to:

(a) conduct, manage, and control the affairs and business of MAC and shall possess all the powers granted by the laws of the State of Michigan.

(b) have the custody and control of the funds of MAC and to designate the Executive Director or other person or persons to sign orders upon said funds.

ARTICLE VI. NATIONAL ASSOCIATION OF COUNTIES BOARD

Whenever a National Association of Counties' ("NACo") director is to be elected, election shall be at the NACo annual meeting. The individual elected must be both a member of NACo and MAC.

The two (2) members who serve on the Board of Directors for NACo shall be chosen as follows:

(a) One (1) member shall be the President of MAC.

(b) One (1) member shall be the Immediate Past President unless such person is unable or unwilling to serve. If the Immediate Past President does not serve in such capacity, then the President shall have the discretion to appoint another person.

ARTICLE VII. OFFICERS

Section 1 Designation. The officers shall be: a President, a first Vice President, a second Vice President (with automatic succession where the second Vice President succeeds to the first Vice President and the first Vice President succeeds to the President unless the Board of Directors elects otherwise as provided in Section 2); and an Executive Director, who shall be the Secretary and Treasurer of the Association. The officers must be members of the Board of Directors, provided the Executive Director need not be a director or a member of MAC. The incoming President's term of office shall begin at the conclusion of the annual meeting. No person shall serve in an officer position more than one full term with the exception of the Executive Director (who shall serve as the Secretary and Treasurer as long as that person remains the Executive Director).

Section 2 Election and Term of Office. An officer shall be elected by the Board at the annual meeting and shall hold office for one year, unless sooner removed, or until a successor is elected. When a vacancy shall occur, the Board shall elect a qualified replacement at its next regular meeting or special meeting called for that purpose; the successor shall hold office for the unexpired term of said office unless sooner removed.

Section 3 Other officers. The Board may appoint and enter into contracts of employment with the Executive Director and other agents and employees, including counsel. Compensation shall be set by the Board. Such officers shall have such powers as the Board may lawfully delegate.

Section 4 President. The President shall preside at all meetings of the members of the Association, *and* at all meetings of the Board. The President may call special meetings of the Association of the Board. The President shall execute documents requiring the signature of the chief officer and appoint all committee members. The President shall perform and discharge such other duties and shall have such powers as the Board may, from time to time, prescribe.

Section 5 Vice Presidents. The first Vice President and second Vice President shall, in the absence or disability of the President, perform the duties and exercise the powers of the President and shall perform any other duties that the Board or the President may from time to time prescribe. The first Vice President shall be the first in the order of succession to the President's responsibilities.

Section 6 Immediate Past President. The Immediate Past President shall serve in an advisory capacity to the Board and the Executive Committee.

Section 7 Executive Director. The Executive Director shall manage the affairs of the Association under the general control of the Board. The Executive Director shall hire, supervise and terminate employees to assist in accomplishing the work of MAC. The Executive Director shall prepare an annual budget for the estimated receipts and expenditures of MAC and shall submit same to the Board for approval. The Executive Director shall cause to be taken accurate minutes of all meetings of MAC, the Board and the executive committee. The Executive Director shall: conduct the correspondence of the Association and mail notices required by the bylaws; collect and receive all monies due to MAC and keep

an accurate account thereof; exercise the usual functions of the Secretary and Treasurer; and perform such other duties as the Board prescribes.

Section 8 Treasurer. The Treasurer shall be the chief financial officer and shall have custody of all corporate funds and securities. The Treasurer shall keep in the Association's books full and accurate accounts of all receipts and disbursements. The Treasurer shall deposit all moneys, securities and other valuable effects in the Association's name in the depositories designated for that purpose by the Board. The Treasurer shall disburse the funds of the Association as ordered by the Board, obtaining proper receipts or vouchers for the disbursements. The Treasurer shall render to the President and directors at the regular meetings of the Board, and whenever requested by them, an account of all of the Treasurer's transactions and of the financial condition of the Association.

Section 9 Secretary. The Secretary shall attend all meetings of the members and the Board and shall preserve in books of the Association true minutes of the proceedings of all such meetings. The Secretary shall give all notices required by statute, bylaw or resolution, and shall perform any other duties delegated by the Board or the President.

ARTICLE VIII. COMMITTEES

Section 1 Standing Committees. Standing committees are hereby authorized by the Association. The standing committees of the Association and their general areas of responsibility shall be as follows:

(a) Executive Committee. The Executive Committee may meet between Board meetings and, subject to any restrictions imposed by the Board or Michigan law, shall have and exercise the authority of the Board in the management of the business of the Association. The members of the Executive Committee shall be the President, First Vice President, Second Vice President, Immediate Past President, Secretary, Treasurer, and Executive Director. The President, First Vice President, and Second Vice President shall be the only individuals who have the right to vote with the exception that the Immediate Past President shall have the right to vote only if that person is also serving a term on the Board. The Secretary, Treasurer, and Executive Director shall serve in advisory capacities to the Executive Committee. At each Board meeting: (a) the Chairman of the Executive Committee shall deliver a report of the Executive Committee meetings and (b) any actions taken by the Executive Committee since the previous Board meeting.

(b) Finance Committee. The Finance Committee shall be responsible for oversight of the financial condition of the Association including but not limited to recommendations as to the budget and signing check registers. The members of the Finance Committee shall be the President, first Vice President, and three other Board members appointed by the President. One person, chosen by the President, shall serve as the Finance Chairman but such person shall be someone other than the President.

Section 2 Appointment of Other Committees. The President may appoint other standing committees and special committees along with chairpersons and vice chairpersons.

Section 3 Term. All appointments shall be at the pleasure of the President and shall terminate at the next annual meeting of the members of the Association.

Section 4 Ex officio Members. The Executive Director shall be an ex-officio member of all committees without the right to vote.

ARTICLE IX. DUES

Section 1 Members shall pay dues as follows:

Dues shall be based upon two components; a Per Capita Wealth component and State Equalized Value (SEV) assessment component which are added together to derive the total amount assessed each county.

The Per Capita Wealth component shall be based on the following formula:

County SEV divided by County Population equals a per capita dollar amount. This per capita dollar amount divided by the total per capita dollar amount for the State equals a percentage of the total State held by each county. The percentage figure is multiplied by 30 percent of the total dues income for MAC to derive the assessment for each county.

The SEV component is assessed based on the following schedule and assessed progressively for each one millionth dollar. Each county shall be assessed the same amount for SEV dollars falling in a given category.

<u>More Than</u>	<u>But less than or equal to</u>	<u>\$/Million SEV</u>
0	100,000,000	\$0.00
100,000,000	350,000,000	7.50
350,000,000	700,000,000	5.00
700,000,000	1,400,000,000	3.50
1,400,000,000	2,750,000,000	2.50
2,750,000,000	4,500,000,000	1.50
4,500,000,000	9,000,000,000	1.10
9,000,000,000		.90

Section 2 Each affiliate member shall pay dues in the amount determined by the Board but not less than \$200.00 per year. Dues shall be payable in advance on or before the first day of April of each year.

Section 3 Notwithstanding anything to the contrary found in this section, for a county to participate as a voting member at the annual membership meeting individual membership dues must be paid on or before June 30 of the year in which such meeting is held. The Board may, by resolution, waive this requirement.

ARTICLE X. RULES OF PROCEDURE

The latest revised edition of Robert's Rules of Order shall govern the conduct of all meetings except as provided in these bylaws.

ARTICLE XI. FISCAL YEAR

The fiscal year of the Association shall begin on the first day of July.

ARTICLE XII. ADMINISTRATIVE RULES

The Board may, by resolution, pass such rules and administrative regulations as are necessary to carry out the intent of these bylaws.

ARTICLE XIII. AMENDMENTS

These bylaws may be amended at any annual meeting or special meeting by the Board or at an annual meeting by a majority vote of the individual members qualified to vote who are present and vote; provided an amendment may be submitted only by one of the following:

- (1) recommendation of the Board approved by a majority of the entire Board;
- (2) request of the governing body of ten (10) county members, shall be made in writing to the Executive Director at least thirty (30) days before the annual meeting; or
- (3) petition signed by five (5) individual members in good standing from each of ten (10) county members, filed with the Executive Director at least thirty (30) days before the annual meeting.

The Executive Director shall mail notice or send notice by electronic transmission (email) to members authorized to vote, at least ten (10) days prior to the next annual meeting or special meeting; provided, the failure to give such notice shall not invalidate action taken at the next annual meeting on a request or petition filed under Article XV (2) or (3) but not acted upon.

ARTICLE XIV. INDEMNIFICATION

Section 1 Non-derivative Actions. Subject to all of the other provisions of this article, the Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding. This includes any civil, criminal, administrative, or investigative proceeding, whether formal or informal (other than an action by or in the right of the Association). Such indemnification shall apply only to a person who was or is a director or officer of the Association, or who was or is serving at the request of the Association as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, whether for profit or not for profit. The person shall be indemnified and held harmless against expenses (including attorney fees), judgments, penalties, fines, and amounts paid in

settlement actually and reasonably incurred by him or her in connection with such action, suit, or proceeding, if the person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Association or its members. With respect to any criminal action or proceeding, the person must have had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or on a plea of *nolo contendere* or its equivalent, shall not by itself create a presumption that (a) the person did not act in good faith and in a manner that the person reasonably believed to be in or not opposed to the best interests of the Association or its members or (b) with respect to any criminal action or proceeding, the person had reasonable cause to believe that his or her conduct was unlawful.

Section 2 Derivative Actions. Subject to all of the provisions of this article, the Association shall indemnify any person who was or is a party to, or is threatened to be made a party to, any threatened, pending, or completed action or suit by or in the right of the Association to procure a judgment in its favor because (a) the person was or is a director or officer of the Association or (b) the person was or is serving at the request of the Association as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, whether or not for profit. The person shall be indemnified and held harmless against expenses (including actual and reasonable attorney fees) and amounts paid in settlement incurred by the person in connection with the action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Association or its members. However, indemnification shall not be made for any claim, issue, or matter in which the person has been found liable to the Association unless and only to the extent that the court in which the action or suit was brought has determined on application that, despite the adjudication of liability but in view of all circumstances of the case, the person is fairly and reasonably entitled to indemnification for the expenses that the court considers proper.

Section 3 Expenses of Successful Defense. To the extent that a person has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in Sections 1 or 2 of this Article, or in defense of any claim, issue, or matter in the action, suit, or proceeding, the person shall be indemnified against expenses (including actual and reasonable attorney fees) incurred in connection with the action and in any proceeding brought to enforce the mandatory indemnification provided by this article.

Section 4 Contract Right; Limitation on Indemnity. The right to indemnification conferred in this article shall be a contract right and shall apply to services of a director or officer as an employee or agent of the Association as well as in such person's capacity as a director or officer. Except as provided in Section 3 of this Article, the Association shall have no obligations under this article to indemnify any person in connection with any proceeding, or part thereof, initiated by such person without authorization by the board.

Section 5 Determination That Indemnification Is Proper. Any indemnification under Sections 1 or 2 of this Article (unless ordered by a court) shall be made by the Association only as authorized in the specific case. The Association must determine that indemnification of the person is proper in the circumstances because the person has met the applicable standard of conduct set forth in Sections 1 or 2, whichever is applicable. The determination shall be made in any of the following ways:

(a) By a majority vote of a quorum of the board consisting of directors who were not parties to such action, suit, or proceeding.

(b) If the quorum described in clause (a) above is not obtainable, by a committee of directors who are not parties to the action. The committee shall consist of not less than two disinterested directors.

(c) By independent legal counsel in a written opinion.

(d) By the members.

Section 6 Proportionate Indemnity. If a person is entitled to indemnification under Sections 1 or 2 of this Article for a portion of expenses, including attorney fees, judgments, penalties, fines, and amounts paid in settlement, but not for the total amount, the Association shall indemnify the person for the portion of the expenses, judgments, penalties, fines, or amounts paid in settlement for which the person is entitled to be indemnified.

Section 7 Expense Advance. Expenses incurred in defending a civil or criminal action, suit, or proceeding described in Sections 1 or 2 of this Article may be paid by the Association in advance of the final disposition of the action, suit, or proceeding on receipt of an undertaking by or on behalf of the person involved to repay the expenses, if it is ultimately determined that the person is not entitled to be indemnified by the Association. The undertaking shall be an unlimited general obligation of the person on whose behalf advances are made, but it need not be secured.

Section 8 Non-exclusivity of Rights. The indemnification or advancement of expenses provided under this article is not exclusive of other rights to which a person seeking indemnification or advancement of expenses may be entitled under a contractual arrangement with the Association. However, the total amount of expenses advanced or indemnified from all sources combined shall not exceed the amount of actual expenses incurred by the person seeking indemnification or advancement of expenses.

Section 9 Indemnification of Employees and Agents of the Association. The Association may, to the extent authorized from time to time by the board, grant rights to indemnification and to the advancement of expenses to any employee or agent of the Association to the fullest extent of the provisions of this article with respect to the indemnification and advancement of expenses of directors and officers of the Association.

Section 10 Former Directors and Officers. The indemnification provided in this article continues for a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors, and administrators of that person.

Section 11 Insurance. The Association may purchase and maintain insurance on behalf of any person who (a) was or is a director, officer, employee, or agent of the Association or (b) was or is serving at the request of the Association as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise. The insurance may protect against any liability asserted against the person and incurred by him or her in any such capacity or arising out of his or her

status as such, whether or not the Association would have power to indemnify against liability under this article or the laws of the state of Michigan.

Section 12 Changes in Michigan Law. If there are any changes in the Michigan statutory provisions applicable to the Association and relating to the subject matter of this article, the indemnification to which any person shall be entitled shall be determined by the changed provisions, but only to the extent that the change permits the Association to provide broader indemnification rights than the provisions permitted the Association to provide before the change.

Section 13 Constituents. For the purpose of this Article, references to MAC include all constituents and a person who is or was a director, officer, employee, agent or fiduciary of such constituent, or is or was serving at the request of such constituent as a director, officer, employee, agent or fiduciary of another corporation, partnership, joint venture, trust or other enterprise shall stand in the same position under the provisions of this Article with respect to the resulting or surviving corporation as he/she would if the person had served the resulting or surviving corporation in the same capacity. In addition, by a separate indemnity agreement, the provision of this Article shall apply to any wholly owned subsidiary of MAC. "Constituents" includes Michigan Association of Counties Service Corporation, Michigan Association of Counties Workers' Compensation Fund and all related entities.