

Summary of Proposed CBH Bylaw Changes

Introduction

The last wholesale revision of the CBH Bylaws occurred in July, 2000. For the reasons outlined below, earlier this year the Board decided to undertake a new proposed revision. The effort began over a year ago. We took the approach of re-drafting rather than editing current bylaws for efficiency. Board members Steve Cohen and Steve Cohan headed up the effort. Attorney and CBH Partner Rafael Moore, whose area of practice includes non-profit law, provided the re-draft and legal advice. The Board reviewed the changes in-progress, commenting on and debating the content over several months.

At its meeting last May, the Board approved the enclosed proposed new Bylaws for submission to the Congregation's partners for a vote on their adoption. The Board motion was passed with 10 votes in favor, 2 abstentions, and 1 absent member.

Why we decided to update the bylaws

- In order to generally make our Bylaws conform to current CBH practices, specifically with regard to committee membership, while remaining consistent with California law.
- In order, while ensuring that the Bylaws continue to preserve important CBH principles, to enable future Boards to use Board-enacted policy more effectively to make decisions about CBH's evolving operational needs.
 - Specifically, to make extraordinary expenditure authorization rules a Board policy, rather than a "set in stone" provision of the Bylaws. The current Bylaws specify a \$25K board spending authorization limit, per a revision adopted in June 2004.
- In order to correct outdated or incorrect language.

Summary of Significant Changes

- The \$25K extraordinary spending board authorization limit has been removed, rather than simply adjusting the number up. A proposed spending limits policy, to be approved by the Board if the new bylaws are approved, is provided in the Appendix.
- The Executive Committee and the Finance Committee have been clearly identified as Standing Committees. Members of these committees must all be directors, by California law. A provision has been included which will allow non-Directors to *attend* Standing Committee meetings, at the discretion of the committee, from time to time (not as full members), allowing the Finance committee in particular to get non-Director advice and input.
- Per our counsel's recommendation, we removed the provision of the Bylaws mandating that the Board schedule regular monthly meetings. The recommendation is that better non-profit corporate practice is to implement meeting frequency requirements at the policy level.

Bylaws Provisions that Were Not Changed

During the revision work, the Board considered but ultimately decided not to make two other significant changes. These proposals were not part of the original update intent, but rather were raised during the review and debate process.

1. Must a Director be Jewish, a Director on the Executive Committee be Jewish, or are there no requirements to be Jewish to serve on the Board? Currently, a Director must be Jewish (the precise language is “Jews by birth or Jews by choice”).
2. Should a family household membership unit (a household containing two or more adults) get two votes, or should such a membership unit receive one vote, as single adult membership units do? Currently, a family household membership unit gets two votes.

Inputs relating to item 1 included informally collected data regarding practices at other reform synagogues from the URJ’s “Tent” communication and collaboration platform, as well as a small, informal, unscientific sampling of opinions of a few CBH Partners. Although the Board ultimately decided not to change the current bylaws requirement, we did pass a motion to create a task force to understand and solicit opinions from the Congregation regarding the requirement.

Appendix: Example of Board Extraordinary Expenditure Limit Policy

While converting the existing Board spending limit from a Bylaw provision to a Board policy will provide future Boards more flexibility in fulfilling their fiduciary role, it is important that the policy contain provisions that continue to protect CBH from improper or ill-considered board action. Shown below is a proposed policy. If the proposed Bylaws are approved by the congregation, the Board will adopt a policy such as this as one of its first actions.

There are two key points in this policy to note. First, it covers undertaking of liabilities, in addition to direct cash expenditures. Second, there are strict requirements that must be met before a Board can alter the policy. Except in cases of emergency, CBH partners must be notified and allowed sufficient time and opportunity to voice their opinions, and thereafter, a three quarters super-majority of the Board is required to change the policy.

Proposed Congregation Bet Haverim Board of Directors Policy Regarding Extraordinary Expenditures

1. Unless expressly authorized in an approved annual budget, no contract or expenditure reasonably expected to result in any liability or cost to the corporation, for any purpose other than a routine operational need, shall be approved or undertaken, except based on prior written authorization as follows:
 - (a) A contract or expenditure from a Rabbi's discretionary fund of any amount, if authorized by the Rabbi.
 - (b) A contract or expenditure of up to \$1,000.00, if authorized by the Executive Director.
 - (c) A contract or expenditure of up to \$2,000.00, if authorized by the President.
 - (d) A contract or expenditure of up to \$10,000.00, if authorized by the Executive Committee of the Board of Directors.
 - (e) A contract or expenditure of up to \$50,000.00, if authorized by the Board of Directors, which, if it so decides, may delegate some or all of that authority to the Executive Committee, for a specifically identified purpose.

2. The Board of Directors may revise any provision in Section 1 only by complying with the following requirements:
 - (a) The revision shall be made by adopting a resolution approved by at least three-fourths of the number of directors authorized by the Bylaws.
 - (b) Except as provided in subdivision (c), the resolution shall be adopted at an in-person meeting of the Board, preceded by 30 days' written notice of the meeting and the proposed revision to each member of the corporation.
 - (c) In the event a revision of a provision in Section 1 is required to address an existing emergency listed in Section 9.1 of the Bylaws, the resolution may be adopted in any manner authorized by the Bylaws, with no prior notice to the members of the corporation required. However, a revision made pursuant to this subdivision is effective only for the purpose of addressing the existing emergency.