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# Proposed Bylaws Change New Membership Classification

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John C. deRuyter- Chairman  
October 15, 2009



# Background

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- CIBO has been approached by several small businesses over past years for membership
- Major barriers to membership
  - We have small boilers
  - We do not burn solid fuels
  - Dues are too high
- Area Source MACT and other rules will impact small businesses and small boilers



# Small Entity Active Members

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- Advantages to CIBO
  - Support sustaining and growing CIBO
  - Broaden membership representation
  - Enhance advocacy by including small businesses
- 128 small entity industrial companies identified in EPA 114 ICR survey data
- Currently CIBO has no small business owner members



# Small Entity Definition

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- Consistent with EPA classification
- Based on SBA “small business” size standards
  - Referenced by 6 digit NAICS Codes
  - Use average annual receipts or average employment of a firm
  - Manufacturing examples
    - Based on employment only
      - 311211 Wet corn milling 750
      - 322222 Coated & laminated paper mfg 500
      - 325131 Inorganic dye & pigment mfg 1000



## Small Entity Active Member Approach

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- Dues at 1/2 Active Member dues (\$5500/yr)
- One vote in CIBO affairs
  - Active members get two votes
  - Associate members get one vote
- Cost for meeting/conference attendance similar to current practice
- No limit on number of small entity active members



# Bylaws Change Requirements

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- Article XVI
  - Bylaws may be amended or altered after 60 days prior written notice
  - 66-2/3% vote of the voting power then entitled to vote
    - Present by person or proxy at the Annual Meeting
- Notice was provided by email to Principal Representatives by Bob Bessette on August 14, 2009



# Proposed Bylaws Wording Changes (1 of 4)

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- Article III- Membership, new Section 3 using current Active Member language as the base:

Section 3. Small Entity Active Members: Any person may be admitted as a **small entity** active member; (a) if such person owns or controls one or more facilities which are located in the United States, and which generate steam or produce hot water or supply heat to a production process from cogeneration facilities; (b) if the capabilities of such facilities are at least within the commercial-industrial size range; (c) if such person consumes or supplies a substantial part of any steam, hot water or process heat generated for purposes other than the generation of electricity for sale or exchange to others; **and, (d) if such person meets the small business size standards of the U.S. Small Business Administration for the applicable NAICS code.** Each **small entity** active member shall have **one** vote in the affairs of the Council.



# Proposed Bylaws Wording Changes (2 of 4)

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- Article IV- Dues:

Section 1. Establishment of Dues: Dues and admission fees, if any, for each class of membership shall be established by the Board. The amount of dues for each member of a class of membership shall be the same as for each other member of the same class. The amount of dues for an active member shall bear the same proportion to the amount of dues for **a small entity active member and** an associate member as the number of votes to which an active member is entitled bears to the number of votes to which **a small entity active member and** an associate member is entitled.





# Proposed Bylaws Wording Changes (3 of 4)

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- Article V- Meeting and Voting:

Section 4. Voting: At all meetings of the Council each member, by its Official Representative, shall have two votes, **each small entity active member, by its Official Representative, shall have one vote**, and each associate member, by its Official Representative, shall have one vote. Each may take part and vote in person or by proxy. Unless otherwise specifically provided by these Bylaws, a majority of the votes of those voting shall govern.



# Proposed Bylaws Wording Changes (4 of 4)

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- Article VI- Board:

Section 2. Election, Number and Composition of the Board: At each annual meeting the Council shall elect members of the Board. There shall be a total of eight Board members, seven of whom shall be members by election of the Council and one of whom - the President - shall be chosen by the elected Board members and serve as Director ex officio. At its first annual meeting the Council shall elect from among the Official Representatives or their designees two members for terms of three years each, two for terms of two years each, and three for terms of one year each. When such initial terms expire, each additional term of each Board member shall be for three years. At any one time no more than two Official Representatives or their designees of **small entity active members or** associate members or one Official Representative or his designee of any single active, **small entity active**, or associate member may serve as members of the Board.



# Board Membership Discussion

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- Board membership limits are set by dues levels
  - Board members get one vote on Board actions
  - Board positions are 5 Active/2 Assoc + President
- Board recommendation as proposed
  - Retain current ratio using Associate or Small Entity Active members for the two positions until such time as enough SEA members are in place and overall membership allows Board expansion with the correct ratio
    - Bylaws relative to Board membership would be further changed at that time



# Questions?

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