

# FCC Bylaws – Draft 1 to Draft 2 Change Log and Rationale

## (The What & The Why)

*The intent of this document is to help explain what changes were made and why the Bylaw Committee made the changes. Not all changes are mentioned in this document*

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### **GLOBAL STRUCTURAL CHANGES**

#### **1. Membership Model → Delegates Model**

**Draft 1:** Organization structured as a *membership organization*. The voting body is referred to as “Members” or “Membership.”

**Draft 2:** Organization structured around Delegates, appointed or elected by recognized Community Councils. The voting body has been renamed the Coalition of Delegates.

**Rationale:** Committee discussion and working notes consistently reflect a preference to clarify that Community Councils—not individuals—are the members of the organization, and that delegates act as the formal representatives of those councils. This change reduces ambiguity around authority and aligns terminology with actual practice while also clearly delineating between the Board of Directors and Coalition of Delegates.

#### **2. Terminology Shift: “Geographic Diversity” → “Geographic Representation”**

**Draft 1:** Board composition language referenced being “geographically diverse.”

**Draft 2:** Language revised to “geographically representative.”

**Rationale:** The committee explicitly discussed concerns that the word “diversity” was vague, potentially loaded, and undefined in this context. “Representation” was agreed to better reflect the intended meaning—ensuring geographic coverage across Assembly districts—while avoiding misinterpretation.

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### **ARTICLE-BY-ARTICLE CHANGES**

#### **Article I – Name and Purpose**

##### **1. Expanded Purpose and Nonpartisanship Language**

**Draft 1:** General purpose statement focused on neighborhood engagement and nonprofit status.

**Draft 2:** Explicitly references support of Community Councils recognized under the Anchorage Home Rule Charter and AMC 2.40. Adds nonpartisan and nonsectarian language, including prohibition on endorsing candidates or influencing legislation.

**Rationale:** This change clarifies the organization’s public role, legal context, and political neutrality. This language is in line with the organization’s Articles of Incorporation and these align with common nonprofit governance best practices and reflects concerns raised in broader discussions about FCC’s role and limits.

## Article II - Offices

### 1. Registered Office Made Flexible

**Draft 1:** Specifies a fixed street address.

**Draft 2:** Defines the registered office as “the offices of the corporation,” changeable by Board resolution.

**Rationale:** This is technical and operational improvement suggested by Delegates to avoid requiring bylaw amendments when office locations change.

## Article III – Delegates (Formerly Membership)

### 1. Delegate Eligibility and Participation Requirements

**Draft 1:** Specified the FCC would have members.

**Draft 2 adds:** Clarifying language, referring to the members as Delegates and explicitly naming their coalition as the Coalition of Delegates.

**Rationale:** This simplifies language to one that is more in line with current practice while making the distinction between the Board of Directors and the Coalition of Delegates more clear.

### 2. Default Delegate = Council Chair

**Draft 1:** Member council chair serves as Delegate unless otherwise outlined in bylaws.

**Draft 2:** Clarifies language and adds council resolution as an option for Councils to appoint Delegates.

**Rationale:** Committee discussion favored a simple default rule that mirrors common practice while preserving council autonomy to designate another representative if desired.

### 3. Delegate Vacancies Defined

**Draft 1:** Creates “seated” vs. “unseated” Members. Councils can lose seated status based on meeting activity or leadership gaps. FCC notifies councils when they are unseated, effectively managing representation status.

**Draft 2:** Eliminates the “seated/unseated” framework entirely. Removes FCC’s role in declaring representation lapsed and focuses on Community Councils being active and following A.M.C 2.40.

**Rationale:** Committee discussion repeatedly emphasized that FCC should not be placed in the role of policing council activity or mediating internal governance issues. The “seated” framework risked turning staff into arbiters of council legitimacy and creating adversarial dynamics. Draft 2 replaces this with a cleaner model: councils always control their representation; if they fail to act, the consequence is simply non-participation.

### 4. Alternate Delegate Rules Revised

**Draft 1:** Shorter notice requirements.

**Draft 2:** Requires written notice at least two business days in advance. Limits alternate designation to 11 months.

**Rationale:** Committee discussion emphasized the need for adequate notice and continuity, while avoiding indefinite or unclear proxy arrangements.

#### 5. Adding Bylaw Changes to the Authority of Delegates

**Draft 1:** Members elect and remove Directors and vote on merger, consolidation, or dissolution.

**Draft 2:** Delegates elect and remove Directors, ratify bylaws, vote on merger, consolidation, or dissolution, and may serve on Board committees.

**Rationale:** Feedback from current Delegates emphasized that the governing body should have explicit authority over the bylaws themselves, aligning responsibility with power and reinforcing FCC's identity as a membership-driven organization.

#### 6. Rules of Procedure

**Draft 1:** Robert's Rules of Order is the only part of Rules of Procedure.

**Draft 2:** Delegates can now raise a formal concern relevant to the organization by passing a motion and the Board of Directors must answer within 30 days.

**Rationale:** Feedback from current Delegates held a concern that the Board of Directors would be able to act separate from the wishes of Community Councils. This rule creates a path for the Board to be accountable to the Delegates.

### Article IV – Meetings of the Coalition of Delegates

#### 1. Open Meetings and Executive Sessions Clarified

**Draft 1:** Does not state whether Delegate meetings are open to the public and does not define when executive sessions may be used.

**Draft 2:** Explicitly states that all Delegate meetings are open to the public and narrowly defines the subjects that may be discussed in executive session, limiting them to financial harm, reputational matters, and legal advice or legal requirements.

**Rationale:** This change reflects the committee's broader emphasis on transparency and public accountability. The discussions repeatedly centered on aligning FCC practice with Community Council norms and public expectations. Making openness explicit prevents drift toward closed governance and establishes a clear, shared standard for when confidentiality is truly appropriate.

#### 2. Notice and Procedure Updates

**Draft 1:** Requires written notice of Membership meetings not less than ten nor more than fifty days in advance, with special meeting purposes stated.

**Draft 2:** Standardizes notice periods. Defines written notice to include electronic communication. Adds standing rules authority alongside Robert's Rules of Order.

**Rationale:** Committee discussion showed a preference for consistent, predictable procedures while allowing flexibility through standing rules rather than rigid bylaw language.

## Article V – Board of Directors

### 1. Board Composition and Representation

**Draft 1:** Allowed up to two directors from a single council.

**Draft 2:** Limits to one director per council. Adds expectation that each Assembly district be represented if practicable.

**Rationale:** This change aligns with committee concerns about balanced geographic representation and preventing overrepresentation by a single council.

### 2. Director Eligibility Narrowed to Delegate Pool

**Draft 1:** Allows up to one-third of Directors to be “Non-Members” and permits individuals who are not currently part of a council to serve, provided they attended a council meeting in the past six months.

**Draft 2:** Requires that Directors be elected from among current or recent (within 24 months) Delegates or Alternate Delegates.

**Rationale:** Delegates expressed concern that the Board could drift away from Community Councils and become self-perpetuating or disconnected. The Committee limited eligibility to people who are, or recently were, active in the Delegate system ensures the Board remains grounded in council experience and accountable to the membership.

### 3. Prohibition on Alternate or Proxy Directors

**Draft 1:** Does not address whether Directors may appoint alternates or proxies.

**Draft 2 adds:** Directors may not appoint alternates, proxies, or designees.

**Rationale:** The committee explicitly discussed whether directors should be allowed alternates and expressed discomfort with that model, favoring direct accountability.

### 4. Removal and Vacancy Procedures Reworked

**Draft 1:** Provides that Directors who miss two consecutive meetings or four meetings in a term vacate their position, allows the Board to appoint replacements (including in ways that could effectively reshape the Board), and permits the Board to suspend a Director for cause with later Member ratification, while also allowing Members to remove Directors.

**Draft 2:** Authorizes the Chair to declare a vacancy for nonattendance, requires that vacancies be filled from among Delegates, explicitly prohibits the Board from adding seats beyond those elected by Delegates, and affirms that only Delegates may permanently remove Directors, while preserving the Board’s ability to suspend a Director for cause pending Delegate action.

**Rationale:** Committee discussion centered on preventing the Board from becoming self-perpetuating or expanding its own power. Vacancies were reframed as temporary gaps to be filled in service of continuity, not as opportunities to reshape governance. At the same time, members emphasized that the Board derives its authority from the Delegates: the Board may act in urgent situations to protect the organization, but only the Delegates can make a removal

permanent. This structure preserves accountability while allowing for immediate safeguards when necessary.

#### 5. Public Office Restrictions Clarified

**Draft 1:** Requires Directors to resign upon declaring or assuming public office and defines municipal elected officials.

**Draft 2:** Expands and enumerates the list of disqualifying offices across municipal, state, and federal levels and applies the same clarity used for Delegates.

**Rationale:** The committee sought consistency and clarity across the document and wanted to eliminate ambiguity about what constitutes “public office,” reducing the risk of future conflict or interpretation disputes.

### Article VI – Officers

#### 1. Officer Roles Expanded to Include a Coalition Liaison

**Draft 1:** Establishes four officers elected by the Board: Chair (President), Vice Chair, Secretary, and Treasurer.

**Draft 2:** Adds a fifth officer position, the Coalition Liaison, alongside Chair, Vice Chair, Secretary, and Treasurer, while retaining Board election of officers. The Coalition Liaison also acts as the Chair of the Coalition of Delegates.

**Rationale:** Committee discussion highlighted the need for a formal bridge between the Board and the Coalition of Delegates. Creating a dedicated officer role acknowledges that relationship as structural rather than informal and ensures that communication with Delegates is a defined responsibility rather than an ad hoc task.

### Article VII – Committees

#### 1. Committee Structure Formalized

**Draft 1:** Provides for committees in a limited way, naming a Finance Committee and a Board Development Committee, with relatively brief descriptions and few structural rules.

**Draft 2:** Creates a comprehensive framework for committees, establishing that all committees are created by Board motion, must have a defined purpose and scope, must include at least three members, and must be chaired by a Director, while allowing non-Directors to serve as members.

**Rationale:** Committee discussion reflected a desire to professionalize and stabilize how committees function. Members noted that ad hoc and loosely defined committees had created inconsistency and confusion over authority. Draft 2 introduces predictable structure while preserving flexibility, ensuring committees are intentional, transparent, and accountable to the Board.

#### 2. Executive Committee Authority Clarified

**Draft 1:** Provides for an Executive Committee composed of officers, with authority to act when the Board is not in session, subject to later Board ratification.

**Draft 2:** Defines the Executive Committee as responsible for regular corporate operations, specifies that it is chaired by the Board Chair, composed of all officers, and grants it authority to exercise Board powers except where restricted by law or bylaws.

**Rationale:** Committee members discussed the need for clarity about who handles operational matters between Board meetings and how staff oversight occurs. Draft 2 reframes the Executive Committee as a standing operational, reflecting how the organization actually functions and reducing ambiguity about authority.

### 3. Finance Committee Responsibilities Expanded

**Draft 1:** Establishes a Finance Committee with limited description, requiring that at least one member have financial expertise.

**Draft 2:** Greatly expands the Finance Committee's role, requiring regular reporting to the Board, oversight of financial records, budget development, audit review, evaluation of internal controls, and creation of opportunities for Delegates to review and provide feedback on the budget before Board approval.

**Rationale:** The committee emphasized transparency and fiscal accountability, especially to Delegates. The expanded language reflects a shared view that financial stewardship is central to FCC's credibility and that Delegates should have meaningful visibility into budgeting before decisions are finalized.

### 4. Governance Committee Reframed

**Draft 1:** Creates a "Board Development Committee" focused on Board composition, training, bylaw review, and periodic review of ad hoc committees.

**Draft 2:** Renames and reframes this body as the "Governance Committee," tasking it with identifying optimal Board composition, Board development and evaluation, and ongoing review of bylaws and Board practices.

**Rationale:** Committee members discussed that "board development" undersold the role this group plays. The term "Governance Committee" better reflects responsibility for the overall health, effectiveness, and structure of the Board, aligning FCC with common nonprofit governance models.

### 5. Committee Membership and Removal Rules Added

**Draft 1:** Does not clearly address who may serve on committees or how committee members may be removed.

**Draft 2:** Allows committees to include non-Directors so long as the chair is a Director and authorizes the Chair of the Board to remove committee members when in the best interest of the Corporation.

**Rationale:** The committee wanted to open meaningful participation to Delegates and community members while maintaining fiduciary control through Director leadership. At the same time, they recognized the need for a clear mechanism to resolve dysfunction or inactivity without prolonged conflict.

## 6. Budget Process Clarified

**Draft 1:** Budget process not explicitly addressed.

**Draft 2:** Finance Committee drafts the budget. Board approves the budget. Delegates are given an opportunity to review and provide feedback prior to board approval.

**Rationale:** This structure was clearly agreed upon in committee discussion as a balance between board fiduciary responsibility and delegate transparency and input.

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## ANSWERS TO SPECIFIC QUESTIONS

### Articles of Incorporation

**Question:** Can we alter the bylaws before the Articles of Incorporation?

**Answer from FCC Lawyer:** You can do them both at the same time – I would suggest that you approve the new bylaws first and then the Articles. That way the board can approve the bylaws rather than seeking a Membership meeting and vote. So, you can do them as a group and that is fine but the bylaws first would present the easier answer.

### Fiscal Year

**Question:** Do we need to change our fiscal year with the IRS?

**Answer from FCC Accountant:** Since 2015, I have personally prepared and filed the FCC's IRS Form 990 returns on a calendar- year basis. Prior to that, records that I inherited from previous accountants indicated that all Form 990 returns dating back to 2001 were also filed accordingly, resulting in a consistent 24-year history of calendar-year filings. If the bylaws were amended at any point to establish a fiscal year ending June 30, it appears that the IRS was not notified of this change. As a result, the IRS continues to recognize the FCC's fiscal year as aligning with the calendar year, a designation that has been in place since at least 2001. If the board's intent is to align the organization's fiscal year with the calendar year, no further action is required with the IRS, as this is already reflected in the IRS' records. I recommend amending the bylaws to explicitly designate the fiscal year as the calendar year, thereby ensuring consistency between the FCC's governing documents and the IRS's established accounting record.

### Insurance Requirements

**Question:** Do we need to alter the insurance for the FCC with a membership model?

**Answer from FCC Insurance Agent:** We wouldn't need any additional information at this time, and the same level of coverage would apply during this policy period. We will need to collect additional renewal information next renewal closer to your renewal date. There would be third party coverage for the members this would be under the Employment Practices Liability coverage. If there is no other major change in operations or significant changes to the organization there should not be a large increase to cost, but we would need to collect additional information at renewal to confirm.