

## CONSTITUTION

### NORTH CAROLINA LEAGUE OF MUNICIPALITIES

#### ARTICLE I. NAME AND OBJECTIVES

Section 1. NAME. This organization shall be known as the North Carolina League of Municipalities, which shall be a non-partisan federation of municipal governments in the State of North Carolina.

Section 2. OBJECTIVES. The objectives of the organization shall be to serve as an instrumentality of the municipal governments in North Carolina and as an agency for the cooperation of the municipalities in this State to investigate, study, discuss and recommend improvements in and the application of more efficient methods in municipal government; to provide means whereby officials may interchange ideas and experiences and obtain expert advice; to collect, compile and distribute to municipal officials information about municipal government and the administration of municipal affairs; to serve as an advocate for municipalities with regard to legislation and to oppose legislation injurious thereto; to develop, advocate and support municipal government policies; to cooperate with other levels of government and the agencies thereof in developing interlocal and intergovernmental policy and action programs; to promote, sponsor or conduct training programs designed to improve the quality of municipal government; to promote education in municipal government; and to do any and all things necessary and proper for the benefit of municipalities in the administration of their affairs in carrying out responsibilities to the public.

#### ARTICLE II. MEMBERSHIP

Section 1. CORPORATE MEMBERSHIP. Any incorporated city, town or village in the State of North Carolina may become an active, corporate member of the League, upon written application to the Executive Director and payment of the required annual service fee.

Section 2. INDIVIDUAL MEMBERSHIP. Individual membership may be granted to any former elected or appointed municipal officer interested in the purposes of the organization upon conditions determined by the Board of Directors.

Section 3. HONORARY MEMBERSHIP. Any resident or former resident of the State of North Carolina who, in the opinion of the organization, has rendered distinguished service to the cause of better government shall be eligible to honorary membership. Nomination to honorary membership shall be made by the officers and directors to the general convention, which shall make all elections to honorary membership.

Section 4. ASSOCIATE MEMBERSHIP. Any unit of local government, public authority or special district, as defined in the North Carolina Local Government Budget and Fiscal Control Act, other than an incorporated city, town or village, or any other organization or entity may become an associate member of the League upon written application, approval by the Executive Director and payment of the required annual service fee, provided that the unit, organization or entity has a direct and significant connection with one or more municipalities and authorized

municipal powers and functions. A unified government under the provisions of Article 24 of G.S. Chapter 153A may become an associate member upon written application, approval and payment of the required annual service fee. In addition, affiliate organizations as defined in Section 5 of this article and other organizations of local government officials or employees that have entered into written service agreements with the League shall be deemed associate members, upon payment of the service fees as provided in the respective written agreements.

*Section 5. AFFILIATE ORGANIZATIONS.* Organizations whose membership is composed predominantly of municipal officials or employees may become an affiliate organization of the League upon such terms and conditions as the Board of Directors and the officers of such organization shall mutually agree.

*Section 6. LIMITED PURPOSE MEMBERSHIP.* A North Carolina county or county-related entity that proposes to join the Municipal Insurance Trust by entering into the requisite interlocal agreement shall be deemed a League member for the limited purpose of participating in that trust and related health programs. Limited purpose membership shall be granted upon approval by the Executive Director and payment of required fees. For purposes of this Article, structure, funding, governance, authority, function, direct and significant connection, and other pertinent factors shall be considered in determining whether an entity is county-related; provided that school-related entities are not eligible. An entity must be a political subdivision of North Carolina, an instrumentality of one or more political subdivisions, a unit of local government, a body corporate and politic, a public authority, or similarly designated under state law.

*Section 7. MEMBERSHIP PRIVILEGES.* Active officials and employees of corporate members shall be entitled to all the privileges of membership. Individual, honorary and associate members shall be entitled to all the privileges of membership except that they shall not be eligible to the office of President, the offices of First or Second Vice President<sup>1</sup> or member of the Board of Directors and shall not be accorded the privilege of voting, provided that the Board of Directors may authorize limited service categories of membership for some or all associate members. Counties and county-related entities with membership pursuant to Section 6 of this Article shall not be entitled to membership privileges other than the privilege of participating in the health insurance trust and related health programs.

### **ARTICLE III. OFFICERS, BOARD OF DIRECTORS; ELECTION**

*Section 1. OFFICERS.* The officers of the League shall be a President, a First Vice President, a Second Vice President<sup>1</sup>, and an Executive Director.

*Section 2. BOARD OF DIRECTORS.*

(a). *COMPOSITION.* The Board of Directors shall consist of the following, all of whom must be active officials of member municipalities:

(1) The President

(2) The First Vice President and the Second Vice President<sup>1</sup>

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<sup>1</sup> Reinstatement of office of Second Vice President effective for elections held in 2018 and thereafter.

- (3) The Immediate Past President
- (4) One director from each of the twelve League districts as set forth in subsection (b) of this section
- (5) Three directors elected at-large, all of whom shall be municipal elected officials
- (6) Five directors representing designated affiliates, three of whom shall be city or town managers or appointed chief administrative officers of a municipality; one of whom shall be an attorney who represents a municipality; and one of whom shall be a municipal clerk
- (7) Two directors representing affiliate organizations of the League other than those otherwise designated in subsection (a)(6) of this section
- (8) One director from each of the municipalities above 200,000 in population, according to the most recent decennial census
- (9) Three directors<sup>2</sup> appointed at-large by the President, taking into account municipal population, geography, minority and gender representation, and other factors as appropriate to represent the diversity and interests of the membership. In the event of a vacancy in the office of Immediate Past President, the President shall appoint one additional director at-large as provided in this subsection.<sup>2</sup>

Excluding the officers and those directors representing affiliate organizations, not more than one member of the Board of Directors shall be elected or appointed from the same municipality. In no event shall more than two members of the Board of Directors be elected or appointed from the same municipality. The preceding limitations shall not apply to directors elected pursuant to section 2(a)(8) at the election held in 2016.

(b). *DISTRICTS*. The League districts are composed of the following counties:

- (1) First District: Bertie, Camden, Chowan, Currituck, Dare, Martin, Gates, Hertford, Pasquotank, Perquimans, Tyrell and Washington.
- (2) Second District: Beaufort, Carteret, Craven, Hyde, Jones, Onslow and Pamlico.
- (3) Third District: Bladen, Brunswick, Columbus, Duplin, New Hanover, Pender and Sampson.
- (4) Fourth District: Greene, Johnston, Lenoir, Pitt, Wayne and Wilson.
- (5) Fifth District: Edgecombe, Franklin, Halifax, Nash, Northampton and Warren.

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<sup>2</sup> Until elections in 2018, there are four directors appointed by the President. Following elections in 2018 and thereafter, President appoints three, with a fourth appointment only in the event of a vacancy in the office of Immediate Past President.

- (6) Sixth District: Alamance, Caswell, Chatham, Durham, Granville, Orange, Person, Vance and Wake.
- (7) Seventh District: Cumberland, Harnett, Hoke, Lee, Moore, Robeson and Scotland.
- (8) Eighth District: Anson, Cabarrus, Mecklenburg, Montgomery, Richmond, Stanly and Union.
- (9) Ninth District: Davidson, Davie, Forsyth, Guilford, Randolph, Rockingham, Rowan and Stokes.
- (10) Tenth District: Alexander, Alleghany, Ashe, Avery, Caldwell, Iredell, Surry, Watauga, Wilkes and Yadkin.
- (11) Eleventh District: Burke, Catawba, Cleveland, Gaston, Lincoln, McDowell and Rutherford.
- (12) Twelfth District: Buncombe, Cherokee, Clay, Graham, Haywood, Henderson, Jackson, Madison, Macon, Mitchell, Polk, Swain, Transylvania, and Yancey.

*Section 3. DUTIES.* Subject to this Constitution and such action as may be taken from time to time by the League at any annual or special meeting, the Board of Directors shall have general control and supervision over the League and be empowered to determine all questions of policy which may arise during the interval between meetings. The Board of Directors shall meet at such time and place as may be designated by the President or any three directors.

All directors shall be entitled to vote on any question coming before the Board of Directors. No action shall be taken by the directors at any meeting unless a quorum be present. A quorum shall consist of a majority of the actual membership of the Board of Directors, excluding vacant seats, and a majority of the directors present and voting shall be required to adopt any motion or to take any other action. The Board of Directors shall create an Executive Committee to consist of as many of its members and to perform such duties as the Board may from time to time determine.

*Section 4. ELECTION; TERM OF OFFICE.* With the exception of the Executive Director, all officers shall be elected at the annual meeting and shall hold their offices for a term of one year or until the succeeding annual meeting and until their successors are elected and shall qualify. Except as otherwise provided in this Constitution, all directors shall be elected at the annual meeting and shall hold their offices for a term of two years or until the second succeeding annual meeting after their respective terms begin and until their successors are elected and shall qualify. Those directors appointed by the President pursuant to Section 2(a)(9) shall hold their offices for a term that expires with the term of the appointing President. Should any officer or director of the League discontinue for any reason his or her official position with the municipality, his or her office with the League shall immediately become vacant. No director, exclusive of officers, shall serve more than two consecutive terms. Affiliate seats specified in Section 2(a)(7) may not be filled by a representative of the same affiliate organization in consecutive terms. The officers and directors shall assume office immediately after the close of the annual meeting, except that the directors appointed by the President shall be sworn into office at the first meeting of the Board of Directors following the annual meeting.

Section 4.1. STAGGERED TERMS OF OFFICE. Directors in office on the date of adoption of amendments to this Constitution shall serve until the expiration of their terms or until their successors are elected and qualified. For the purpose of implementing staggered terms of office for the directors designated under section 2(a)(8) of this Article, at the annual meeting in 2016, one-half of such directors shall be elected for one-year terms and one-half shall be elected for two-year terms. In order to continue staggered terms, upon the expiration of the terms of office indicated in this section, all future terms of office for the specified directors shall be two years.

Section 5. NOMINATIONS. Nominations for officers and directors shall be made by a nominating committee of not less than seven members, at least one of whom shall be African-American and at least one of whom shall be female, and these committee positions shall not be filled by the same person. The nominating committee shall be appointed and announced by the President not later than forty-five days prior to the annual business meeting.

Nominations for the three directors who are managers or chief administrative officers shall be made from a slate of six nominees submitted to the nominating committee by the municipal members of the North Carolina City and County Management Association. Nomination for the director who is an attorney representing a municipality shall be made from a slate of two nominees submitted by the North Carolina Association of Municipal Attorneys. Nomination for the director who is a municipal clerk shall be made from a slate of two nominees submitted by the North Carolina Association of Municipal Clerks. Nominations for the two directors representing other affiliate organizations of the League shall be made from names submitted by their affiliate organizations. No such other affiliate organization shall submit more than one name. Additional nominations for any officer or director subject to election may be made from the floor, in accordance with procedures adopted by the Board of Directors.

Section 5.1. NOMINATIONS TO IMPLEMENT STAGGERED TERMS. At the time the nominating committee makes its report to the annual meeting held in 2016, it shall make nominations for the various director positions as indicated in Section 4.1, having designated which term shall apply to each individual nominee. The committee shall determine by lot which of the three directors shall be elected for one year at the 2016 annual meeting.

Section 6. VACANCIES. Vacancies in any office shall be filled for the unexpired term by the Board of Directors.

Section 7. ELIGIBILITY FOR OFFICE. Any elected official or employee of a member municipality shall, during the term for which he or she is elected or appointed, be eligible for the office of President, First Vice President, Second Vice President<sup>1</sup> or Director.

Section 8. NOTICE OF MEETINGS. At least ten days before each meeting of the Board of Directors, the Executive Director shall give written notice of the time and place thereof to each member of the Board by United States Postal Service, by facsimile, or by electronic mail, at the address, facsimile number, or electronic mail address furnished by such member to the Executive Director. If mailed, such notice will be deemed to have been given when deposited in the United States mail in a sealed addressed envelope, with postage prepaid. If by facsimile or electronic mail, such notice will be deemed to have been given on the date sent.

Section 9. ELECTRONIC MEETINGS. Any one or more, or all the members of the Board of Directors may participate in any Board meeting by, or conduct the meeting through the use of, any means of communication by which all members of the Board participating may simultaneously hear each other during the meeting. Prior to conducting a meeting pursuant to this section, the Board shall adopt a policy governing the conduct of and participation in such meetings. The Board shall review its policy each year at its first meeting subsequent to the annual meeting and may modify the policy as it deems appropriate. A member of the Board participating in a meeting by this means is deemed to be present in person at the meeting.

#### **ARTICLE IV. DUTIES OF OFFICERS**

Section 1. PRESIDENT. The President shall preside at all business meetings of the League, but may in his or her discretion or at the suggestion of the directors arrange for presiding officers for the other meetings. He or she shall appoint all committees unless otherwise provided, and shall perform such other duties as are usually incumbent upon that officer, or as may be directed by resolution of the League or by the Board of Directors. In case of absence or disability of the President, the two Vice Presidents<sup>1</sup> in order named shall exercise the President's functions.

Section 2. EXECUTIVE DIRECTOR. The Executive Director shall be appointed by the Board of Directors and shall hold office during its pleasure. The Executive Director shall be responsible for the administration of all League affairs, keep the Board fully advised regarding all League activities and shall submit an annual report to the Board of Directors. The Executive Director shall be responsible for implementing League policies and programs and shall perform such other duties as the Board of Directors may require. The Executive Director shall attend all meetings of the Board of Directors and shall serve as Secretary of the League and maintain its records. He or she shall receive for his or her services such compensation as may be determined by the Board of Directors.

#### **ARTICLE V. STANDING AND SPECIAL COMMITTEES**

Section 1. COMMITTEES. The Board of Directors shall establish such standing committees and special committees as they deem necessary and appropriate. The President shall make all appointments to committees so established.

Section 2. COMMITTEE MEETINGS; MEMBERSHIP. A majority of each committee shall constitute a quorum thereof, and any question may be decided by a majority vote of those in attendance. Vacancies shall be filled by the President. Should any member of any committee discontinue for any reason his official position with a municipality, his or her membership on any committee shall immediately become vacant. Provided, however, the President may appoint a former municipal official or employee as a non-voting member of a League committee for such term as the President may designate.

#### **ARTICLE VI. MEMBERSHIP MEETINGS**

Section 1. ANNUAL, SPECIAL MEETINGS. The League shall hold at least one meeting annually at such time and place as may be determined by the Board of Directors. Special

meetings of the League may be held at such times and places as may be determined by the Board of Directors or the Executive Committee and may be called by request of the governing bodies of not less than ten percent of the corporate members.. The Executive Director shall give written notice of a special meeting to all member municipalities at least 45 days in advance thereof. Such notice may be delivered to each member municipality by United States Postal Service, by facsimile, or by electronic mail, at the address, facsimile number, or electronic mail address furnished by such member to the Executive Director. If mailed, such notice will be deemed to have been given when deposited in the United States mail in a sealed addressed envelope, with postage prepaid. If by facsimile or electronic mail, such notice will be deemed to have been given on the date sent. Only the subjects announced in such notice shall be eligible for action by the delegates assembled. Eligible issues shall be resolved in the same manner as in the annual meeting.

*Section 2. RULES AND PROCEDURE.* The Board of Directors shall establish and may from time to time alter reasonable rules and procedures under which member municipalities may submit policy matters for consideration at the annual meeting, or any special meeting. Member municipalities shall be notified regarding the rules and procedures so established and shall be given adequate notice of any changes therein.

## **ARTICLE VII. REPRESENTATION**

*Section 1.* On all questions coming before the annual meeting or any special meeting, each member municipality represented shall have one vote, which shall be the majority expression of the delegates from that municipality. Vote by proxy shall not be permitted. Except as otherwise provided in this Constitution, a majority vote of those municipalities present and voting shall govern in all cases, provided that a simple plurality shall govern in elections in which there are more than two nominees for one position. Between annual meetings the officers and directors may submit any question other than a constitutional amendment to the League membership by written ballot. Such ballot shall be provided to each member municipality using the special meeting notice and delivery procedures set forth in Article VI, Section 1 and shall include voting instructions. A majority vote of those voting shall govern in all cases, provided that at least 20 percent of the member municipalities vote. A simple plurality shall govern in elections in which there are more than two nominees for one position.

## **ARTICLE VIII. FINANCIAL AFFAIRS**

*Section 1.* For the support of the League, the Board of Directors shall establish annual service fees for League membership in such amounts as they may from time to time deem appropriate. The Board of Directors may authorize the Executive Director to establish other charges for special League services, meetings, publications or other purposes as they deem appropriate. The Board of Directors shall annually adopt a budget for the Fiscal Year and make the necessary provisions to employ a qualified accounting firm to make an annual audit of all League funds and accounts.

*Section 2. EXPENSES AND LIABILITIES.* To the fullest extent and upon the terms and conditions from time to time provided by law, the League may indemnify any and all of its officers, directors, employees, and agents, against liability and reasonable litigation expenses,

including attorneys' fees incurred by them, in connection with any action, suit, or proceeding in which they are made or threatened to be made a party by reason of being or having been such director, officer, employee or agent (excluding, however, liability or litigation expenses which any of the foregoing may incur in relation to matters as to which they shall be adjudged in such action, suit, or proceeding to have acted in bad faith or to have been liable or guilty by reason of willful misconduct in the performance of their duties).

*Section 3. INSURANCE.* The League shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the League against any liability asserted against and incurred by that person in any such capacity, or arising out of his or her status as such, whether or not the League would have the power to indemnify that person against such liability.

### **ARTICLE IX DISTRIBUTION OF ASSETS**

Upon dissolution of the League, the Board of Directors shall, after paying or making provisions for the payment of all liabilities of the League, distribute all of the net assets of the League to the League corporate members as defined in Article II, Section 1 of this Constitution, all of which are municipalities. No League assets shall be distributed to any private interest or profit-seeking entity.

### **ARTICLE X. AMENDMENTS**

This Constitution may be amended at any annual meeting by a two-thirds (2/3) vote of all member municipalities present and voting, provided such proposed amendment shall first have been submitted to the League membership in writing not less than forty-five days prior to the first day of the annual meeting. Such vote shall not be taken until a report on the proposed amendment has been presented to the membership by the Board of Directors.

This Constitution, originally adopted on April 20, 1934 and subsequently amended on October 12, 1971; November 1, 1982; October 29, 1984; October 21, 1986; October 25, 1999; October 17, 2000; October 13, 2003; October 17, 2006; October 27, 2009; October 23, 2012; and October 12, 2015 is further amended and readopted by the membership of the North Carolina League of Municipalities in annual meeting assembled this 22<sup>nd</sup> day of September, 2017.

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(Signature) President

ATTEST:

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(Signature) Executive Director