



## CONTINENTAL BANK

CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO • 231 SOUTH LA SALLE STREET, CHICAGO, ILLINOIS 60693

December 7, 1983

**THADDEUS P. VANNICE**  
SECOND VICE PRESIDENT  
312/828-4711

To: NMFA Governors et al

Here is the final version of the proposed Constitution, (I hope). When appropriate I can have a dated original with spaces provided for the approvals called for in the Constitution.

Per our conversation the current members of the Constitution Committee are Myself, Bill Fish (DLJ), Rick Lowes-CINB.

Sincerely,

January 24, 1984

PROPOSED REVISION

ARTICLE V - BOARD OF GOVERNORS

The general affairs of the NFMA shall be administered by the Board of Governors. Charter constituent societies shall each place two persons on the Board of Governors. At the discretion of the Board, and by a two-thirds vote of all Governors, additional board seats may be authorized to allow for the representation of up to two (2) affiliated individual members and up to two (2) additional seats for at-large Governors. At such time as a new Constituent Society is accepted into membership, the board shall consider proposals from such a new Member for representation on the Board of Governors. The Board may, by a two-thirds vote of all Governors, approve expansion of the board to accomodate such representation, however, in no event shall any such Constituent Society ever have more than two Governors sitting on the Board. Board terms shall be staggered in such a way that each member society, if represented by more than one governor, will have a new representative on the Board annually. Vacancies on the Board of Governors shall be filled pursuant to Article VIII, Section 6 of this Constitution.

Submitted 1/24/84

Shaddens P. Vannico  
Chairman  
Bylaws Committee

National Federation of Municipal Analysts  
Constitution

Article I - Name

The official name of this organization shall be the National Federation of Municipal Analysts. Within this Constitution, "Federation" and "NFMA" are synonymous with the official name.

Article II - Purpose

The NFMA is an association of municipal analysts societies and affiliated individuals dedicated to promoting professionalism in municipal credit analysis and evaluation and to fostering communication among its members.

Article III - Location

The principal office of the Federation will be located at such place as the Board of Governors may determine.

Article IV - Membership

The Federation shall initially consist of four "Charter" organizations, viz, the Boston Municipal Forum, the Chicago Municipal Analysts Society, the Municipal Analyst Group of New York, the Southern Municipal Finance Society, and "Charter" member(s) representing affiliated individual members.

Section 1 - Classes of Memberships:

There shall be three classes of members in the Federation: constituent societies; regular members of constituent societies; and affiliated, individual members, all as hereinafter defined in this Article IV. For the purposes of this Article "regular members" shall be defined as resident, full dues paying members of such constituent societies.

Section 2 - Application and Admission Procedure:

(a) Constituent Societies - An application for admission as a constituent society shall be submitted to the Vice Chairman of the Federation who shall serve as Chairman of the Membership Committee. The Membership Committee shall review the application and any accompanying material, prepare a report of its recommendations, and submit the application and its report to the Chairman of NFMA within 90 days of the receipt of the application by the Chairman of the Membership Committee. Such an application for admission will be considered for a vote by the full Board of Governors not later than the next scheduled meeting of the Federation Board of Governors. The Chairman of the Federation at his discretion may solicit a vote earlier than the date established for the next scheduled Federation meeting. Acceptance shall require a majority vote of all current governors of the Federation. If such an application is approved the individual members of the organization seeking affiliation with the Federation will automatically become a member of the Federation. If such an application is rejected the organization so affected may reapply, but not for a period of at least one year.

(b) Affiliated individual members - Any individual who is not a regular member of a constituent societies may apply for membership individually as an affiliated, individual member of the Federation. The application for membership shall be submitted to the Chairman of the Membership Committee. The application shall include at least two letters of reference from Federation members in good standing. The membership committee shall review the application and the accompanying material, prepare a report of its recommendation, and submit its report to the Chairman within 90 days of receipt of the application by the Chairman of the Membership Committee. If the report of the membership committee is favorable, the applicant shall automatically become an affiliated, individual member. Affiliated status is available only to those persons not having reasonable access to membership in a Constituent Society.

(c) Form of Application - The Membership Committee shall have the total responsibility for the preparation and maintenance of a suitable form of application for both constituent societies as well as non-affiliated members.

### Section 3 - Removal of Members

(a) The privilege of membership to the NFMA imposes adherence to the Federation established "Code of Ethics" as provided for in Article X, Section 6 of this Constitution. Allegations of violations of the Federation's Code of Professional Ethics are to be reported promptly to the Chairman of the Ethics Committee for appropriate action as outlined in Article X, Section 6.

(b) If a Board of Inquiry finds reasonable evidence of a violation as outlined in Article X, Section 6, the Board may by a three-fourths majority vote of all Governors authorize an appropriate disciplinary action including expulsion from membership. The Member or Members so expelled are barred from re-application for membership for a period of not less than ten (10) years.

(c) The Board of Governors, upon the recommendation of the Membership Committee, may by the unanimous vote of all Governors ask for the resignation of a member or members whose career status or circumstances have changed sufficiently that the nature of the person's or persons' current employment is no longer consistent with the spirit of the Federation's then current membership requirements. A Member or Members who then resign may reapply for membership, but not sooner than one (1) year.

Article V - Board of Governors

The general affairs of the NFMA shall be administered by the Board of Governors. Charter constituent societies will each place two persons on the Board of Governors. In addition, at the discretion of the Board, and by a two-thirds vote of all Governors, two additional board seats may be authorized to allow for the representation of affiliated, individual members and for two at-large Governors. Board terms shall be for two years staggered in such a way that each member society will have a new representative on the Board annually. Vacancies on the Board of Governors shall be filled pursuant to Article VIII, Section 6 of this Constitution.

Article VI - Election of Governors

Each constituent society shall exercise full autonomy in the election process used to determine its representation on the Federation Board of Governors and shall make such a determination not later than October 1st of every fiscal year. The Secretary of the Federation shall solicit by written notice recommendations for board memberships to be filled among affiliated, individual members. The Secretary of the Federation shall present all such recommendations to the full Board of Governors for their consideration. A majority vote by the full Board of Governors is required to fill each such board position. No Governor shall be allowed to succeed himself except upon a unanimous vote of all Governors. Any retiring Governor may be authorized to serve in an at-large position authorized by the Board under Article V of this Constitution.

Article VII - Meeting Requirements for the Board of Governors - A board meeting shall be called by the Chairman at least once annually and will require attendance by two-thirds of all Governors to make a quorum. In addition, in order to conduct business as outlined in this Article VII, one Governor from every constituent group must be present or otherwise represented. No business may be conducted without a quorum present. All decisions of the board will be made by a majority vote with one vote per governor with the Chairman carrying an additional vote to become operative only in the case of a tie. "Meetings" may be held and business conducted either in person or via phone. Votes and/or substitute representation maybe carried out by proxy and shall satisfy the quorum requirements of this Article VII. The business of the Federation shall be conducted according to Robert's rules of order; however, the Chairman, at his discretion, may invoke any other rules of order.

## Article VIII - Election of Officers of the Federation

The Board shall annually elect a Chairman, Vice Chairman, Secretary and Treasurer. Elections shall take place prior to November 1, with terms beginning December 15th or the first business day thereafter.

### Section 1 - The Chairman

The Chairman shall have and may exercise the powers and duties commonly incident to his office. The Chairman shall preside at all meetings of members and at all members of the Board of Directors. The Chairman shall have such duties and exercise such powers as are prescribed by the Constitution of the Federation as well as such other duties and powers as the Board of Directors may prescribe. The Chairman is an ex-officio member of all Committees.

### Section 2 - Vice Chairman

The Vice Chairman shall perform the duties of the Chairman in his absence and shall automatically assume the Chairmanship in the event of the Chairman's resignation or death, the Chairman shall have such other duties and may exercise such other powers as the Board of Directors may prescribe.

### Section 3 - Treasurer

The Treasurer shall have and may exercise the powers and duties commonly incident to this office. The Treasurer shall serve as the Chairman of the Finance Committee established in Article X, Section 4. The Treasurer shall receive, hold and disburse the funds of the Federation and shall submit an annual financial statement and such other statements as the Chairman may require. The Treasurer shall have such other duties and may exercise such powers as prescribed by the Federation's Constitution as well as such other duties and powers as the Board of Directors may prescribe.

### Section 4 - Secretary

The Secretary shall act as Secretary at all meetings of members and at all meetings of the Board of Directors and shall keep a record of the proceedings thereof. Among his duties in addition to those outlined elsewhere in the Constitution of the Federation shall be the maintenance of a record of member societies and the names and addresses of affiliated, individual members as well as the terms of all governors. The secretary shall have such other duties and may exercise such other powers as the Board of Directors may prescribe.

Section 5 - Nominations

Only Governors are eligible to serve as Officers of the Federation. Nominations for the office of Chairman, Vice Chairman, Treasurer, and Secretary shall be made by the Nominations Committee. The then current Secretary shall serve as the Chairman of the Nominations Committee. Members of this committee may either be governors or members of constituent societies or affiliated individual persons. The slate prepared by the Nominations Committee shall be forwarded to the Chairman of the Board of Governors who will present the slate to the full board. At such time as a vote is to be taken on the slates, additional nominations may be taken from board members. A majority of the Board of Governors is necessary to elect each officer.

Section 6 - Vacancies

Except as provided for in Article VIII Section 2, a vacancy in any office may be filled by the Board of Governors by the appointment of a successor for the unexpired term of the Governor whose place is vacant. Recommendations for appointees shall be made by the governing body of the constituency represented by the vacancy.

Article IX - Membership in more than one Constituent Society

If a person is a regular member of more than one constituent society, that person shall be considered a member of the society of their specific designation for purposes of defining their membership status.

Article X - Standing Committees

There are hereinafter established eight (8) standing committees. Such committees to be formed and to have the duties and limited authority as provided in this Article X. It is intended that all committees, where practicable, shall be comprised of representatives from all constituent societies and from among affiliated, individual members.

Section 1 - Committee Chairman and Members

Only Governors of the Federation shall serve as committee chairman. The Chairman of each of the Committees established herein shall serve for a term of one year. The Committee Chairman shall appoint members of the Committee with the approval of the Chairman of the Board. The term of any member of any of the committees established herein shall also be for one year except as noted otherwise.

Section 2 - Membership Committee

The Chairman of this Committee shall be the Vice Chairman of NFMA. This committee shall consist of one member from each constituent society as well as one member representing non-affiliated persons. This committee has the responsibility for reviewing all applications for membership and making recommendations to the Chairman regarding such an application. This committee shall also have the responsibility for encouraging the formation of constituent societies throughout the United States. The committee shall also be responsible for expanding membership among affiliated, individual members.

Section 3 - Publication's Committee

The Publications Committee shall be chaired by the Secretary of the Federation. This committee has the responsibility for all publications sanctioned and distributed by and on behalf of the Federation. Such publications shall include, but are not limited to the Municipal Analyst Journal.

Section 4 - Finance Committee

The Finance Committee shall be chaired by the Treasurer of the Federation. This committee shall be responsible for the sound management of the financial affairs of the Federation. The committee shall also have the responsibility for the financial planning associated with any program, symposium or seminar sponsored by the Federation.

Section 5 - Constitution Committee

The Chairman of the Constitution Committee shall be appointed by the Chairman of the Federation. The responsibilities of this Committee are to prepare a constitution for the Federation and to review periodically, but not less than once every three years, the Constitution of the Federation for appropriateness for the then current needs and requirements of the Federation. The Committee is also responsible for recommending changes, modifications or additions if any such changes are deemed advisable. Members of this Committee shall serve two year terms.



Section 6 - Ethics Committee

The Ethics Committee shall be appointed by the Chairman of the Federation. This Committee is charged with the responsibility of developing and maintaining an appropriate code of ethics for Federation members. This committee shall also be vested with establishing a Board of Inquiry to investigate allegations of violations of the Federation's Constitution or the Federation's Code of Professional Ethics. After an appropriate investigation of the allegations, the Board of Inquiry shall prepare and present to the Board a report on their findings and any recommendation for action to be taken by the Board. Members of this committee shall serve two year terms.

Section 7 - Awards Committee

The Chairman of the Awards Committee shall be appointed by the Chairman of the Federation. The responsibility of this committee shall be to review industry developments for evidence of unusual, substantial contributions on the part of practicing professionals and to recommend such persons for recognition by the Board of Governors. There is no requirement that an award be given in any fiscal year, and it is the intent of the founders of the federation that such an award shall be reserved for extraordinary contributions.

Section 8 - Education Committee

The Chairman of the Education Committee is appointed by the Chairman of the Federation. Responsibilities of this committee include (a) the coordination, review, and recommendations on future directions for educational projects to be sponsored by the Federation, (b) maintenance of relationships with member society program and education chairmen with a view towards fostering communication and developing national education priorities and; (c) review of educational projects as they may exist from time to time in light of current and emerging educational needs of municipal analysts. In addition this committee is charged with the responsibility of developing a policy for the Federation for standards to measure professional achievement in the area of municipal credit analysis, specifically to monitor and investigate the appropriateness and feasibility of a formalized accreditation policy and program for the Federation.

Section 9 - Nominations Committee

The Nominations Committee shall be chaired by the Secretary of the Federation. This committee shall have responsibilities set forth in Article VIII, Section 5. The Committee shall consist of one representative from each constituent society as well as one person representing affiliated, individual members.

Section 10 - Reports of Committees

The chairman of each committee established herein shall prepare a report on the activities of their respective committees and submit such report to the Chairman of the Board of Governors not later than October 15th of each fiscal year.

Article XI - National Conferences

The NFMA will hold National Conferences when possible in order to provide members with the opportunity to hear presentations, to meet with members of other constituent societies of the Federation, and to contribute their efforts to the overall advancement of the NFMA. Such conferences shall be sponsored by constituent societies on a rotating basis. Proposals for such conferences shall be submitted to the board by any constituent society desiring to arrange such a conference. The financial responsibility for any such conference must, out of necessity, rest with the sponsoring group. Therefore any such sponsoring group is hereby authorized to levy and collect reasonable fees or charges on all persons attending such a conference. It is the intention of the Federation that the sponsorship of such conferences, being an essential purpose of the federation, should not place an unnecessary financial burden on the sponsoring group. Therefore, the NFMA is not precluded from providing financial assistance to a sponsoring group.

Article XII - Municipal Analysts Journal

Section 1 - In order to further the purposes of the Federation the creation, publication and distribution of a journal devoted to topics of interest to municipal credit analysts is hereby authorized. The journal shall be known as the Municipal Analysts Journal. The financial responsibility of this journal is to be borne by the Federation. All members of the Federation will automatically receive a copy of this publication. Additional topics which may be of interest to municipal credit analysts are also authorized as follows: notification of scheduled member society meetings, analytical material of interest to members, a bibliography, and employment opportunities. The editorial philosophy of this journal shall be as follows: (a) no endorsement of any candidate for public office or for an appointed position in state or local government, (b) no endorsement of the obligations of any issuer of state or local bonds, and (c) no endorsement or expressed approval or rejection of any specific method of credit analysis.

Section 2 - An Editorial Review Board with oversight responsibilities for the Journal is hereby created. The Secretary or his appointed designee shall serve as Chairman of the Editorial Review Board. The role of this Review Board is to assure that quality, professionalism, impartiality and conformance to the Federation's Constitution are always maintained within the Journal.

Article XIII - Finances of the Federation

Section 1 - The expenses of the federation will be provided for by dues and assessments received annually from its members as described in Sections 2 and 3 of this Article XIII. An annual budget, corresponding to the November 1 - October 31 fiscal year, and a mid-year interim report will be submitted by the treasurer to the board of governors for approval.

Section 2 - Annual Dues

Payments are to be made by January 1, of each fiscal year. The schedule of member dues for both regular members and for affiliated individual members shall be reviewed annually by the finance committee so as to determine their appropriateness given the then current financial requirements of the Federation. The Board of Governors may, by a two-thirds vote of those governors present, revise the schedule of dues. Dues shall not exceed 150% the maximum amount of annual dues collected by any member society.

Section 3 - Special Assessments

The Board of Governors may, by the unanimous vote of all governors, authorize the levy of special assessments on all classes of members. Such assessments shall not exceed \$15.00 per member annually unless approved by a majority of members of the Federation.

Article XIV - Autonomy of Constituent Societies

Member societies enjoy full autonomy in the exercise of their business. This autonomy is expressed without qualification and no limitation or restraint by the Federation is either expressed or implied in this Constitution.

Section 1 - Membership requirements of the constituent societies are to be determined completely and solely by themselves.

Section 2 - Each society is expected to determine its own method of selecting its representatives to the Federations Board of Governors. The financial obligation of any constituent society is limited to those provisions expressly stated in Article XIII of this Constitution.

Article XV Directory of Federation Members

The Federation may authorize the creation, maintenance and distribution of a directory of Federation membership. Such a Membership list may be used by the Federation for any purpose authorized by a majority of the Governors. The scope of such a Directory and oversight responsibility shall be vested in the Publications Committee.

Article XVI - Amendments to the Constitution

Section 1 - Amendments to this Constitution may be proposed by the Board of Governors or by 10% of the members of the Federation through written application to the secretary of the Board. Each proposed amendment shall be published and distributed to all Federation members along with notice of the date by which the amendment is to be considered for vote.

Section 2 - Not less than 30 days before the date established for the vote on amendments to this Constitution the Secretary for the Federation shall send to each Federation Member in good standing a ballot which contains the stated amendment.

Section 3 - A two-thirds vote of the members of the federation shall be necessary to amend this Constitution.

Section 4 - Any such change in this Constitution shall be shown as such an amendment and listed chronologically under this Article XV.

Article XVII - Effective Date of this Constitution

This Constitution shall become effective upon a three-fourths vote of all Governors and shall contain within this Article XVII that effective date. The Chairman shall sign and the Secretary shall countersign as to their approval and authentication of this constitution. Once approved, the Secretary of the Federation shall maintain an authenticated copy of this Constitution and amendments thereto, if any.