

# CONSTITUTION OF THE NATIONAL FEDERATION OF MUNICIPAL ANALYSTS

## 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 National Federation of Municipal Analysts is a not-for profit association of municipal analysts' societies and affiliated individual members. The Federation's goals are: (1) to promote professionalism in global public finance and credit analysis in order to maximize its members' potential; (2) to further the skill level of its members through educational programs; (3) to advocate issues of importance to the municipal finance industry, as deemed appropriate; (4) to facilitate the flow of information between analysts and market participants.

## 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: (i) the Boston Municipal Analysts Forum, the Chicago Municipal Analysts Society, the Municipal Analysts Group of New York, and the Southern Municipal Finance Society; (ii) two New Constituent Societies, the California Society of Municipal Analysts and the Minnesota Society of Municipal Analysts (the Charter Organizations and New Constituent Societies are hereafter collectively referred to as the "Constituent Societies"); (iii) and "Charter" member(s) representing affiliated individual members (the "Affiliated Group").

### Section 1 - Classes of Membership

There shall be five classes of members in the Federation: constituent societies, regular members of constituent societies, affiliated individual members, and associate members, and student members, all as hereinafter defined in Article IV. For the purpose of this Article "Regular Members" shall be defined as resident, full dues paying members of such Constituent Societies and Affiliated Individual Members. Associate Members shall be defined as professionals in the municipal industry or related disciplines who do not meet the requirements for membership as Regular Members. Student Members shall be defined as individuals enrolled in an accredited college or university program.

### Section 2 - Application and Admission Procedures

(a) Constituent Societies: An application for admission as a constituent society shall be submitted to the Vice Chairperson of the Federation who shall serve as Chairperson 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 Chairperson of the NFMA within ninety (90) days of the receipt of the application by the Chairperson 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 Chairperson of the Federation at his or her 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 members of the Federation. If such an application is rejected, the organization so affected may reapply, but not for a period of at least one (1) year.

(b) Affiliated individual members: Any individual who is not a regular member of a Constituent Society may apply for membership individually as an Affiliated Individual member of the Federation. The application for membership shall be submitted to the Chairperson of the Membership Committee. The Membership Committee shall review the application and the accompanying material, prepare a report of its recommendation, and submit the application and its report to the Chairperson within ninety (90) days of the receipt of the application by the Chairperson 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. Formatted: Highlight

(c) Associate members: Any individual who is not a Regular Member of a Constituent Society and does not meet the requirements for membership as an Affiliated Individual Member may apply for membership individually as an Associate Member of the Federation. The application for membership shall be submitted to the Chairperson of the Membership Committee. The Membership Committee shall review the application and the accompanying material, prepare a report of its recommendation, and submit the application and its report to the Chairperson within ninety (90) days of the receipt of the application by the Chairperson of the Membership Committee. If the report of the Membership Committee is favorable, the applicant shall automatically become an Associate Member. Associate Members may not serve as an officer of the Federation, nor may they serve on the Board of Governors, or vote on amendments to the constitution.

(d) Student members: Any individual who has an interest in municipal credit analysis and is a full-time student in an accredited college or university program, may apply as a Student Member of the Federation. The application for membership shall be submitted to the Chairperson of the Membership Committee. The Membership Committee shall review the application and the accompanying material, prepare a report of its recommendation, and submit the application and its report to the Chairperson within ninety (90) days of the receipt of the application by the Chairperson of the Membership Committee. If the report of the Membership Committee is favorable, the applicant shall automatically become a Student Member. Student Members may not serve as an officer of the Federation, nor may they serve on the Board of Governors, or vote on amendments to the constitution.

(e) Form of Application: The Membership Committee shall have total responsibility for the preparation and maintenance of a suitable form of application for Constituent Societies, Affiliated Individual Members, Student Members, and Associate Members.

### **Section 3 - Removal of Members**

(a) The privilege of membership to the NFMA imposes adherence to the Federation's established Code of Ethics. Allegations of violations of the Federation's Code of Ethics are to be reported promptly to the Chairperson of the NFMA.

(b) If the Board of Inquiry finds reasonable evidence of a violation, the Board may by a three-fourths majority vote of all Governors authorize appropriate disciplinary action including expulsion from membership. The Member or Members so expelled are barred from reapplication 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**

### **Section 1 - Board of Governors**

The general affairs of the NFMA shall be administered by the Board of Governors ("the Board"). The Board shall be composed of members as follows: (i) four Officer positions consisting of the Chair, Vice Chair, Treasurer and Secretary; (ii) positions filled by the Constituent Societies and Affiliated Group, each of whom shall place two (2) persons on the Board of Governors; (iii) up to six additional positions for at-large Governors; and (iv) the immediate past Board Chairperson for a one year term. In the future, at such time, if any, as a new Constituent Society is accepted into membership, the Board may, by a two-thirds vote of all Governors, approve further expansion of the Board to accommodate up to two (2) Governors from such Constituent Society; however, in no event shall any such Constituent Society ever have more than two (2) Governors sitting on the Board (exclusive of Officers, past Chairpersons and at-large Governors). If a Constituent Society Governor is appointed as an Officer, that Society may appoint a replacement Constituent Society Governor to fill the vacant position. If an at-large Governor with time remaining on his term is appointed an Officer, the Board may elect a replacement at-large Governor to fill out that term (using the same procedure for the election of all at-large Governors). The Board vote for officers would precede the at-large vote, to allow for any replacement positions. The immediate past chairperson of the Board shall serve as a voting member of the Board in the year following his or her tenure as chairperson, exclusive of the six (6) at-large members. It is recommended that Board terms shall be staggered in such a way that each member Society, if represented by more than one Governor, will have a new Governor on the Board annually. Vacancies on the Board of Governors shall be filled pursuant to Article VIII, Section 6 of this Constitution.

### **Section 2 - Executive Committee**

The Board will create an Executive Committee to manage the routine operations of the Board and to carry out directives of the Board. The Executive Committee shall have authority to act upon questions in accordance with existing policy on behalf of the Board, provided (a) that the Executive Committee shall, through the mailing of its minutes to all Governors, promptly inform the full Board of all decisions it has made and (b) that decisions of the Executive Committee

shall be submitted to the full Board for approval whenever any three or more Governors shall challenge such decisions, in which case a majority vote of all Governors shall be required to approve any such decisions. The Executive Committee will be composed of an odd-numbered group not to exceed seven, including the four officers of the Federation, the immediate past chair, and up to two Board members appointed by the Chairperson.

## **ARTICLE VI - ELECTION OF GOVERNORS**

Each Constituent Society shall exercise full autonomy in the election process used to determine its representation on the Board of Governors and shall make such a determination not later than January 1 of every year. However, no Governor who is not an Officer may serve on the Board for more than six consecutive years. The Board shall vote at the Fall meeting to fill the Affiliated Individual and At-Large Board positions that begin the following January 1, immediately following the election of the NFMA officers.

### **Section 1 - Application process for At-Large and Affiliated Individual Board members**

The chair of the Nominations Committee shall begin solicitation of interest in the upcoming open Board positions at the Annual Conference. Prospective Affiliated Individual and At-Large board members shall volunteer or may be recommended for positions by September 30 in the year before the upcoming term. Each interested party shall fill out a brief written qualifications summary and send it to the NFMA Executive Director, who will review it to ensure completion. All applications received will be disseminated at the same time to the entire Board for review at a minimum of two weeks prior to the Fall Board meeting.

(a) Affiliated Individuals: Affiliated Individuals may have up to two members on the Board of Governors, each serving a two-year term, with one board seat open each year.

(b) At-Large Board Members: At any one time there will be six At-Large Board members, with three members elected each fall for two-year terms.

### **Section 2 - Voting Procedure for Affiliated Individuals and At-Large Board Members**

Following the vote for the NFMA officers, the vote for the Affiliated Individual Board candidates will take place, with those candidates who were not voted onto the Board then added to the At-Large ballot unless they wish to have their name(s) removed. Voting shall be conducted by secret ballot, with one or more successive ballots. The number of ballots shall equal the number of open seats, and each sitting Board member may cast a vote for up to a number of candidates equal to the number of open seats to be filled in the election. A majority vote by the Board of Governors is required to fill each such Board position. If on any ballot a candidate receives a number of votes greater than one-half of the number of sitting members of the Board, he or she is automatically elected. No Board member may cast more than one vote per candidate on each ballot. Ties are to be resolved with additional rounds of voting for the tied candidates until resolved.

### **Section 3 - Alternate At-Large Board member**

The candidate with the next highest number of votes on the final At-Large ballot shall be designated an "Alternate" and shall become a member of the Board if an At-Large Board position becomes open for any reason. In this case, the Alternate shall fill the seat so vacated and shall serve the remainder of that At-Large Board member's term.

## **ARTICLE VII - MEETING REQUIREMENTS FOR THE BOARD OF GOVERNORS**

A Board meeting shall be called by the Chairperson at least once annually and will require attendance by three-fifths of all Governors to make a quorum. In addition, in order to conduct business as outlined in this Article VII, one governor from each 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 Chairperson 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 may be 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 Chairperson, at his discretion, may invoke any other rules of order.

## **ARTICLE VIII - ELECTION OF OFFICERS OF THE FEDERATION**

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

### **Section 1 - The Chairperson**

The Chairperson shall have and may exercise the powers and duties commonly incident to his office. The Chairperson shall preside at all meetings of members and at all meetings of the Board of Governors. The Chairperson 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 Governors may prescribe. The Chairperson is an ex-officio member of all Committees.

### **Section 2 - Vice Chairperson**

The Vice Chairperson shall perform the duties of the Chairperson in his absence and shall automatically assume the Chair of the Federation in the event of the Chairperson's resignation or death. The Vice Chairperson shall also perform the duty of Parliamentarian, advising the Chairperson, staff or members on parliamentary procedure and interpretation of this Constitution. The Vice Chairperson shall have such other duties and may exercise such other powers as the Board of Governors 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 Chairperson of the Finance Committee established in Article X. 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 Chairperson may require. The Treasurer shall have such other duties and may exercise such powers as prescribed by the Federation Constitution as well as such other duties and powers as the Board of Governors may prescribe.

### **Section 4 - Secretary**

The Secretary shall act as Secretary at all meetings of members and at all meetings of the Board of Governors and shall keep a record of the proceedings thereof. Among his or her duties shall be

the maintenance of (a) a record of Constituent Societies including the names and addresses of active members, (b) a record of the names and addresses of affiliated individual members, and (c) the terms of all governors. The Secretary shall also serve as the Chairperson of the Education Committee established in Article X. The Secretary shall have such other duties and may exercise such other powers as prescribed by the Federation Constitution as well as such other duties and powers as the Board of Governors may prescribe.

### **Section 5 - Officer Nominations**

Only Governors are eligible to serve as Officers of the Federation. Nominations for the office of Chairperson, Vice Chairperson, Treasurer and Secretary shall be made by the Nominations Committee in accordance with Article X, Section 7. A nominee for the Office of Chairperson must have two immediately prior years of Officer experience, and a nominee for the Office of Vice Chairperson must have one immediately prior year of Officer experience. No member of the Nominations Committee may be an Officer nominee. A majority of the Board of Governors shall be necessary to elect each officer.

### **Section 6 - Vacancies**

Except as provided for in Article VI, Section 3 and Article VIII, Section 2, a vacancy in any office may be filled by the Board of Governors by the election of a successor for the unexpired term of the Governor whose place is vacant. The Nominations Committee shall solicit recommendations for vacancies from the governing body of the constituency represented by the vacancy, or if an Affiliated Individual, by that group, and make a recommendation of one or more candidates for the office. The successor shall be voted upon by the Board within 30 days of the seat becoming vacant, with a simple majority required for election.

## **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 his specific designation for purposes of defining his membership status.

## **ARTICLE X - STANDING COMMITTEES**

There are hereinafter established eleven (11) standing committees, such committees to be formed and to have the duties and limited authority as provided in this Article X.

### **Section 1 - Committee Chairpersons and Members**

Only Governors of the Federation shall serve as standing committee chairpersons. Except as indicated below, chairpersons of the standing committees shall be appointed by the Chairperson of the Federation. Co-chairs of standing committees may be established with one member who is not currently on the Board of Governors. The committee chairpersons shall appoint members of their respective committees with the approval of the Chairperson of the Federation.

### **Section 2 - Membership Committee**

This committee shall be chaired by the Vice Chairperson of the Federation. This committee has the responsibility for reviewing all applications for membership and making recommendations to

the Chairperson regarding such applications. This committee shall also have responsibility for encouraging the formation of constituent societies throughout the United States and for expanding membership among affiliated individual members.

### **Section 3 - 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. In furtherance of the provisions of Article XII, Section 1, this committee shall be responsible for preparing, prior to the start of each fiscal year, a budget containing an estimate of revenues and expenditures for all operations of the Federation for the coming year. The budget shall be submitted to the Board for approval no later than the first meeting of the year to which the budget applies. Ongoing expenses of the Federation shall be paid on a continuing basis whether or not a budget for the then current year has been approved by the Board.

### **Section 4 - Constitution Committee**

The responsibilities of this committee are to prepare the Constitution for the Federation and to review periodically, but not less than once every three years, the Constitution of the Federation for its appropriateness for the then current needs and requirements of the Federation. This committee is also responsible for recommending changes, modifications or additions if any such changes are deemed advisable.

### **Section 5 - Awards Committee**

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. This recognition may be conferred at either the Annual Conference or at a special time as so designated by a majority vote of the Board. There is no requirement that an award be given in any fiscal year, and it is intended that such an award shall be reserved for extraordinary contributions.

### **Section 6 - Education Committee**

(a) Membership: The Education Committee shall be chaired by the Secretary of the Federation and additionally consist of the chairpersons of the Advanced Seminar subcommittee, the chairpersons of the Annual Conference subcommittee, and two additional members selected by the Education Committee.

(b) Duties: The Education Committee shall be responsible for providing general educational development and review for the Federation, including (1) establishing annual goals and agenda items for seminars and conferences sponsored by the Federation, (2) submitting proposals for such seminars and conferences to the Board for approval, (3) working with Constituent Societies to coordinate education functions, and (4) reviewing the composite selection of speakers and moderators at seminars and conferences held during the prior year.

(c) Subcommittee Structure: The Education Committee shall be comprised of two (2) subcommittees: The Advanced Seminar subcommittee and the Annual Conference subcommittee. Each Subcommittee shall have two (2) co-chairs and be charged with the planning and implementation of their respective seminars or conference.

### **Section 7 - Nominations Committee**

(a) Membership: The Nominations Committee shall be chaired by the Immediate Past Chair of the NFMA and will additionally consist of the NFMA Chair and three Governors appointed by the Committee Chair who do not share membership in the same Constituent Society as the Committee Chair or the NFMA Chair. No two of the appointed members may be members of the same Constituent Society, and one may be an Affiliated Governor.

(b) Duties: This Committee shall be responsible for the nomination of Officers as provided for in Article VIII, Section 5 and Section 6. The Nominations Committee shall consult the Governance Code for guidelines on qualifications of the candidates they recommend for the ballot. The Committee may nominate one or more candidates for each position, but not to exceed three.

(c) Procedures: The Nominations Committee will solicit interest among Board members in becoming an Officer, and the Committee will also accept submitted names from Board members. Each candidate for an Officer position must submit a brief written qualifications summary to the Nominations Committee by a deadline to be set by the Committee Chairman and communicated to the Board. The names of candidates for the ballot shall be known only to the Nominations Committee. All nominated candidates' applications will be included with the Officer ballot, which shall be sent to the entire Board of Governors for consideration at a minimum of two weeks prior to the fall Board meeting.

### **Section 8 - Sponsorship Committee**

The Sponsorship Committee shall be responsible for contacting potential sponsors for the purpose of procuring financial contributions to the NFMA. The committee will comply with any guidelines set forth by legal and/or tax counsel.

### **Section 9 - Industry Practices and Procedures Committee**

The Industry Practices and Procedures Committee shall be responsible for examining municipal market issues and addressing the concerns of the Federation with regards to practices and standards within the industry. This committee may study proposals brought to the Federation and then report its findings to the Board for further consideration. This committee may also be directed by the Board to implement actions recommended by other committees or the Board regarding issues affecting or affected by the municipal finance industry.

### **Section 10 - Disclosure Committee**

The Disclosure Committee shall be responsible for developing and reviewing guidelines pertaining to the disclosure of information concerning issuers and other parties responsible for the repayment of municipal debt instruments, both at the time of issuance and throughout the life of the debt.

### **Section 11 - Strategic Planning Committee**

The Strategic Planning Committee shall be responsible for (a) identifying issues that are to affect the rule of the Federation in future years, (b) recommending long-range goals and objectives for the Federation, and (c) proposing policies to achieve these goals and objectives.



### **Section 12 - Reports of Committees**

The 10 chairpersons of each committee established herein shall prepare a report on the activities of their respective committees and submit such report to the Chairperson of the Federation not later than October 15 of each fiscal year.

### **Section 13 - Other committees**

Nothing shall prohibit the Board of Governors from establishing committees other than Standing Committees, which can be composed of members not currently on the Board of Governors.

## **ARTICLE XI - NATIONAL CONFERENCES**

The NFMA will hold an Annual Conference, 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 the Federation. The Annual Conference subcommittee shall be responsible for the planning and execution of the conference.

## **ARTICLE XII - FINANCES OF THE FEDERATION**

### **Section 1 - Expenses**

An annual budget, corresponding to the January 1- December 31 operating year, and a mid-year interim report will be submitted by the Treasurer to the Board of Governors for approval.

### **Section 2 - Annual Dues**

The payment of annual dues is to be made by the expiration date of membership of each respective member. 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.

### **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.

### **Section 4 – Staff Compensation**

The Executive Committee shall perform an annual compensation review for our professional staff prior to the end of each calendar year. At least every five years the Executive Committee shall either conduct or commission a compensation survey and review to make sure that our professional staff are compensated in a reasonable market range. Save harmless: in no instance shall a compensation review result in a reduction in compensation for our paid staff.

## **ARTICLE XIII - AUTONOMY OF CONSTITUENT SOCIETIES**

Member societies shall 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**

Membership requirements of the constituent societies shall be determined completely and solely by themselves.

### **Section 2 - Selection of Representatives**

Each society is expected to determine its method of selecting its representatives to the Federation's Board of Governors. The financial obligation of any constituent society is limited to those provisions expressly stated in Article XII of this Constitution.

## **ARTICLE XIV - 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.

## **ARTICLE XV - AMENDMENTS TO THE CONSTITUTION**

### **Section 1 - Proposal of Amendments**

(a) By the Board: Amendments to this Constitution may be proposed by the Board of Governors upon two-thirds approving vote by the Board. In order for a proposed amendment to be considered, all Board members must be provided with at least seven (7) day advance written notice of the upcoming meeting accompanied by a copy of the proposed amendment.

(b) By the Membership: Amendments to the Constitution may also be proposed by 10% of the Federation membership through written application to the Secretary of the Federation.

### **Section 2 - Requirements for Amendments**

Each proposed amendment shall be published in the Municipal Analysts Bulletin. Regular members and affiliated individual members of the Federation will have sixty (60) days after each proposed amendment is so published to comment on said amendment. If either: (a) more than 5% of the membership of the Federation, or (b) 25 members, whichever is less, object in writing to the Secretary of the Federation regarding the proposed amendment, said amendment will require a three-fourths vote of approval by the Board in order to become effective; otherwise, said amendment will become effective upon the termination of the 60-day comment period without further action by the Board. If defeated, an amendment may not be proposed again for a period of one year.

### **Section 3 - Form of Amendments**

Amendments to this Constitution shall either take the form of new articles or shall be incorporated as changes to the text of existing articles.

## **ARTICLE XVI - EFFECTIVE DATE OF THIS CONSTITUTION**

The Constitution shall become effective upon a three-fourths vote of all Governors and shall contain within this Article XVI that effective date. The Chairperson shall sign and the Secretary shall countersign their approval and authentication of this Constitution. Once approved, the

Secretary of the Federation shall maintain an authenticated copy of this Constitution and amendments thereof, if any.

Original adoption 11/83. Revisions 8/92, 9/93, 2/01, 7/04, 8/06, 8/10, 8/12, 6/13