

12/31/10 Quorum Voting Emails

From: Mark Havens <mark.r.havens@gmail.com>
Subject: Regarding membership quorum voting...
Date: December 31, 2010 at 1:59:33 PM CST
To: Paul Bouchier <paul.bouchier@gmail.com>

Upon further reflection of our conversation yesterday...

While the DMS bylaws do have a similar issue regarding quorum voting, the big concern you expressed was primarily addressed indirectly by shifting all operational decisions from the members to the board and appointed management. As a result, regular DMS members would have no direct control over anything except by vote of the following:

- 1) Elections of the Board of Directors
- 2) Membership validations
- 3) Special voting events as determined by the Board of Directors

If obtaining a quorum (1/3rd general membership) became a problem during these limited voting events, then planning and obtaining legal proxy authorization (before the vote, and in writing) would become a routine practice. In the case of the DMS, we would likely have voting windows for full membership validations once a quarter or more (as determined by the Board). In addition, any insufficient quorum concerns were further considered in the following ways:

- 1) There's a safety net in place for failed membership validations (if validation fails for whatever reason, then the Board can unanimously agree to continue their probationary membership). If we end up with lots of probationary members because of attendance issues, then it can be resolved by a subsequent special voting event and use of proxy votes.
- 2) Special voting events are optional, and dictated by the Board of Directors; they would have no unanticipated impact, although the outcome of a successful vote would expected to be honored. This was intended to help settle sensitive decisions that would be better handled by a majority vote of the membership. If there was no quorum available for a vote, then the decision making for that issue would fall back to the Board.
- 3) Board of Director elections are the only high impact voting events that would absolutely require a quorum, but this can be resolved with proper planning, promotion, and use of proxy votes. The effort involved for this would be reduced to once a year, and should be manageable from year to year without much concern.

Anyway, most of this doesn't really interface well with the DPRGs current structure and culture, so I'm not sure how valuable these concepts would be to you.

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From: Paul Bouchier <paul.bouchier@gmail.com>
Subject: Re: Regarding membership quorum voting...
Date: December 31, 2010 at 5:52:16 PM CST
To: Mark Havens <mark.r.havens@gmail.com>

Thanks Mark. You have another choice: according to the BOC quorum can be set as low as 10% of the membership.

The DPRG seems to have adopted a principle that the most power should be in the hands of the membership and not the directors, whereas the way you describe it below, the DMS may have decided the opposite, or may be unconsciously going in the opposite direction.

As you say, proxy is an alternative, but I don't think they're a good alternative if the intent is to put most power in the hands of the membership. However, if you do get DMS up to 80 people, you'll have to do the same thing we're doing: plead for proxy votes to elect the board each year.

Anyway, as you say, DMS may take a different path than DPRG, and that's fine.

regards

Paul

From: Mark Havens <mark.r.havens@gmail.com>
Subject: Re: Regarding membership quorum voting...
Date: December 31, 2010 at 7:08:10 PM CST
To: Paul Bouchier <paul.bouchier@gmail.com>

On Fri, Dec 31, 2010 at 5:52 PM, Paul Bouchier <paul.bouchier@gmail.com> wrote:
> Thanks Mark. You have another choice: according to the BOC quorum can be set as
> low as 10% of the membership.

My thinking is that setting the quorum too low can lead volatility issues, power plays, and unexpected strife down the road. 10%, for example, in a group of 50, is just 5 people. To me, that just seems too low to reflect an accurate will of the membership.

But there may be another way of handling this. For example, some members who meet certain attendance conditions could be considered "inactive", and lose their voting rights temporarily. This might be a concept that would work for the DPRG, and maybe the DMS also.

For example: Arbitrary DPRG member Bob fails to attend three consecutive meetings. Bob is then recorded as an "inactive" member, and is no longer eligible to vote. The DPRG's "active" member list shrinks to about 30 people (out of a total of ~85), but because only "active" members can vote, most DPRG business is able to achieve a quorum for voting purposes. Bob returns two years later, and after attending three consecutive meetings, becomes an "active" member, and is able to take part in the DPRG voting process.

> The DPRG seems to have adopted a principle that the most power should be in the
> hands of the membership and not the directors, whereas the way you describe it
> below, the DMS may have decided the opposite, or may be unconsciously going in
> the opposite direction.

When the membership is very small, active, and meet infrequently, there would be a lot of value, in principle to having most of power in the hands of the membership. However, my thinking is that this doesn't scale when you have large, inactive, and daily activity. I've been envisioning a highly scalable DMS structure that can operate many initiatives in parallel. To do this, in my opinion, it was best to adopt a traditional corporate structure, where the members elected the leadership that made daily operational decisions. Leadership would also be responsible for appointing any management needed to run day to day operations. This model has time proven scalability, and I believe it could support thousands of potential members.

The only disadvantage to this approach, in my opinion, is that the organization loses a certain democratic quality, which can lead to members feeling a loss of personal investment and empowerment in the decision making process (if handled incorrectly). This can be issue can be resolved in several ways:

- 1) Delegation of specific operational responsibilities to committees (to create a feeling of empowerment and ownership).
- 2) Forming, encouraging, and directing leaders of projects and other activities.
- 3) Include a membership controlled method of peacefully and fairly replacing the leadership (should it ever become necessary).

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> intent is to put most power in the hands of the membership. However, if you do get
> DMS up to 80 people, you'll have to do the same thing we're doing: plead for proxy
> votes to elect the board each year.

I think you're right about this, and it's worth revisiting. If you can think about the "inactive" member concept that I mentioned earlier and give me some feedback, I'd like to work out a detailed solution. I think it has the potential to work very well.

> Anyway, as you say, DMS may take a different path than DPRG, and that's fine.

> regards

> Paul

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From: Paul Bouchier <paul.bouchier@gmail.com>
Subject: Re: Regarding membership quorum voting...
Date: January 1, 2011 at 10:11:40 AM CST
To: Mark Havens <mark.r.havens@gmail.com>

Hi Mark. I agree with your concern about a 10% quorum, and I think the 30% quorum of the DPRG & DMS is about right. Even 20% is a bit low for a small organization, for the reasons you state.

I think the "inactive member can't vote" proposal is poor - it will alienate people who are otherwise in good standing. Also, I think that unless it is written into the bylaws it would be illegal under the Texas BOC Title 2 Ch 22 subsection D section 22.160 at

<http://www.statutes.legis.state.tx.us/?link=BO>

which provides that all members have a right to vote unless otherwise stated in the bylaws (independent of class of membership). Regardless of whether it's a bad idea, I'd think you'd have to create 2 classes of members in the bylaws: active & inactive, & specify conditions for transition between them. One might even invoke the "no taxation without representation" principle & figure that inactive members shouldn't pay dues. Seems like a good way to shrink the org. I'm not going to take the DPRG there.

I think you're right about central leadership being scalable. The only question is, what kind of matters need to be submitted to the membership. By law, election of officers, and nothing else unless members call for a vote. But reality is, I think there are occasional other matters. For example, I believe it was correct to call a vote on whether the DPRG membership should authorize the board to sign a lease for the makerspace. That's only 1 "other" matter in 3 years, so maybe this is all not very important.

Nevertheless, based on my reading of section 22.160 I think it is a simple matter for the bylaws to enable subsection d which says, "If authorized by the certificate of formation or bylaws of the corporation, a member vote on any matter may be conducted by mail, by facsimile transmission, by electronic message, or by any combination of those methods." Then the problem is largely solved using techniques such as Pete has been using in the DMS for steering committee election.

My current thinking is to modify the bylaws to enable 22.160(d). If you do that before the DMS corporation sets adopts its bylaws you will be pre-enabled to dodge this problem.

The other change we're proposing to the bylaws is to declare a standing rules document, which will enable the leadership to act with greater flexibility. I guess to some extent that's putting more power in the hands of the board, but it seems reasonable.

regards

Paul

From: Mark Havens <mark.r.havens@gmail.com>
Subject: Re: Regarding membership quorum voting...
Date: January 3, 2011 at 5:41:44 PM CST
To: Paul Bouchier <paul.bouchier@gmail.com>

On Sat, Jan 1, 2011 at 10:11 AM, Paul Bouchier <paul.bouchier@gmail.com> wrote:

> Hi Mark. I agree with your concern about a 10% quorum, and I think the 30% quorum
> of the DPRG & DMS is about right. Even 20% is a bit low for a small organization, for
> the reasons you state.

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> & specify conditions for transition between them. One might even invoke the "no
> taxation without representation" principle & figure that inactive members shouldn't pay
> dues. Seems like a good way to shrink the org. I'm not going to take the DPRG there.

Upon further reflection of the DPRGs membership base, I can agree that this is probably a bad idea, at least for the DPRG. The DPRG does have non-regional members, and also seems to have an abundance of members that are only active once or twice a year. My original thought was that this would encourage growth of active membership, while at the same time, enable the decision making process for those that participated the most. Again, I'm geared to think organizationally from the DMS's perspective. This type of structure might benefit a regional, physically dependent, participation focused organization like the DMS, but be at the same time, for the reasons you mentioned, it might be debilitating to an organization with a more passive culture like the DPRG.

However, if you have the ability and willingness to change the bylaws, this principle can be modified to fit the DPRGs specific organizational concerns. Two or more membership classes would be needed as before, for example:

- 1) Establish an Active Class, and a Passive Class.
- 2) Only members in the Active Class can vote.
- 3) Active members become Passive members after no activity within an arbitrary time-frame.
- 4) Passive members immediately become Active members upon their engagement in a membership activity.
- 5) Membership activity is defined by an arbitrary list of conditions (such as attendance or voting).

I think your principle concern is the difficulty in changing the DPRG bylaws; I don't fully know the internal issues regarding this, but it should not be impossible. Using this model, there would be no real incentive for historically "Passive" members to vote against this change, since they can become an active member at any time of their choosing, without notice or waiting. Sending mail, electronic, or other form of voting would automatically make them an "Active" member, and in the extreme chance that 90% of the membership neglected participation to become "Passive" members, voting would only be required by a quorum of the remaining 10%. Anyone that decided to make a "no taxation without representation" argument, or any other argument, would by the sheer act of participating, automatically be eligible to vote themselves. In fact, if the only activity for the year by any "Passive" member was to submit an email ballot, this would qualify him or her as an "Active" member, and the vote could be included in the tally.

Upon further reflection of this idea, I'm sure some members may view this whole concept as a "hack" to get around any promotional efforts needed to keep members involved, one way or another. But honestly, if a bulk of the DPRG members are persistently "passive" anyway, with no intentions of becoming more involved, this might not be a bad consideration. Eventually, if DPRG growth is a priority, single class membership, especially with members outside the region, it may be difficult, if not impossible to get a quorum, even with electronic or other forms of remote voting.

> I think you're right about central leadership being scalable. The only question is, what
> kind of matters need to be submitted to the membership. By law, election of officers,
> and nothing else unless members call for a vote. But reality is, I think there are
> occasional other matters. For example, I believe it was correct to call a vote on
> whether the DPRG membership should authorize the board to sign a lease for the
> makerspace. That's only 1 "other" matter in 3 years, so maybe this is all not very
> important.

These types of matters can't easily be anticipated. In the DPRG bylaws, there's a cost threshold. The problem here is that specifying a static condition creates a bottleneck to scalability. It might sound like a good idea in 1985 to include a \$100 dollar threshold clause in an organization that has 10 members. However, in 2011, an organization with 10,000 members might need to authorize a million dollar purchase several times a year. Creating this restriction in the bylaws would effectively hold back the organization and discourage the leadership's push for growth until the rule was finally changed.

This problem is usually eliminated by entrusting thresholds and conditions of operational policy, as well as any other policy, to a suite of "living documents" that can be modified by the leadership as needed (within the scope of established checks and balances). This would be a big culture change for the DPRG, but it is common in larger organizations.

As far as deciding which issues to bring to the members, and which to leave to the board, this can be very tricky, and it would depend entirely on the board's perception of the membership's culture, tolerances, involvement, and investment in the organization. In my view, the personal liability for non-profit leadership is the risk of a loss in respect and reputation for any organizational failure. There should be no tangible liability.

> Nevertheless, based on my reading of section 22.160 I think it is a simple matter for
> the bylaws to enable subsection d which says, "If authorized by the certificate of
> formation or bylaws of the corporation, a member vote on any matter may be
> conducted by mail, by facsimile transmission, by electronic message, or by any
> combination of those methods." Then the problem is largely solved using techniques
> such as Pete has been using in the DMS for steering committee election.

No issue here that I see, other than the matter of anonymity and trust, which I mentioned last week. For me, it would depend entirely on the sensitivity of the issue at hand. Peter set up something in google docs at the last minute which got the job done. But ultimately, setting up a modern member portal with authentication and voting, along with lots of other features is expected to pop up in the near future. The DPRG's website is well established, but it's been passed up by a flood of modern open source content management systems the last decade. Migrating to something more capable that has voting capabilities, and using something that can be more easily managed by multiple people, might help eliminate some of the bottlenecks.

> My current thinking is to modify the bylaws to enable 22.160(d). If you do that before
> the DMS corporation sets adopts its bylaws you will be pre-enabled to dodge this
> problem.

No argument from me here. We just need the online infrastructure to do it respectability, and we should be good to go. I'll be sure to address this.

> The other change we're proposing to the bylaws is to declare a standing rules
> document, which will enable the leadership to act with greater flexibility. I guess to
> some extent that's putting more power in the hands of the board, but it seems
> reasonable.

Unless technology and biology converged and we became the Borg (and latency wasn't an issue), having a 100% democratic organization for every decision isn't very practical in my view. There must be a balance, otherwise there will be a constant tug-o-war amongst all the different factions in the organization. A standing rules document would be an excellent idea. I'm working on a suite of "Living Documents" for the DMS that follows along the same thought process.

> regards
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> Paul

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