

# **Kings Community Action Organization**

## **Board Bylaw**

BB 1010

Board Bylaw: BOARD OF DIRECTORS

### SECTION 1

#### STANDARD OF CARE; LIABILITY

- A. Each Director shall exercise such powers and otherwise perform such duties in good faith, in the manner such Director believes to be in the best interests of the corporation and its directors, and with such care including reasonable inquiry, using ordinary prudence, as a person in a like position would use under similar circumstances.
- B. In performing the duties of a Director, a director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in which case prepared or presented by:
  - 1) One or more officers or employees of the corporation whom the Director believes to be reliable and competent in the matters presented;
  - 2) Counsel, independent accountants or other persons as to matters which the Director believes to be within such person's professional or expert competence, or
  - 3) A Committee of the Board upon which the Director does not serve, as to matters within its designated authority, which committee the Director believes to merit confidence, so long as in any such case, the Director acts in good faith, after reasonable inquiry when the need therefore is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

### SECTION 2

#### NUMBER OF DIRECTORS

The number of Directors of the Corporation shall be fifteen (15). If the total number of Directors is changed by amending these By-laws, equal representation must be maintained in all three sectors of the Board.

### SECTION 3

#### CONFLICT OF INTEREST

Board Members seek to avoid both conflicts of interest and the appearance of conflicts that might undermine either the integrity of their organization or the public's trust in the field of organized philanthropy. Members recognize that the Internal Revenue Code prohibits certain kinds of transactions with, or which benefit, "disqualified persons" as defined in the Code and relevant regulations and rulings. With respect to transactions which are not prohibited, members are mindful of two types of conflicts of interest:

#### SELF-DEALING

The potential for self-dealing arises in any transaction or decision from which a board

member, staff member, or other “disqualified person,” including family members of board members or staff, may profit or receive a monetary benefit. A conflict of interest exists when a person having input into a decision could personally benefit, either directly or indirectly, from the outcome of that decision.

#### CONFLICT OF LOYALTY

A conflict of loyalty arises in any transaction or decision in which a board member is in a position of divided or conflicting loyalties. This occurs when an individual is involved in any past, present, or anticipated future personal or business relationship that may (has/might) significantly influence or bias his or her decision-making ability as a board member. Relevant factors in determining a conflict of loyalty include the duration, strength, and intimacy of a given personal or business relationship or affiliation, and its relevance to the functions performed by the individual. Any Director having a conflict of interest in any action shall voluntarily abstain from participation in the discussion and voting on that action; however, such director may be counted in determining the presence of a quorum at the meeting unless otherwise prohibited by law. No person shall be made a board member, or allowed to be a board member if it can be reasonably shown that they have a consistent, significant, and persistent conflict of interest or loyalty with KCAO, its officers, staff or its mission.

#### SECTION 4

##### VOTING RIGHTS

Each Director shall be entitled to one vote. No vote shall be cast by proxy.

#### SECTION 5

##### TERMS OF OFFICE

The terms of office for each Director shall be four (4) years. No Director shall serve more than two consecutive terms without a majority vote of the Board authorizing the additional terms.

#### SECTION 6

##### ROTATING TERMS

The terms of one half of the Directors will be up for renewal or replacement every other year. The following board positions shall be renewed or replaced to coincide with the January following the California Gubernatorial election:

- Public Sectors 1, 2, and 3
- Private Sectors 1 and 2
- Targeted Areas 1, 2, and 3

The following board positions shall be renewed or replaced to coincide with the January following the presidential election:

- Public Sectors 4 and 5
- Private Sectors 3, 4, and 5
- Targeted Areas 4 and 5

- A. In the event of a vacancy on the Board at a time other than the end of a four-year term, the successor will finish out the unfilled term. If over one-half of the term remains, it will be counted as a full four-year term. If less than one-half of the term remains, the successor will be eligible for two four-year terms beyond the unfilled term.
- B. Terms for Directors will expire on December 31.

## SECTION 7

### TRAVEL ALLOWANCES

Travel allowances and reimbursement to all Directors for Corporation-related expenses incurred are permitted. Mileage reimbursement will be at the approved IRS rate and meals and incidentals will be at General Services Administration ("GSA") rate.

## SECTION 8

### COMPENSATION

Compensation for Directors is prohibited. Reimbursement of expenses related to service of the Board will be considered on a case-by-case basis and require approval from the Directors at a regularly scheduled meeting

## SECTION 9

### SELECTION OF DIRECTORS:

- A. One-third (1/3) of the Directors of the Corporation shall be elected officials or their designated representatives.
  - 1) The Kings County Board of Supervisors shall select one representative of themselves, and the City Councils of Hanford, Lemoore, Corcoran and Avenal shall each select one representative of themselves. In the event no representative is selected from one of the City Councils or the Board of Supervisors, the Board of Directors of the Corporation will fill the vacancy with a person from the public sector from that area, with such selection being made by a majority vote of the remaining Directors at a duly held meeting of the Board of Directors, or if the number or remaining Directors is less than a quorum, by (1) the unanimous written consent of the Directors then in office; or (2) a sole remaining Director.
  - 2) Public Sector representatives will be elected public officials holding office on the date of selection (or their designated representatives.) If the number of appointed public officials reasonably available and willing to serve on the Board of Directors is less than one-third (1/3) of the membership of the Board, appointed public officials, or their designated representatives, may be selected, provided that they have either general governmental responsibilities or responsibilities which require them to deal with poverty-related issues.
  - 3) A list of public officials or their representatives who have been selected by the KCAO Board to be Directors shall be kept by the Secretary of the Corporation. A copy of said list shall be available to the general public upon written request.
- B. One-third (1/3) of the Directors of the Corporation shall be representatives of the Low-income sector and shall be democratically elected by the low-income residents of Kings

County. For the first term following this shift in the composition of the Directors representing the Low-income sector, the first Director position will be a current or former Head Start parent to be appointed by the sitting Board. For all terms thereafter, the first Director position representing Low-income sector will be a current or former Head Start parent democratically elected by the Regional Head Start Policy Council and the Migrant and Seasonal Head Start Policy Council (collectively "Head Start Policy Councils").

- 1) The Board of Directors shall designate a geographical division of Kings County into Target Areas containing approximately equal numbers of low-income residents (see Exhibit A for listing of Target Areas). Each low-income sector Director must reside in the Target Area represented by the Director. Interested parties will submit a petition for nomination bearing signatures of twenty (20) low-income Target Area residents. Low-income sector Directors need not themselves be low-income to qualify but, if not, must certify in writing that their interests truly represent the low-income sector. Election shall take place in the Target Area at a time and place convenient to the low-income residents, as designated by the Board of Directors and publicized at least two weeks in advance to ensure maximum feasible participation. Staff at the polling place will ensure current poverty guidelines are posted; that only those who affirm in writing that they are financially eligible residents of the Target Area may vote; and that persons only vote once.
  - 2) For the first term following the shift in composition of the Directors representing Low-income resident, the sitting Board of Directors will vote to appoint a current or former Head Start parent as a Director to represent Low-income residents. For all terms thereafter, the Head Start Policy Councils will meet and vote on one Director to represent Low-income residents who is a current or former Head Start parent. The term of this Director will be the same as all other Directors, unless the selected Director is terminated under SECTION 10 of this bylaw, or the Head Start Policy Councils vote to remove them from the position at any time.
  - 3) A list of duly elected Directors shall be kept by the Secretary of the Corporation. Copies shall be made available to the general public upon written request.
  - 4) In the event the duly elected Director is unable to complete his/her term, the person who received the second highest number of votes at the most recent election shall fill the unexpired term.
  - 5) The term "low-income" as used in these By-laws shall be those persons falling within poverty income levels as defined by the Board of Directors in compliance with guidelines of the California State Department of Community Services and Development and the Federal Register.
  - 6) All documents pertaining to an election for low-income Directors shall be kept on file for at least five years.
- C. One-third (1/3) of the Directors of the Corporation shall represent major private groups or interests within Kings County. Representatives from the private sector must have a residential or employment presence in Kings County during the time they serve on the board. Private groups to be represented shall be selected from the following categories – no more than two from any one category:
- Social Service Organizations

- Business
  - Religious Organizations
  - Minority Groups not otherwise represented
  - Education
  - Industry
  - Law Enforcement
  - Other Major Groups and Interests in the Community Served.
- 1) When the term of office of a private sector Director expires, the Board of Directors shall, at its own discretion, utilize one of the following options to fill the vacancy:
    - a) The Board of Directors shall allow a representative to be selected from the same private sector group which holds the vacant position; or
    - b) The Board of Directors shall direct staff to develop a comprehensive list of private groups, organizations, and corporations for each of the above-named categories (see Exhibit B for listing of groups, organizations, and corporations). Public notice will be placed in local newspapers declaring openings and deadlines for submissions for Board membership from the private sector. The Directors will also be invited to submit names of private sector groups of which they may be aware. Letters shall be sent to each group listed, inquiring as to the group's interest and who would represent the group in being seated on the Board of Directors. An Ad Hoc Committee will be appointed by the Board Chairperson to review applications, conduct interviews, and make recommendations to the full board. Responses shall be reviewed by the Board and a majority vote at a legally constituted Board Meeting shall determine the private group and the group's representative to be seated. Appointees shall serve at the pleasure of the Board. A list of selected and approved groups and their representatives shall be kept by the Secretary of the Corporation. A copy of said list shall be made available to the general public upon request.

## SECTION 10

### TERMINATION OF BOARD MEMBERSHIP

- A. Should any Director accumulate four (4) absences of regular Board meetings in a calendar year, they shall be deemed to have resigned from the Board of Directors and their seat may be declared vacant. However, there must be an opportunity to be heard by the Board of Directors, if desired. The Director must give written notice within thirty (30) days of the fourth absence to the Chairperson or Secretary of the Board of Directors stating: 1) a desire to be heard and 2) the reasons as to why the Director should be reinstated. If a hearing is requested, then the matter shall be heard at the next regular Board meeting or a special meeting before the next regularly scheduled meeting. The reinstatement will be effected only upon a majority vote of the Directors present at a meeting where there is a quorum. Reinstatement will result in a Director returning to two (2) absences. Effective September 1, 2020, a Director is only eligible for reinstatement once a term. However, a Director may be reinstated more than once during their term if the reason for their absences are due to a medical condition.
- B. During the first nine months of a Director's first term, that person's performance is subject

to review and his/her membership may be terminated by votes of a majority of those present at a meeting at which there is a quorum if, in the opinion of the Board, that person's performance is contrary to the goals and objectives of the organization. However, there must be an opportunity to be heard by the Board of Directors, if desired. The Director must give written notice within (30) days of the vote to terminate his/her membership to the Chairperson or Secretary of the Board of Directors stating: 1) a desire to be heard and 2) the reasons as to why the Director should be reinstated. If a hearing is requested, then the matter shall be heard at the next regular Board meeting or a special meeting before the next regularly scheduled meeting. The reinstatement of the Director will be effected only upon a majority vote of the Directors present at a meeting where there is a quorum.

- C. After the initial nine-month probationary period, a Director may be terminated for just cause, other than for absences, by a vote of no less than 50% plus one (1) of the total membership of the Board of Directors. Written notice must be given to that Director stating that he/she will have three months' time in which to correct the inappropriate performance and there must be an opportunity to be heard by the Board of Directors, if desired. At the end of three months, the Board will re-evaluate the situation and make its final determination. After the three (3) month period, if no less than 50% plus one (1) of the total membership of the Board of Directors votes to terminate the directorship, notice must be provided to the Director. Within seven (7) days after being mailed said written notice, the Director must give written notice to the Chairperson or Secretary of the Board of Directors stating: 1) a desire to be heard and 2) reasons as to why the Director should be reinstated. The matter may be heard at the next regular Board meeting or a special meeting before the next regularly scheduled meeting.

Should a Director be terminated under any of the circumstances listed in Board Bylaw 1010, SECTION 10, paragraphs, A, B, or C above, the public entity or private sector organization which they represent shall be notified and may be given an opportunity to appoint a new representative for consideration for Board membership. If the Director so terminated is a Target Area representative, an election shall be held to select a new Director in the manner outlined in Board Bylaw 1010, SECTION 9, paragraph B, above. Should the Director jointly appointed by the Head Start Policy Councils OR by the sitting Board of Directors (if during first term following shift in composition of the Directors representing Low-income residents), be terminated under any circumstances listed in Board Bylaw 1010, SECTION 10, the Head Start Policy Councils will be required to hold a meeting to appoint a new Director in accordance with Section 9(B) above. The terminated Director appointed by the Council/Board may not be re-appointed for at least two full terms.

## SECTION 11

### METHOD OF FILLING VACANCIES

A vacancy in the Board of Directors shall be deemed to exist in the event of the death, resignation, career/family relocation, or removal of any Director or any other event of termination of a Director's membership on the Board. In the event of termination of Board membership prior to expiration of a four (4) year term, the following method of filling vacant seats will apply.

- A. Elected public officials shall cease to be Directors should their term of office for the elected position they hold within a governmental entity expire. The Board of Directors shall request the appointing body to fill the vacancy for the expired term. If the appointing body does not

fill the vacancy for the unexpired term, then a majority of the Board of Directors may vote to fill the vacancy as provided for in Section 9.A.1.

- B. In the low-income sector, any vacancy from one of the four geographic areas, shall be filled by the person receiving the second highest number of votes for that target area at the most recent election, or, if that person is not available to serve, the election procedure shall be repeated.
  - 1) Low-income residents of any given geographical Target Area may petition for recall of their elected representative in the following manner:
    - a) A petition signed by at least twenty (20) low-income residents of the Target area, but not less than 50% plus one (1) of the total number of votes cast in the last election within that Target Area, shall be presented to the Board of Directors. No petition shall be acted on by the Board of Directors unless the Board shall first have determined that the petition:
      - b) Contains the requisite number of signatures; and
      - c) The persons signing the petition are low-income residents.
    - 2) If the Board of Directors determines the petition to be valid, the Board shall cause a recall election of the Director, said election to be governed by the electoral procedures outlined in Board Bylaw 1010, SECTION 9, part B, above.
    - 3) If the Director position jointly appointed by the Head Start Policy Councils OR by the sitting board (if during first term following shift in composition of Directors representing Low-income residents) becomes vacant, the Head Start Policy Councils will meet to appoint a new Director as soon as possible before the end of the four (4) year term.
- C. Should a Director from a private group cease to be associated with their private group or be recalled by their group, their membership in the Corporation shall immediately be terminated and the procedures set forth in Board Bylaw 1010, SECTION 9, Part C of these By-laws shall be initiated in order to fill that private sector vacant seat.

## SECTION 12

### INDEMNIFICATION

Kings Community Action Organization shall indemnify its officers and directors against litigation costs and liabilities arising out of their actions on Kings Community Action Organization's behalf. This includes indemnification of all legal fees and other litigation expenses actually and reasonably incurred in connection with any proceeding. Kings Community Action Organization is not required to indemnify any officer or director when the individual is found to have acted dishonestly, intentionally, willfully or fraudulently or outside of their scope of duties for Kings Community Action Organization.

## SECTION 13

### DIRECTORS' & OFFICERS' LIABILITY INSURANCE

Kings Community Action Organization shall purchase a directors' and officers' liability insurance policy. This policy shall be purchased in the amount reasonably necessary to indemnify directors and officers from potential liability, litigation and expenses which arise out of their actions on behalf of the corporation.

## SECTION 14

### PETITION FOR REPRESENTATION

Any person claiming to represent low-income people, private groups, or interest in a community, or a governmental body or bodies, who feels said interests are inadequately represented in the Corporation may request representation and may be considered for the next available opening in that area.

Adopted by Board of Directors:	May 21, 1980
Revised and Adopted by Board of Directors:	December 19, 1990
Revised and Adopted by Board of Directors:	September 20, 2006
Revised and Adopted by Board of Directors:	May 18, 2011
Revised and Adopted by Board of Directors:	September 21, 2011
Revised and Adopted by Board of Directors:	January 16, 2013
Revised and Adopted by Board of Directors:	February 19, 2014
Revised and Adopted by Board of Directors:	January 18, 2017
Revised and Adopted by Board of Directors:	July 18, 2018
Revised and Adopted by Board of Directors:	September 18, 2019
Revised and Adopted by Board of Directors:	August 19, 2020
Revised and Adopted by Board of Directors:	November 16, 2022