



*Association for the Preservation of Tennessee Antiquities*

August 21, 2016

Dear APTA Member:

Thank you for your support of the APTA and our important mission. You should have recently received an invitation to our Annual Meeting, scheduled for 10:00 a.m. on August 23, 2016, at the Belle Meade Plantation in Nashville. We hope you will join us. The Nominating Committee, chaired by Glenda Baker, has presented a solid slate of officer and director candidates. A brief biography of each candidate is attached for your review. In addition to the election of Officers and Directors, this year's agenda also includes consideration of proposed revisions of its Charter.

A nonprofit organization's governance structure is critical to its ability to operate effectively and achieve its strategic goals. Nonprofit management experts recommend that nonprofit organizations choose a governance structure that aligns with its strategy.<sup>1</sup> The APTA is a public benefit organization created to preserve and manage Tennessee's historical structures and items. Accordingly, the governance structure provided by our Charter and Bylaws should promote the long-term preservation and maintenance of Tennessee historical structures and items.

As you know, our current Charter provides for governance by a Board of Directors, which is primarily comprised of elected officers. Under this system, each member votes annually to select a majority of the Board of Directors. Although elected boards were once common, many nonprofits have moved away from this structure because it often creates uncertainty about who will govern the association from year to year. Voting membership structures are typically used by social clubs, churches, and trade associations—organizations that exist to serve its members.

By contrast, the majority of charitable nonprofits in the United States are now led by self-perpetuating Boards.<sup>2</sup> Under this model, Directors are selected by the existing Board of Directors. Nonprofits choose this structure because it contributes to consistency, stability, and a more well-rounded Board. Directors' terms are limited to two years, so one group cannot exercise exclusive control over the association. This governance structure is typically used by museums, orchestras, and other organizations that exist to serve the public interest, like the APTA.

---

<sup>1</sup> Michael J. Worth, *Nonprofit Governing Boards*, Nonprofit Management: Principles and Practice 61-62 (Sage Pub. 2016); *The Key Question: Whose Organization Is It?*, Ready Reference, 11 Nonprofit Issues 11 (February 2013).

<sup>2</sup> Worth, *Nonprofit Governing Boards*, at 64.

At the last Board of Directors' meeting, several directors expressed that the APTA should update its Charter to align with the best practices for 21<sup>st</sup> century nonprofit management. In response, the Executive Committee has prepared a proposed First Amended and Restated Charter, which is enclosed for your review. The most significant change is that the Proposed Charter modifies the APTA's governance structure from an elected Board to a self-perpetuating Board. The Executive Committee strongly believes that this change will promote the APTA's longevity, efficiency, and stability.

Under the Proposed Charter, each member will be represented by their elected Chapter President on the APTA Board of Trustees. Those Chapter Presidents, along with the officers and directors, will be the leadership of the APTA. This structural change will bring the APTA into alignment with the vast majority of charitable nonprofits in the United States. Additionally, the new structure will help to ensure that all Chapters are appropriately and proportionately represented in the election of officers and directors.

At our last Annual Meeting, many members also encouraged a revision of the APTA Bylaws. Based upon members' specific comments and suggestions, the Executive Committee has undertaken a comprehensive review and update of the APTA Bylaws. This review will occur in two stages. The first stage of revisions will be presented at the Annual Meeting and includes the following modifications to the Bylaws:

- (1) The addition of a provision requiring a Chapter's Bylaws not to conflict with the APTA Bylaws. Each Chapter is permitted to either continue operating under its existing Bylaws or modify its Bylaws as it chooses, so long as it does not conflict with the APTA Bylaws;
- (2) The deletion of the provisions addressing chapters' investment policies;
- (3) The addition of a provision that sets out accounting and financial standards for Chapters. For example, chapters' bank deposits must be FDIC insured and investment firms must have certain regulatory approvals.

Each of these modifications were made in response to Dr. Ted Lewis's comments at our last meeting. The second stage of revisions is still in progress and is expected to be circulated this fall for your comments.

In an apparent response to the proposed changes to APTA governance, and APTA's ongoing review of certain business practices of and actions by the Nashville Chapter, the Nashville Chapter submitted a petition to call for a special meeting of the members to consider removal of APTA Officers and Directors. Petitions were submitted from some of the Nashville Chapter members and from the Knoxville Chapter. The Tennessee Code sets out the procedure for the call of a special meeting by the members, and upon review the Petition failed to meet the statutory requirements and was denied.

Notice of that denial was mailed and emailed to the Nashville Chapter and the Knoxville Chapter.

Because of these ongoing issues, APTA has retained an attorney to represent our association to be certain that we are proceeding in the proper manner. We are fortunate to have retained William Harbison with Sherrod Roe Voight Harbison. He has broad experience with not for profit corporations and civil litigation. Bill has represented APTA on previous matters. He understands our mission and is committed to working with us to resolve all the challenges before us.

If you have questions about any of these issues, please contact one of the Executive Committee members listed below. We are available and happy to talk with you by phone or email.

Frank McMeen	731.225.4774	Frank.McMeen@WTH.org
AJ Northrop	615.598.3255	genteelrogue@yahoo.com
Glenda Baker	731.935.9035	msgbflorida@aol.com
Tom McNeil	615.973.3632	tsmcniel@gmail.com
Barbara Perutelli	615.244.6670	bperutelli@slblawfirm.com

The work done by the chapter membership is the foundation of our association. We hope the proposed changes to our Charter and Bylaws will provide the structure and stability required to sustain our members' important mission and vision long into the future.

We look forward to seeing you at our Annual Meeting on August 23, 2016. Thank you for your thoughtful commitment to the APTA.

Sincerely,

The APTA Executive Committee

Enclosures:

1. Nominated slate of officers and directors with short biographies
2. Proposed Charter