

**TUCSON AIRPORT AUTHORITY | Corporate Governance Council Meeting  
July 19, 2021 | 3:00 p.m. | Remote Participation Only**

**THIS COUNCIL MEETING WAS A REMOTE PARTICIPATION ONLY MEETING. COUNCIL MEMBERS PARTICIPATED VIA WEBEX AND THE PUBLIC WAS PROVIDED WITH A LINK AND PHONE NUMBER/CODE WHICH THEY WERE ABLE TO JOIN THE MEETING VIA WEBEX.**

**CALL TO ORDER | ROLL CALL**

Chair Duran called the meeting to order at 3:03 p.m.

**Members Present:** Chair Michael Duran, Vice Chair Todd Jackson, Council Member David Hameroff, Council Member Larry Lang, Council Member Steve Holmes, and Council Member Lee Lambert

**Members Absent:** Council Member Michael McGrath, Council Member Rob Draper, and Council Member Judy Rich

**Others Present:** TAA Chairperson Bruce Dusenberry

**Staff Present:** President/Chief Executive Officer Danette Bewley, Vice President/General Counsel Christopher Schmaltz, Deputy General Counsel Kim Ryan, and TAA Clerk Byron Jones

**WELCOME AND INTRODUCTIONS**

Chair Duran welcomed everyone to the meeting.

Vice Chair Jackson and VP/General Counsel Schmaltz summarized the Council's discussion of the proposed bylaw amendments at the meeting on July 6, 2021 as reflected in the minutes.

**APPROVAL OF MINUTES**

1. Approve the minutes from the Corporate Governance Council meeting held on July 6, 2021.

**MOTION BY Council Member Hameroff, SECONDED BY Vice Chair Jackson, to APPROVE the minutes of the Corporate Governance Council meeting held on July 6, 2021. The motion carried by the following vote:**

**Ayes 5 Chair Duran, Vice Chair Jackson, Council Member Hameroff, Council Member Lang, and Council Member Holmes**

**Nays 0 None**

**NOTE: Due to technical issues, Council Member Lambert did not participate in the vote.**

## DISCUSSION ITEM

### 2. PROPOSED BYLAW AMENDMENTS

The Council voted on Proposed Amendment Nos. 1 through 3, No. 5, and No. 7, (as numbered in the memo to the Council presented at the July 6, 2021 meeting) which were reviewed and discussed at the meeting on July 6, 2021.

**MOTION BY Vice Chair Jackson, SECONDED BY Council Member Hameroff, to RECOMMEND to the Board of Directors that the Bylaws of the Tucson Airport Authority be amended by adopting Proposed Amendments Nos. 1 through 3, No. 5, and No. 7, from the staff memo dated June 29, 2021, attached hereto as Exhibit 1. The motion carried by the following vote:**

**Ayes 5 Chair Duran, Vice Chair Jackson, Council Member Hameroff, Council Member Lang, and Council Member Holmes**

**Nays 0 None**

**NOTE: Due to technical issues, Council Member Lambert did not participate in the vote.**

The Council reviewed and discussed, the following bylaw amendments (referring to the memo presented to the Council as part of the meeting packet):

#### **8. Amend Section 2.2.2 – (relating to Nominating Council procedures and authority)**

VP/General Counsel Schmaltz: The proposed amendment changes the nomination process by requiring the Nominating Council to submit its recommendations to the Board of Directors for consideration. The Board would vote on whether to forward any or all the nominees for consideration by the full membership.

#### COUNCIL DISCUSSION:

- The adoption of Amendment No. 4 regarding elected officials and government employees eliminates the need for the Board to review the nominations.
- Removing nominating authority from the Nominating Council potentially negates the purpose of the Council.
- The Board would review the nominations from a fresh perspective, and it could potentially stop a controversial nomination before it goes to the full membership. The Board would accept the Nominating Council's recommendations in most cases.
- The Nominating Council as an advisory body should make recommendations to the Board as the decision-making authority.
- A possible conflict of interest exists by the Board having the authority to reject current members from continuing their membership.

**MOTION BY Council Member Lang, SECONDED BY Council Member Holmes, to RECOMMEND to the Board of Directors that it REJECT Proposed Amendment No. 8 from the staff memo dated June 29, 2021, attached hereto as Exhibit 1. The motion carried by the following vote:**

**Ayes 6 Chair Duran, Vice Chair Jackson, Council Member Hameroff, Council Member Lang, Council Member Holmes, and Council**

**Member Lambert**

**Nays 0 None**

**9. Delete Section 2.2.3.**

VP/General Counsel Schmaltz: The language in this section is redundant to other sections of the Bylaws.

There were no comments from the Council.

**MOTION BY Council Member Hameroff, SECONDED BY Council Member Lang, to RECOMMEND to the Board of Directors that the Bylaws of the Tucson Airport Authority be amended by adopting Proposed Amendment No. 9 from the staff memo dated June 29, 2021, attached hereto as Exhibit 1. The motion carried by the following vote:**

**Ayes 6 Chair Duran, Vice Chair Jackson, Council Member Hameroff, Council Member Lang, Council Member Holmes, and Council Member Lambert**

**Nays 0 None**

**10. Amend Section 2.3.1 NOTICE. (relating to Notices for annual meeting)**

VP/General Counsel Schmaltz: The proposal seeks to simplify the notification requirements for the Annual Meeting by consolidating them to twenty-one days prior to the meeting. This would reduce the staff time required to meet multiple and overlapping deadlines and would allow all the meeting materials to be sent in one mailing.

**MOTION BY Council Member Vice Chair Jackson, SECONDED BY Council Member Lang, to RECOMMEND to the Board of Directors that the Bylaws of the Tucson Airport Authority be amended by adopting Proposed Amendment No. 10 from the staff memo dated June 29, 2021, attached hereto as Exhibit 1. The motion carried by the following vote:**

**Ayes 6 Chair Duran, Vice Chair Jackson, Council Member Hameroff, Council Member Lang, Council Member Holmes, and Council Member Lambert**

**Nays 0 None**

**11. Amend Section 2.4 SPECIAL MEETINGS. (relating to procedures to call special meetings of the Members)**

VP/General Counsel Schmaltz: The amendment modernizes the language to permit special meetings to occur in person, via technological means, or a combination of both. It does not change substantively how special meetings may be called.

**MOTION BY Council Member Lambert, SECONDED BY Council Member Lang, to RECOMMEND to the Board of Directors that the Bylaws of the Tucson Airport Authority be amended by adopting Proposed Amendment No. 11 from the staff memo dated June 29, 2021, attached hereto as Exhibit 1. The motion carried by the following vote:**

**Ayes 6 Chair Duran, Vice Chair Jackson, Council Member Hameroff, Council Member Lang, Council Member Holmes, and Council Member Lambert**

**Nays 0 None**

**12. Amend Section 2.4.1 (relating to Notices of Special membership meetings)**

VP/General Counsel Schmaltz: Changes the notification requirement from five days prior to the meeting to twenty-one days prior to the meeting to be consistent with the notification requirements in previous sections.

**MOTION BY Vice Chair Jackson, SECONDED BY Council Member Lang, to RECOMMEND to the Board of Directors that the Bylaws of the Tucson Airport Authority be amended by adopting Proposed Amendment No. 12 from the staff memo dated June 29, 2021, attached hereto as Exhibit 1. The motion carried by the following vote:**

**Ayes 6 Chair Duran, Vice Chair Jackson, Council Member Hameroff, Council Member Lang, Council Member Holmes, and Council Member Lambert**

**Nays 0 None**

**13. Delete Section 2.4.2**

VP/General Counsel Schmaltz: Section 2.4.2 may be removed as the language was consolidated into Section 2.4 (Amendment No. 11).

**MOTION BY Vice Chair Jackson, SECONDED BY Council Member Lang, to RECOMMEND to the Board of Directors that the Bylaws of the Tucson Airport Authority be amended by adopting Proposed Amendment No. 13 from the staff memo dated June 29, 2021, attached hereto as Exhibit 1. The motion carried by the following vote:**

**Ayes 6 Chair Duran, Vice Chair Jackson, Council Member Hameroff, Council Member Lang, Council Member Holmes, and Council Member Lambert**

**Nays 0 None**

**14. Amend Section 2.7.1 (relating to election procedures and materials)**

**15. Delete Sections 2.7.2, 2.7.3, 2.7.4, and 2.7.5**

VP/General Counsel Schmaltz: Updated to conform with the changes adopted by Amendment Nos. 10 through 14. The proposed amendment also assumes the adoption of Amendment No. 8; however, the reference to the Board of Directors may be replaced by the Nominating Council and would require no further substantive changes. The revised procedure streamlines the election process and simplifies the language by consolidating Sections 2.7.1 through 2.7.5 into a single section. Amendment Nos. 14 and 15 are related and may be approved in a single motion.

**MOTION BY Council Member Lambert, SECONDED BY Council Member Lang, to RECOMMEND to the Board of Directors that the Bylaws of the Tucson Airport Authority be amended by adopting Proposed Amendment Nos. 14 and 15 from the staff memo dated June 29, 2021, attached hereto as Exhibit 1, with the reference to the Board of Directors deleted and replaced by the Nominating Council. The motion carried by the following vote:**

**Ayes 6 Chair Duran, Vice Chair Jackson, Council Member Hameroff, Council Member Lang, Council Member Holmes, and Council Member Lambert**

**Nays 0 None**

**16. New Section 2.7.2 language (relating to nominated members unable to serve, prior to annual meeting date)**

**17. New Section 2.7.3 language (relating to ineligible members who are elected)**

VP/General Counsel Schmaltz: Clarifies the procedure for staff to follow if, during the period after the nominating materials are sent to the Members and prior to the date the Annual Meeting, a nominee is unable to serve due to death, ineligibility, incapacity, resignation, or similar circumstances. Amendment Nos. 16 and 17 are related and may be approved in a single motion.

**MOTION BY Council Member Holmes, SECONDED BY Vice Chair Jackson, to RECOMMEND to the Board of Directors that the Bylaws of the Tucson Airport Authority be amended by adopting Proposed Amendment Nos. 16 and 17 from the staff memo dated June 29, 2021, attached hereto as Exhibit 1. The motion carried by the following vote:**

**Ayes 6 Chair Duran, Vice Chair Jackson, Council Member Hameroff, Council Member Lang, Council Member Holmes, and Council Member Lambert**

**Nays 0 None**

**18. Amend Section 2.8 ORDER OF BUSINESS (relating to agenda for annual meeting)**

VP/General Counsel Schmaltz: Modernizes and simplifies the language to reflect what is required by state statute.

**MOTION BY Council Member Lang, SECONDED BY Council Member Hameroff, to RECOMMEND to the Board of Directors that the Bylaws of the Tucson Airport Authority be amended by adopting Proposed Amendment No. 18 from the staff memo dated June 29, 2021, attached hereto as Exhibit 1. The motion carried by the following vote:**

**Ayes 6 Chair Duran, Vice Chair Jackson, Council Member Hameroff, Council Member Lang, Council Member Holmes, and Council Member Lambert**

**Nays 0 None**

**19. Amend Section 3.1 ELIGIBILITY, ELECTION, TERM, NUMBER AND QUALIFICATION AND TERM OF OFFICE (relating to composition of Board)**

VP/General Counsel Schmaltz: Simplifies the language with the substantive change that the Immediate Past Chair remains a director with voting privileges rather than a non-voting, ex officio member, for one year after her/his term as chair expires.

**MOTION BY Council Member Hameroff, SECONDED BY Council Member Lang, to RECOMMEND to the Board of Directors that the Bylaws of the Tucson Airport Authority be amended by adopting Proposed Amendment No. 19 from the staff memo dated June 29, 2021, attached hereto as Exhibit 1. The motion carried by the following vote:**

**Ayes 6 Chair Duran, Vice Chair Jackson, Council Member Hameroff, Council Member Lang, Council Member Holmes, and Council Member Lambert**

**Nays 0 None**

**20. Amend Section 3.1.2 TERMS (relating to Board terms)**

VP/General Counsel Schmaltz: Assumes the adoption of Amendment No. 19 and updates the language to reflect that a director may serve for seven consecutive years if the seventh year is as the Immediate Past Chair.

Council Member Holmes stated that he would need to leave the meeting and requested that the remaining items be presented and voted on in a combined motion.

**21. Amend Section 3.2 VACANCIES (relating to vacancies on the Board)**

VP/General Counsel Schmaltz: Removes language that is now inconsistent with state statute and clarifies that the nominee filling the vacancy will only serve from the date of their election to the next annual meeting.

**22. Amend Section 3.3 REGULAR MEETINGS (relating to Board meeting schedule)**

VP/General Counsel Schmaltz: Simplifies the language to reflect modern best practices and reduces the number of required Board meetings from eight to four during the calendar year. It does not preclude the ability to schedule special meetings if required.

**23. Amend Section 3.3.2 (relating Board attendance expectations)**

VP/General Counsel Schmaltz: Reflects the change in the minimum number of Board meetings by allowing for the removal of a director if they miss more than fifty percent of the regular and special meetings during the calendar year. It requires affirmative action by a majority of the entire Board.

**24. Amend Section 3.4 (relating to special Board meeting notices)**

VP/General Counsel Schmaltz: Simplifies the language to state that notices shall be given in compliance with the Open Meeting Law.

**25. Delete Section 3.6 in its entirety.**

VP/General Counsel Schmaltz: The entire section may be deleted to remove reference to the ex officio member. The Immediate Past Chair remains a voting director per Amendment No. 19.

**MOTION BY Council Member Holmes, SECONDED BY Council Member Hameroff, to RECOMMEND to the Board of Directors that the Bylaws of the Tucson Airport Authority be amended by adopting Proposed Amendment Nos. 20 through 25 from the staff memo dated June 29, 2021, attached hereto as Exhibit 1. The motion carried by the following vote:**

**Ayes 6 Chair Duran, Vice Chair Jackson, Council Member Hameroff, Council Member Lang, Council Member Holmes, and Council Member Lambert**

**Nays 0 None**

Council Member Holmes left the meeting at 4:10 p.m.

**26. Amend Section 4.1 (relating to Board officers of the non-profit corporation)**

VP/General Counsel Schmaltz: Simplifies the language and clarifies the officers of the corporation. Removes the reference to the President/CEO being an officer of the corporation. It assumes adoption of Amendment No. 8; therefore, it will need to be updated depending on whether Amendment No. 8 is adopted by the Board.

**27. Amend Section 4.7 (relating to the terms of office of the Chair and Vice-Chair of the Board)**

VP/General Counsel Schmaltz: Changes the terms of the Chair and the Vice Chair from one year to two years. This gives the incumbents additional time to become familiar with their roles in year one and to guide the organization in year two.

**COUNCIL DISCUSSION:**

- Because an individual who serves as Vice Chair and Chair could occupy those roles for four years, it limits the opportunity for other individuals to serve since the Bylaws limit a director to two, consecutive terms, or six years total.

**28. Amend Article 5, VACANCIES IN OFFICE (relating to cleanup of superfluous language)**

VP/General Counsel Schmaltz: Removes unnecessary language. A public body cannot meet or take action without a quorum being present.

**29. Amend Article 8, AMENDMENT TO BYLAWS (relating to bylaw amendment process requirements)**

VP/General Counsel Schmaltz: Removes confusing language from the section and codifies that bylaw amendments may not be acted on by the Board of Directors unless they are considered first by the Corporate Governance Council. It preserves the right of the Board to take action on an amendment if the Corporate Governance Council fails to consider it.

**30. Delete Article 9 in its entirety.**

VP/General Counsel Schmaltz: The entire section is inconsistent with state statute and must be deleted. State statute does not permit a public body to act by written consent.

**31. Amend existing Article 10 as Article 9, APPOINTMENT OF ADVISORY COUNCILS (relating to the nature, amount and purpose of the advisory councils)**

VP/General Counsel Schmaltz: Cleans up the paragraph by listing all of the relevant councils and proposes that the Superfund Council becomes a sub-council under the Finance and Risk Management Council. It also sets a minimum and maximum number of council members and extends the terms from one year to two years. Limiting the number of council member simplifies the process of scheduling meetings and ensuring a quorum is met.

COUNCIL DISCUSSION:

- The sentence including, “No council shall have an **odd** number of members...” should be corrected to say: “No council shall have an **even** number of members...”.

**32. Clean up references to corporation officers**

VP/General Counsel Schmaltz: Modernizes the language and ensures consistent references to officer titles throughout the document.

**33. Rename Article 2 as “Membership.”**

**34. Insert new Article 3 called “Meetings of the Corporation.”**

VP/General Counsel Schmaltz: Improves the flow of the Bylaws by separating the sections pertaining to membership and corporation meetings.

**35. Renumber current Articles 3 through 12 to conform to previous changes, if approved.**

VP/General Counsel Schmaltz: Purpose is to conform all the changes adopted by the Board of Directors.

**MOTION BY Council Member Lang, SECONDED BY Council Member Lambert, to RECOMMEND to the Board of Directors that the Bylaws of the Tucson Airport Authority be amended by adopting Proposed Amendment Nos. 26 through 35 from the staff memo dated June 29, 2021, attached hereto as Exhibit 1, with**



**modifications to Amendment No. 26 to reflect congruence with the previously approved items, and Amendment No. 31, to reflect the word “even” instead of “odd.”**

**COUNCIL DISCUSSION:**

- Concerned that extending the terms of both the Chair and Vice Chair to two years will limit the number of individuals who are eligible to serve in those roles given the six-year cap on serving as a director.
- Suggested making the terms of the Chair and Vice Chair exempt from the six-year cap. This could result in an individual serving a total of eleven years on the Board, which is lengthy amount of time for such service.
- Previously on a board where the term of the chair was extended to two years, but the term of the vice chair was left at one year. This gave the vice chair the flexibility of deciding whether they wanted to serve as chair without committing an extended term.

The consensus of the Council was to delay consideration of Proposed Amendment No. 27. Staff was requested to draft an alternate amendment taking into to consideration the Council’s discussion and propose revisions to the adopted Amendment No. 20 to reflect the further changes to Proposed Amendment No. 27.

**Council Member Lang amended the motion as follows: to RECOMMEND to the Board of Directors that the Bylaws of the Tucson Airport Authority be amended by adopting Proposed Amendment Nos. 26 and 28 through 35 from the staff memo dated June 29, 2021, attached hereto as Exhibit 1, with Amendment No. 31 revised to reflect the word “even” instead of “odd.”**

**Council Member Lambert seconded the amended motion.**

**The motion carried by the following vote:**

**Ayes 5 Chair Duran, Vice Chair Jackson, Council Member Hameroff,  
Council Member Lang, and Council Member Lambert**

**Nays 0 None**

**ACTION ITEM**

**3. CONSIDER AND RECOMMEND VARIOUS BYLAW AMENDMENTS TO THE BOARD OF DIRECTORS**

**NEXT MEETING**

The Council directed TAA Clerk Jones to schedule the next meeting in August so that the additional recommendations may be considered in time to present to the Board of Directors at its meeting in September.

**ADJOURN**

There being no further business to discuss, Chair Duran adjourned the meeting at 4:42 p.m.

Prepared by:

A handwritten signature in black ink that reads "Byron M. Jones". The signature is written in a cursive style and is positioned above a horizontal line.

Byron M. Jones, CMC, TAA Clerk

Date: September 29, 2021