



DATE: February 8, 2007

TO: Corporate and Individual Members of ITS Midwest

FROM: Gary Rylander, President

SUBJECT: PROPOSED MERGER WITH THE ITS MID-AMERICA CHAPTER

Many of you are aware that the Board of Directors of ITS Midwest has been considering a possible merger with ITS Mid-America, which covers the states of Ohio and Kentucky. The Chairman of ITS Mid-America first approached the ITS Midwest Board of Directors more than a year ago to suggest such a merger, which would lead to the creation of a four-state chapter (Illinois, Indiana, Ohio and Kentucky). A merger of the two chapters requires approval by the members of both chapters, as well as ITS America, and is the subject of this letter.

The primary goal in proposing such a merger was to strengthen both chapters and improve services to our members, in areas such as scholarships and holding more meetings with greater attendance, in the four-state area. There are very successful multi-state chapters covering even more states, including ITS Heartland and ITS Rocky Mountain.

Background

The Boards of both ITS Mid-America and ITS Midwest have discussed this proposed merger several times, dating back more than a year. An ad-hoc committee of Board members from both chapters was created to review the pros and cons of such a merger, and to work out the details of how the new organization would operate, should it be created. ITS America, which would need to approve any merger, was also contacted and we received a favorable, though informal, reaction to a merger.

After much discussion, the ad-hoc committee recommended approval of the merger to our respective Boards. The key recommendations of the ad-hoc committee as to what a merged, four-state chapter would look like, and how it would operate, are included later in this letter. The committee concluded that the most efficient means of accomplishing a merger would be for ITS Mid-America to dissolve and become part of ITS Midwest, and that the name of the new four-state chapter would be ITS Midwest. The ITS Midwest Bylaws, with a few modifications, would form the basis of the new chapter.

The committee's recommendations were presented to the ITS Mid-America membership at their annual meeting on October 5, 2006; they were very favorably received. At that meeting, the members passed a motion of support and directed the ITS Mid-America Board of Directors to prepare the necessary motions and documents to effect this change, and to formally present it to the membership for a vote. That formal vote was held last month at a special meeting of the ITS Mid-America membership, and the merger was unanimously supported by those in attendance (which was a majority of their total membership.)

ITS Midwest Approval Process

On December 13, 2006, the ITS Midwest Board of Directors formally approved a motion recommending that its membership approve the merger (by approving an implementing Bylaws amendment) at the annual meeting on March 21, 2007.

The next step in the approval process is for the members of ITS Midwest to vote on a Bylaws amendment, at the March 21, 2007 annual meeting, that would implement the merger.

If the ITS Midwest membership approves a merger at the annual meeting, the remainder of the implementation process would be as follows. ITS America would be formally requested, by both ITS Mid-America and ITS Midwest, to approve the merger of the two chapters. If ITS America does not approve the merger, which is considered unlikely, then ITS Mid-America and ITS Mid-America would continue to exist as separate chapters and this related Bylaws amendment would be null and void.

Post-Merger Chapter Operations

Should a merger be approved by our members and then by ITS America, the structure and key policies of the new four-state chapter would be as follows:

- The annual meeting of the members would be held between September 15 and November 15 (beginning in 2008) at a time and place to be determined by the Board of Directors, to conduct elections of Directors and officers, receive reports of the officers, and consider questions of general policy.
- The annual meeting would generally rotate among the four states, though the Board may alter the rotation to take advantage of other events.
- There would be at least one chapter event each year in each of the three states not hosting the annual meeting.
- The Board of Directors would have 16 members, consisting of eight officers and eight Directors.
- The officers would be a President, four Vice Presidents (one representing each state), a Secretary/President-Elect, Treasurer, and Immediate Past President;
- Officers of the Chapter would serve staggered, two-year terms of office.

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- The Secretary would also be the President-Elect and automatically succeed the President; however, an appointed Secretary (filling a vacancy) would not be President-Elect and would not succeed the President unless subsequently nominated and elected by the membership to the position of President.
 - In the absence of the President, or in the event of the President's inability or refusal to act, the Secretary/President-Elect would perform the duties of the President.
 - The Treasurer could not serve more than three consecutive terms.
 - The Immediate Past President would serve on the Board to ensure continuity, coordinate the work of standing committees, and provide such assistance as may be requested by the President.
 - There would be two Directors representing each state.
 - Directors would serve one-year terms, to begin at the close of the annual membership meeting at which their election is announced and end at the close of the annual membership meeting upon the term's expiration. No Director will serve more than four consecutive terms.
 - The Directors would continue to be elected by ballot of the membership at the annual meetings.
 - Dues would be based on the current structure and levels of ITS Midwest, though the current \$150 dues would need to be reevaluated.
 - Annual dues would be for the membership year of January 1 to December 31. Any new member joining on or after October 1 would have their dues applied as full payment for the remainder of the current membership year and as full payment for the next membership year. Any new member joining between July 1 and September 30 may have their membership dues prorated in accordance with a policy adopted by the Board of Directors.
 - A part-time administrator currently used by ITS Mid-America for administrative support would continue to support the new chapter as an independent contractor, as determined by the Board.
 - ITS Midwest's current committee structure would remain with only slight modification; elimination of the Technical Committee as a standing committee is anticipated.

Other current ITS Midwest operational policies and practices are expected to remain the same.

Merger Implementation Process

If approved by the ITS Midwest membership and subsequently by ITS America, a special election for officers and Directors would be conducted within 60 days. All members in good standing in either state chapter shall be eligible to vote in this special election, which will be conducted by either regular mail or electronic mail. A member of both state chapters would be able to cast only one ballot in the special election.

The ITS Midwest President would appoint a four-member Nominations Committee in which each of the four states is represented. Generally speaking, the terms of office for officers and Directors holding office in either chapter prior to the approval of the Bylaws amendment would end immediately upon public notice of the special election results by the ITS Midwest Secretary. The only exceptions would be the ITS Midwest Vice President--Illinois and the Treasurer, whose terms do not expire until 2008.

The officers and Directors elected in the special election in would take office immediately upon notification of their election by the ITS Midwest Secretary, and serve until the conclusion of the next annual meeting of the members (in the fall of 2008).

The merger would most likely become official sometime in summer, 2007.

Summary

The ITS Midwest Board of Directors believes that a merger with ITS Mid-America would be beneficial to our membership, and on their behalf I encourage you to support this proposed merger.

If you have any questions or would like to share your thoughts on this matter, please don't hesitate to contact me (at grylander@ekmail.com) or any Board member. I look forward to seeing you next month at the annual meeting.

Sincerely,

Gary Rylander
President, ITS Midwest