

**BYLAWS  
OF  
WATERTOWN RIVERFEST INC.  
A Wisconsin Nonstock Corporation**

Adopted this 17th day of January, 2023

**I. Name:**

The name of the corporation is Watertown Riverfest Inc.

**II. Purpose:**

The purpose of the corporation shall be to organize and host a periodic community festival for the City of Watertown, WI community, and other purposes approved by the board of directors or members and authorized by chapter 181 of the Wisconsin Statutes and the Articles of Incorporation.

**III. Members:**

This section intentionally left blank. The corporation does not have members.

**IV. Directors:**

- A. **Number.** The management of the corporation shall be vested in a board of directors consisting of no more than 5 persons. At no time shall the number of directors be fewer than three.
- B. **Powers of directors.** Directors shall be granted the authority to manage the corporation to the extent provided by Wisconsin law.
- C. **Term.** The term of each director shall be 3 years. Terms of directors shall be staggered, with the terms of the initial directors to be determined by the board.
- D. **Election.** Election of directors shall take place at the annual meeting of directors. Each voting director may cast one vote for each director position open for election at such meeting. Election shall be by a majority of the voting members present at the meeting, provided a quorum is present. If no candidate receives a majority of votes in the first round of balloting, the two candidates with the most votes will stand for election in a second round.
- E. **Vacancies.** In the event of a vacancy on the board due to death or resignation, the president shall appoint a successor to fill the vacancy for the remainder of the term for that position.

**F. Meetings of directors:**

- a. Annual meeting. There shall be an annual meeting of directors held during the month of October during each calendar year. The board of directors shall give at least 30 days' written notice of the annual meeting.
  - b. Regular meetings. At its annual meeting, the board shall set a schedule of regular board meetings for the period until the next annual meeting. A single written notice of regular board meetings will be given to all directors within 10 days following the annual directors' meeting. No further notice of regular directors meetings shall be required.
  - c. Special meetings. Special meetings of directors may be called by the president or by any director. Special meetings shall be on five days' written notice, which shall describe generally the business to be transacted at the meeting.
  - d. Voting. Voting shall be by directors present at the meeting. Proxy voting shall not be allowed.
  - e. Telephone voting procedures. Conducting meetings by telephone shall be permitted to the extent and under the conditions permitted by law.
  - f. Electronic meetings. Meetings by electronic means (e.g. videoconference) are considered in-person meetings with the same voting thresholds.
  - g. Action without a meeting. Action may be taken by electronic means of communications by unanimous consent.
- G. Compensation. Directors shall receive no compensation but shall be entitled to reimbursement of out-of-pocket expenses as approved by the board of directors.
- H. Indemnification. Directors shall be entitled to indemnification for actions as directors to the extent permitted by Wisconsin law.
- I. Committees. The board of directors may establish any standing or special committees as it deems appropriate, provided that such committees may not exercise the powers of the board.

## **V. Officers.**

- A. In General. The officers of the corporation shall consist of a president, vice president, secretary, and treasurer.
- B. Election and terms. The officers shall be elected by the board of directors. Each officer shall serve a term of 1 year. An officer may be removed by a two-thirds vote of the board

at any time.

C. Duties. The duties of each office shall include, but not be limited to, duties prescribed by law and those additional duties set forth below. The president may assign additional duties to any officer as the president deems appropriate.

1. President. The president shall generally manage the day-to-day operations of the corporation subject to the direction of the board of directors. The president shall preside at all meetings of the board of directors and members.
2. Vice president. The vice president shall exercise the duties of the president in the absence or incapacity of the president. If the president should die, resign, or be removed from office, the vice president shall succeed to the office of the president.
3. Secretary. The secretary shall maintain all records of the corporation and shall prepare minutes of all meetings of the board of directors and members.
4. Treasurer. The treasurer shall have custody of the funds of the corporation and shall maintain all financial records of the corporation.

D. Officers may, but are not required to be, individuals on the board of directors.

E. One person may hold not more than two of the above offices, except that the offices of president and vice president, and president and treasurer, and president and secretary may not be combined.

F. All officers shall serve without compensation except that they may be reimbursed for actual out-of-pocket expenses incurred in performance of the duties of their office.

## **VI. Miscellaneous.**

A. **Fiscal Year.** The fiscal year of the corporation shall end on September 30.

B. In addition to any other powers provided herein or by law, the board of directors may authorize one or more officers of the corporation to execute and deliver instruments, open bank accounts, execute checks, and drafts in the name of the corporation, make or obtain loans, and sell, assign or pledge securities.

C. Whenever these bylaws require written notice to directors, such notice shall be mailed to each director by certified mail, return receipt requested, to the director's address as shown on the records of the corporation. Each director shall be responsible for advising the corporation of his, her, or its current mailing address. In all cases, notice shall be deemed

given on the date of mailing.

## **VII. Amendment.**

- A. These bylaws may be amended by a vote of two-thirds of the entire board of directors at a duly called regular or special meeting of the board. Written notice of the text of any proposed amendment must be given to each director at least 5 days before the date of the meeting.

## **VIII. Code of Ethics:**

- A. The corporation and its directors adopt the following code of ethics with respect to corporate operations:

The corporation will act for the public benefit and for its philanthropic purpose and mission.

The corporation will manage its resources to maximize philanthropic purposes and not for personal gain of directors, officers, and employees and to avoid excessive compensation and unreachable or unnecessary expense.

The corporation will be accountable to the public and share information as requested or as requested by Treasury regulations.

Diversity: The corporation will seek to make the board and membership as diverse and inclusive as the community it serves.

Respect: The board, members, employees, and agents will interact respectfully with grantors, grantees, colleagues, and peers.

Governance. The board will understand the mission, strategic plan, goals, and finances of the organization, including conflict-of-interest policy.

Taxation. All taxes and tax forms are to be promptly paid in full.

## **IX. Conflict of Interest Policy:**

The attached *Exhibit A – Conflict of Interest Policy* is incorporated as if fully set forth herein and adopted by the corporation. All transactions in which a director has a conflict of interest should be obviously and inherently fair to the organization.

ADOPTED this 17 day of January, 2023

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Jonathan Lampe, Director

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Karah Pugh, Director

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Robin Kaufmann, Director

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Alyse Talaga, Director

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Aaron Zimmermann, Director

### ***Exhibit A – Conflict of Interest Policy***

#### **Article I**

##### **Purpose**

The purpose of the conflict of interest policy is to protect this tax-exempt organization's (Organization) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Organization or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

#### **Article II**

##### **Definitions**

1. Interested Person Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.
2. Financial Interest A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
  - a. An ownership or investment interest in any entity with which the Organization has a transaction or arrangement,
  - b. A compensation arrangement with the Organization or with any entity or individual with

which the Organization has a transaction or arrangement, or

c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.

d. Compensation includes direct and indirect remuneration as well as gifts or favors that aren't insubstantial. A financial interest isn't necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

### **Article III Procedures**

1. Duty to Disclose In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

2. Determining Whether a Conflict of Interest Exists After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

3. Procedures for Addressing the Conflict of Interest

a. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

b. The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

c. After exercising due diligence, the governing board or committee shall determine whether the

Organization can obtain, with reasonable efforts, a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

d. If a more advantageous transaction or arrangement isn't reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority

vote of the disinterested directors whether the transaction or arrangement is in the Organization best

interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above

determination, it shall make its decision as to whether to enter into the transaction or arrangement.

4. Violations of the Conflict of Interest Policy

a. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to

disclose.

b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

#### **Article IV**

##### **Records of Proceedings**

The minutes of the governing board and all committees with board delegated powers shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.
- b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

#### **Article V**

##### **Compensation**

1. A voting member of the governing board who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
2. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
3. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

#### **Article VI**

##### **Annual Statements**

Each director, principal officer, and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- a. Has received a copy of the conflict of interest policy,
- b. Has read and understands the policy,

- c. Has agreed to comply with the policy, and
- d. Understands the Organization is charitable and in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

### **Periodic Reviews**

To ensure the Organization operates in a manner consistent with charitable purposes, and doesn't engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and don't result in inurement, impermissible private benefit, or in an excess benefit transaction.

### **Article VIII**

#### **Use of Outside Experts**

When conducting the periodic reviews, as provided for in Article VII, the Organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.