



Northern Lakes  
Community Mental  
Health Authority

Committee of the  
Whole Packet

July 21, 2022



Administrative Office, 105 Hall Street, Suite A, Traverse City, MI 49684

## COMMITTEE OF THE WHOLE - AGENDA

**DATE:** July 21, 2022  
**TIME:** 12:00 p.m.  
**PLACE:** Kirtland Community College  
 4800 West 4 Mile Rd, Community Room A, Grayling MI  
 and Virtual Meeting  
 Dial 1-810-258-9588 Conference ID 620 866 304#

TIME	ID #	ITEM	POLICY #
12:00 p.m.		Call to Meeting	2.08
12:05 p.m.		Public Comment <i>(May be limited to three minutes by the Board Chairperson)</i>	
12:10 p.m.	1	Board Governance	3.4
		a. Overview of Governance and Review of Current Model	
		1. Role of the Board as defined by the Mental Health Code	
		b. Selecting a Model	
		1. Dialogue of Board Involvement with Agency Operations	2.8.8
		c. Board By-Laws	
		1. Distributed to be voted on in August	
2:10 p.m.		August 18, 2022, Agenda Planning – Suttons Bay	3.2, 3.5
2:12 p.m.		Meeting Evaluation/Comments	
2:15 p.m.		Other/Adjourn	

**Note: This is the Board's work group and often times the Board's work groups do not follow set times.**

**NEXT MEETING: August 18, 2022**

NOTICE: If any person with a disability needs accommodations, please call the CEO's Office three days prior to the posted meeting date.

**Northern Lakes Community Mental Health Authority  
Committee of the Whole  
Annotated Agenda  
July 21, 2022**

**12:00 p.m. Call to Meeting**

**12:05 p.m. Public Comment**

This is an opportunity for the public to provide input consistent with board policy.

**12:10 p.m. Board Governance - Board Members**

- a. Overview of Governance and Review of Current Model
  - 1. Role of the Board as defined by the Mental Health Code
- b. Selecting a Model
  - 1. Dialogue of Board Involvement with Agency Operations
- c. Board By-Laws
  - 1. Distributed to be voted on in August

**2:10 p.m. August 18, 2022 Agenda Planning Options**

**2:12 p.m. Meeting Evaluation/Comments – Board Members**

In keeping with our focus on continued improvement of Board operations, time is scheduled for review and comment on the effectiveness of this meeting using the Board adopted evaluation form.

**2:15 p.m. Other/Adjourn**

**Note: This is the Board's work group and often times the Board's work groups do not follow set times.**

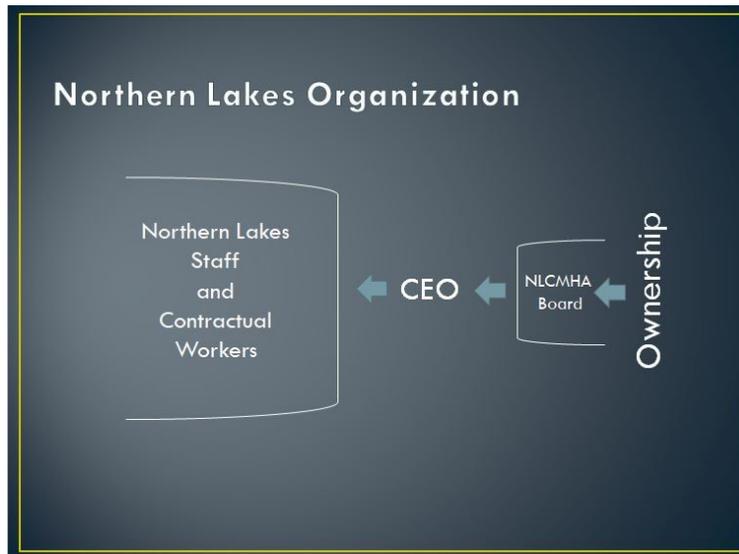
**NEXT MEETING: August 18, 2022**

# A TREATISE ON BOARD GOVERNANCE

(as pertains to NLCMHA)

By Dr. Ben Townsend

Three years ago, on October 4, 2019, our Northern Lakes Community Mental Health Board enjoyed a day in the Traverse City board room for a 9-3 retreat. The reason this day is so vivid is that the day before, this writer was in an all-day briefing in the White House with 80 other Michigan County Commissioners. I had flown the red-eye flight from Dulles so that I could be at the retreat by 9 a.m. This retreat was on Policy Governance with Dave Stephenson teaching. Dave was a long-time NLCMH Board member, Parliamentarian, and Chair, and also a founding member of the board. He was around when the Policy Governance was borrowed from the previous board of North Central CMH. This retreat was not only timely because a new board member at the time was wanting to add a governance policy, but also because this writer was also a new board member and knew mostly nothing about Policy Governance. What he taught on that day opened my eyes as to the true function of our board. One PowerPoint slide I will never forget is the one that showed the NLCMH structure from side to side and not from top to bottom. The Board was depicted from the right side as the representative of all the true owners of Northern Lakes, or the “Ownership Linkage.” The next link in the chain was the CEO of the organization, or Karl Kovacs at the time. Then the link next to the CEO was the organization itself.



My response to our teacher at the time was that this looked similar to church organizations with which I was familiar, except that the Ownership (God) would be on the top with the board representing Him through the pastor to the congregation. He agreed with my analogy, except to say that his chart placed everyone on the same plane, or co-equal. In other words, each linkage

has its purpose, and the main purpose of the board is to be the closest linkage to the ownership, or the public at large.

The new End was brought up in the discussion at the Retreat, and CEO Kovacs quoted an End that was already in existence which was completely contrary to the new End which was proposed. The explanation followed as to why the history of that End not only made sense, but was also practical in handling situations in the past. Therefore, that was the “end” of the new End.

Also, of most interest is the fact that Dave Stephenson was the first board member to question using the Carver Model as a Governance policy. On January 20, 2005, the minutes reflect that “Dave Stevenson shared his frustration about the Carver Model noting that either we follow or we don’t. He noted that the Board passed the global policies but we need to decide how we should continue with the model.” Therefore, the board discussed having “Susan Stratton attend a Committee of the Whole (COW) and provide an overview of the Carver Model. She then would attend the Board meeting and critique the meeting.” Undoubtedly, after Ms. Stratton (now Susan S Radwan, M.Ed., CAE, SMP, ARM, Leading Edge Mentoring) presented Governance Policy to the Board at the COW and the Board Meeting at the June 2005 meeting, and did a written report concerning her critique of the Board meeting, the board responded positively. The highlights of the report are rather lengthy in the June 16, 2005 Minutes. The response to her training and suggestions is that no one questioned the Carver Model for years after her presentation. Even in November of 2006, Dave identified that we could continue --

“...educating board members on governance policy, and the more we utilize this Section (1- Executive Limitations Policies Discussion Items in the Agenda) the more the Board will learn governance policy. Dave noted that as we go further and make those assignments to Board members (Board members were assigned to teach governance policies to the Board in COW) will be the lead to become an expert in those areas.”

Once Board members were assigned policies to learn and teach the Board during the COW, no other questions of Policy Governance were entertained for many years on the Board.

In February of 2008, the Board was again asked to have Susan Stratton (now Susan Stratton-Radwan) do a peer review with the Board. The books which she recommended were “The Board Member’s Playbook” and “Meaningful Monitoring.” Again, Ms. Stratton was going to attend the June 2008 COW and Board Meetings to evaluate, teach, and follow-up with a written report. Her complete six-page Consultant review is in the June 19, 2008 Minutes. This review by Ms. Radwan resulted in the Board having its own two-hour workshop and inviting other Boards at the October Board Association Conference at the end of 2008. At that meeting, taught by two of the NLCMH Board Members, Policy Governance Manual additions were provided for Board members to add to their policy manuals. Again, throughout the additional training of Board members on Policy Government, no issues or questions concerning the policies of Northern Lakes were brought up for years.

Even at the March 19, 2009 Board meeting, the Meeting Evaluation Questions were asked for the first time. Those are the same meeting evaluation questions that the Board uses to this day. CEO Greg Paffhouse “identified that this form is based on the Policy Governance Model and is a way to promote consistent practice with Policy Governance.”

### **Policy Governance in General**

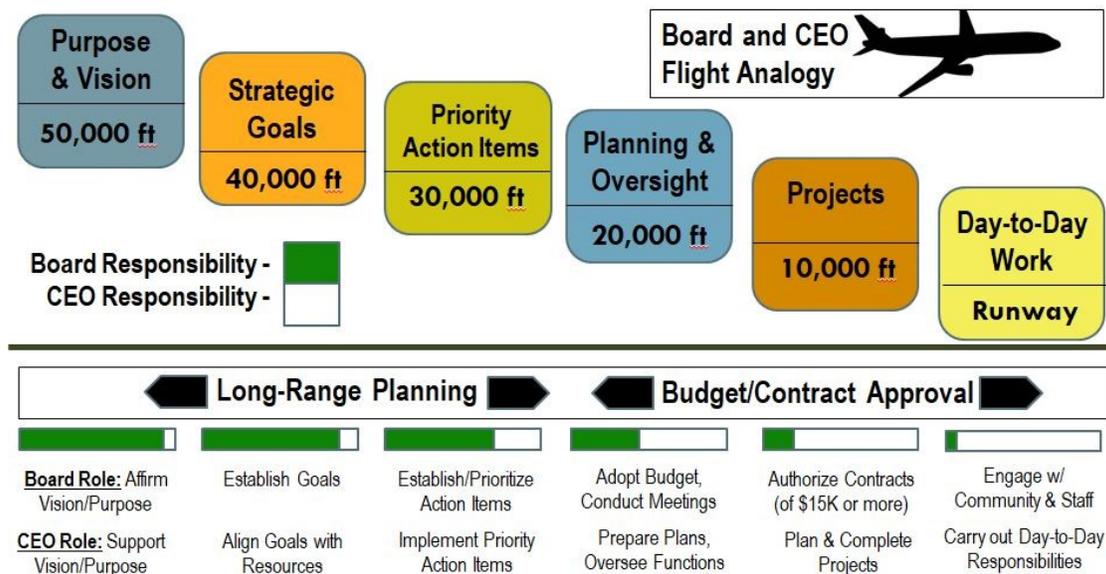
The Carver Model has been around more than forty years, being the most talked about, the most revered, and the most hated of Governance Models. By any measure made, the Carver Model has had a substantial effect on thinking about governance in not only for-profit, but also non-profit organizations.

According to The Independent Business Weekly, Carver’s “influence in Canada in particular has been profound. One report notes many Canadian organizations have debated whether to Carver, or not. Within Australia, some of the larger non-profit organizations and councils have adopted Carver’s model.”

Perhaps the best way to understand Policy Governance can be found in each state government: senators, a governor and state representatives are sent by voters (Ownership-Linkage) to the capital to enact laws that govern the state. The legislators do not get into the nitty-gritty of how individual state departments work, but set broader laws under which those agencies operate. For example, the Legislature might enact a law that turns a piece of wilderness into a state park, but the state Parks and Recreation Commission would create the hiking trails and set rules for campers. And the commission would not ask the Legislature where it thinks the trails should go, which would be an insult to the entire process of governing.

Another example, a school board might have a policy that deems the superintendent “must not allow harm to come to students or district employees.” It would be up to the superintendent to determine how to accomplish this goal. But the school board would monitor whether the superintendent followed its broad policy. Thus, a school board writes the policies and the superintendent must comply with those policies. Then the superintendent writes guidance to the staff, which are the rules that go into sufficient detail to get the required work done.

The following chart was adapted from the May 2022 Public Management magazine, page 34.



Board Policy is merely a generic system to be used to help the Board guide the organization, much like a budget is used. Any dollar amount can be placed on a budget line item, which helps identify that with which an organization may work or finance a project. After a few years of budgeting, the organization has a good idea if that line item is budgeted too high or too low. It is the same with a policy procedure. It gets tested when the Board monitors the policy. And no policy gets monitored any more thoroughly than in Policy Governance, year after year.

The entire essence of Policy Governance can be boiled down to one purpose, that a Board steers clear of micromanagement! Actually, the opposite should be the effect, in that policy moves the Board

further and further from management and closer to the public. Under true Policy Governance, the Board is supposed to conduct outreach with the public - which Carver calls “linkage” - to hear concerns that might shape Board policy. This writer has long advocated having NLCMH Board meetings at local public and private high schools, inviting the students to speak to their concerns of Mental Health and drug usage in their midst. The first time this writer referenced this subject in a Board meeting, He was almost laughed into silence. Having a Board meeting at the college in Traverse City would also get the Board closer to its Linkage. The reason we have meetings in Leelanau, which is not a building owned by Northern Lakes, is to get closer to the Ownership in that county. The only county in which the Board does not meet is Missaukee, which really is a tragedy. The Board could meet at McBain High School and invite the governments classes from both McBain and Northern Michigan Christian School to attend. If our Board really wishes to get closer to the public, it would get past the shackles of both the previous pandemic and the need for online participants, and actually go out into the public. What a radical thought!

Then again, the few Board members who adamantly and vehemently desire that the one purpose of the Board is to change the policy, instead of obeying the current policy, stands in our way as a board to even renew our commitment to our real Ownership, the public.

### **The Studies Are In**

The Carver system has been around for over forty years now, enough time to test it, evaluate it, and study it. John Carver, in an interview, explained that he and his wife Miriam have helped Boards around the world with the Carver Model of Governance, also known as Policy Governance. Starting in the United States, it spread to Canada, then Australia and New Zealand, most European countries, the Middle East and Africa. He stated that through his seminars in training many other consultants in the Carver method, the system continues to thrive around the world.

Many empirical studies have been published examining the Policy Governance model. The first, in 1998, Brudney and Murray published a study focusing on intentional efforts, including Policy Governance, to improve board performance. Their study collected data from 851 CEO’s of Canadian non-profit organizations. Those Respondents were asked if their boards attempted to improve governance practice and if they had used the Carver or the model associated with the Canadian United Way or any other formal models. The authors found that the CEOs whose boards used a Governance Model were more likely to report successful changes. Brudney and Murray found no other model or combination of models were more likely to be linked with perceived success.

Also in 1998, Thomas Holland and Douglas Jackson of the University of Georgia studied board training and development. They noticed that many governing bodies engage in training and development activities. Their question: Are these types of programs effective? They studied 10 boards with three-year board development programs and 14 boards with no development programs. Perhaps not surprisingly, they found that the boards employing developmental training improved the effectiveness of the board significantly. They noted that for board development to work, it must be considered a long-term investment, and it should not be forced. Their study implies that, before investing in board training, an association must view development as an ongoing activity, not as a one-time event targeting specific competencies for improvement (such as strategic thinking or finance) and ensure that board members actually want to participate in the training. (Note: the first 10 years of the NLCMH Board, the chair assigned different aspects of Policy Governance to individual board members to teach other board members until each board member became an expert in Policy Governance. - BT)

In 2000, Mark Gordon published his study on Policy Governance. He studied assessments of board effectiveness by 311 board members and CEOs in 32 US organizations. Eleven organizations used Policy Governance and 21 organizations used traditional governance. His study concluded Policy Governance was at least equally effective as traditional governance practices. However, CEOs of Policy Governance boards believed their boards were more effective in understanding and taking into account the organization's culture, norms and values.

A 2002 study by Patricia Nobbie and Jeffrey Brudney did a limited survey with 51 North American consultants/trainers who participated in Carver's Policy Governance Academy. They went on to consult to non-profit organizations and introduce Policy Governance. The study revealed most consultants taught the model as a whole concept. These consultants said implementation is harder in organizations that lack a hierarchy between board and staff. They also reported that board members experienced difficulty in focusing solely on policymaking.

A 2003 study, also by Nobbie and Brudney, examined the Carver Policy Governance model to determine its effectiveness in organizations that used it. Nobbie collected data from 243 board members from 32 organizations that had fully implemented the Carver model and thoroughly understood it. For comparison she also used two control groups: one not using any formal governance (traditional) and one using a model other than Carver. She found that the boards of those organizations using the Carver model perceived that they operated more effectively. Also, she also found that CEO job satisfaction seemed higher under Carver's Policy Governance model. Basically, the study found, CEOs like the model because it clarifies roles and gives them autonomy in managing the organization. More than that, she found that the effectiveness of the governance model depends on the training of board members and how long the model has been in use. In other words, an organization needs to understand a governance model before implementing it.

The Nobbie/Brudney Study found:

- Board chairmen, board members and CEOs reported significant improvement in their perception of board performance after adopting Policy Governance;
- The greater the implementation of Policy Governance measures, the greater the participant's perception of improved performance;
- The longer the time using Policy Governance, the greater the perception of improved performance by board members;
- The greater the implementation of Policy Governance measures, the greater was the perception of the organization's ability to achieve its goals;
- The greater the implementation of Policy governance measures, the greater the improvement in internal processes as perceived by CEOs;
- The greater the implementation of Policy Governance measures, the greater was CEO job satisfaction.;
- The greater ability of the organization to acquire resources, and the greater was the board chairman's assessment of the CEO's performance.

## **The Carver Model in Reality: From Large to Small**

**The U.S Olympic Committee** - In a statement made by Mr. Frank Marshall, Co-Chair of the USOC before the House Energy and Commerce Committee, he noted that their 124-member board of directors meets once a year. Without the Board having made policies concerning the working of the USOC, there would be no way to govern the organization. He also noted for the congressional committee that the President of the OSOC had the foresight to appoint some consultants “with substantial character” from outside the organization to review the governance process and and recommend changes to improve the USOC’s governance. Those two named individuals were John and Miriam Carver. The USOC has been using the Carver Model of Governance since 2003.

**The Clark County School Board** - After the school board pledged to avoid micromanaging the school district and focus on the “big picture” of improving student achievement, they formally adopted in 2005 the Policy Governance from John Carver. As a result of their failure in their school system, this board attended the 2004 American Association of School Administrators’ Policy Governance seminar. This seminar was the result of a growing number of school boards being concerned that infighting, lack of focus, and a propensity for micromanagement were limiting their effectiveness. Once the school district, which includes Las Vegas, implemented Policy Governance, the paradigm shift for the board changed dramatically. Carlos Garcia, the superintendent of the 230,000-student Clark County district, praised the working relationship he has with the school board under Policy Government. “This board is the closest I have seen to working as a team. Policy Governance has really helped them. It’s a system based on trust. I have to trust the board, and they have to trust me,” he said.

**Cobb County School Board, Marietta, Georgia** - This school board that represents 102,000 students, attempted a piecemeal approach to Policy Governance several years before turning to Carver. After years of rapid turnover on the board and a lack of consistent focus on the model before Carver, the board got serious about making Policy Governance stick. Getting serious also meant putting their money where their mouth was. They paid for John Carver to come and work with the board and superintendent in several all-day sessions. When the board voted to adopt the Carver Model with a 5-2 vote, critics wondered if the \$91,000 in consulting fees paid to Mr. Carver was worth the expense. At that time, a local newspaper editorialized strongly against Policy Governance. But this became so much water under the Marietta bridge. Kathie Johnstone, the chairwoman of the Cobb County school board, believes Policy Governance has empowered the board to set a clear agenda for administrators, who then are closely evaluated by the board through frequent monitoring reports. Johnstone stated, “It’s hard work, but it allows you to step back and be proactive with issues and create policies that are directed toward goals and the big picture, instead of micromanagement.”

**Los Angeles Unified School District** - In Los Angeles, board members can represent regions that have more than 100 school districts, and board members have two or three staff aids who help them stay on top of issues, including overseeing an \$11 billion budget. This 740,000-student school system could not be doing the job if they had to micromanage the system. There would be no way on earth to have committee’s enough to try to delve into each and every area of authority if they wanted to go the traditional way. Marlene Cantor, a member of the school board stated: “People really don’t understand the role a board member plays, and their expectation is when there is a problem, there is a board member who should fix it. Even board members and superintendents get confused about what their job should be. We have to constantly discuss and define roles.”

**National Association of Women’s Business Owners (NAWBO), McLean, Virginia** - In an interview with Gayle Watson, President of Performance Solutions, Inc., Dallas, Texas, she explained her first two years on the board of NAWBO. Having to fly to Virginia each month became a regular calendar event for Gayle. The board had just voted to transition to a Policy Governance board. Gayle had already spent seven years on a Carver Model board and was prepared to help this newly transitioning board to do the same. “Serving on a national organization’s board requires patience and the ability to appreciate the transcendent nature of association board work. Commitment to Policy Governance requires a conscious decision by the board to change its culture. Implementation of this type of change takes time, perhaps three or five years. It takes commitment from the entire board to monitor its role and to resist the tendency to micromanage staff. During board meetings, I find myself frequently asking my colleagues, ‘Is this something the board should be doing?’ I have determined that perhaps my most important role as a new board member is reminding my board colleagues that we may need to lift our focus from operational details to a more strategic view. The board will need the discipline to stay the course of implementing Policy Governance, especially during times of board leadership transition. We will need to educate new board members and continue to articulate board culture.”

**San Jose-Evergreen Community College District** - In 2011, the board had to rethink how it governed the District in order to reach out and serve the entirety of the 804,000 residents in the District’s service area. It took three years to implement the change to Policy Governance, starting in 2014. Dr. Jeffrey Lease, Chair of the Board stated, “This is really a courageous step for the Board - to rethink completely how we govern this critical community asset.” Rather than react to internal constituents, the Board decided to be proactive with its policy framework to be responsive to external constituents, including various industries in the area which are dependent on their preparation of an educated workforce. By tying these two together, it would guarantee success for the students and the surrounding business who would eventually hire them. This 360 degree shift in thinking was comprised in three central tenants that sought to define and enhance the organization’s accountability to the public. 1) The board is accountable to its Owners, the residents in the area, 2) The board must connect with shareholders to effectively speak on their behalf, defining success and failure for the CEO, and evaluate and assure CEO performance, and 3) The chair is accountable to the board for chairing the process so that board members fulfill their responsibilities to define success and failure for the CEO.

**Schenectady City School District Board of Education** - The board decided in 2015 to go the direction of Policy Governance, or the Carver Model. Their first End: Reach a 100 percent graduation rate. Second End: Bring students to reading level by third grade. Third End: Allocate resources more equitably across schools. Fourth End: Hire more minority teachers and staff. Their new goal, stay focused on balancing the interests of competing constituencies: students, parents, taxpayers and countless other subgroups within the community. They were reading Carver’s book, “Boards that Make a Difference” at their meeting and discussing it as the board meeting continued. They underscored the difference between “Ends” - the board’s long-term goals - and “Means” - the administrative process for reaching those goals. Then they advocated giving the district superintendent direction in meeting the board’s direction. James Butterworth, director of the Capital Area School Development Association, stated, “Effective boards rely on regular monitoring, both internal and external, to make sure progress is being made toward these goals. Who keeps the mission and the vision in front of everyone? The board’s special responsibility is to do that.”

## **Myths that Impede Good Governance**

In searching every trade magazine, every published newspaper, every appealed court case, and every corporate study in the United States, Canada, and Australia, this writer has come to find some incredible truths when it comes to governance of boards. I have found six categories of types of board policy that are used in all kinds of corporations, both public and private, even non-profit corporations. Those six are Traditional Non-profit, Policy Governance, Executive Centered, Working Board, Corporate Board, and Collective.

John Carver wrote a lengthy paper for the American Society of Association Executives which explored eight Myths associated with governance. These Myths are included here with short comments by this writer.

### **Myth 1: Governance is simply an extension of management.**

Traditionally, board members treat their board as a management oversight committee. The board sees its role as an extension upward from management rather than an extension downward of ownership. Refer to the chart on page one of this paper to see the sideways extension of the board from ownership.

### **Myth 2: The board exists to help manage.**

When board members identify with how to manage, perhaps previous managers themselves, rather than with a governance role, they tend to believe their role is to help managers manage. Therefore, they wish examine management in great detail, even to the extent of desiring committees to oversee the various aspects of management. The NLCMH Board may have some good managers on it, but by and large, the board is made up of a variety of persons with experiences that add to the full board's approach to governing.

### **Myth 3: What board members say as individuals matters.**

Yes, there must be free speech for individuals to express their views, since variety of opinion is necessary for a board to arrive at a wise conclusion. But while board members can express themselves individually in a healthy board exchange of ideas, what individuals say should not matter to management. To do so would drive management in all different directions in order to make individual board members happy. When the board finally speaks as a group, management must pay attention.

### **Myth 4: The CEO is responsible for board performance.**

Boards do rely on CEOs for guidance in bringing staff to report to the board, and also for meeting agendas. But board meetings must be the board's meetings, and not the CEO's meetings for the board.

### **Myth 5: The board's primary relationship is with its CEO.**

This is not a myth, but a reality, if the board looks inward and downward, rather than upward and outward. As has been discussed in this paper, the primary relationship of the board is with the Ownership of the company. Note that the NLCMH Board's primary relationship is never with any particular county, and contrary to any sentiment of being county appointed, the county appoints the member to the board that represents the entire ownership populace of Northern Lakes. This is the same misunderstanding of a County Commissioner only representing those who voted him/her into office and not all constituents in his/her district.

### **Myth 6: The board can instruct staff other than the CEO.**

Even though the board's primary relationship is with the owners, it does not mean the board has no relationship with the staff. While board members have varying relationships with staff members, the relationship the board has with staff is through its CEO.

### **Myth 7: Board committees advise the staff or ensure involvement within large boards.**

Although committees can be useful in some ways, they tend to damage the integrity of governance that they fragment the board's wholeness. They also obscure the direct board to CEO accountability. Some committees

are constructed with certain board members in mind, usually those who are able to be on extra committees or those who have a passion for micromanaging a certain part of the organization. Take the Ad Hoc Committee which is looking into board policy. Those are people generally from one or two counties, and most, if not all are bent on getting a new board policy at any and all costs. Why else would they wish to be on a policy-discovery committee in the first place? This committee will report back to the whole board, insisting their recommendation for a new policy is the way to go. Therefore, the board is led by a small minority of the entire board, rather than having a full consensus of the board.

**Myth 8: Criteria for CEO evaluation need not be integral to the board’s governance decisions.**

Evaluating the CEO, not only annually through the Policy Governance procedures in place already, but also each and every time a board votes to approve or fails to approve a management report or plan. These secondary evaluations are numerous, and also topic specific, informing the CEO that he/she is not doing what is expected of him/her.

**Conclusion**

Northern Lakes has survived as an organization and as a board with a worldwide pandemic. It has survived with multiple meetings online with Teams. The board and the company has survived without a CEO for almost a year and a half, taking into consideration when the previous CEO started his first time off. The board has survived with an Interim CEO who also had another full time job with the organization. The board survived hiring a CEO, and having that potential CEO turn down the offer which the board made. At any point during the last two and a half years, board members could have used those potentially devastating happenings to call for a change in board governance. But it did not. The board hung together, and so did the organization. Tens of thousands of businesses closed during the pandemic alone, resulting in a record number of unemployed. Every CMH in the state suffered with staff shortages and management shortages.

And now that a county has potentially started looking into pulling out, this is not the time to try to redo what this board has used for the last nineteen years to faithfully and formally govern itself. Changing policy during a potential shutdown does not seem logical to this writer. The threat of withdrawal should not be hung over the head of this board for any consideration of making changes at this point. Having read through all the board Minutes for the past nineteen years, it is apparent that this organization and this board have been through some drastic times. Through all of those times, the Policy Governance model has stood firm and rigid. It may have been the only thing that did, but it did. Tossing it aside like a filthy blanket in order to usher in a new “savior” governance is an affront to the hundreds of previous board members who have endured every situation imaginable on this board and with this organization.

In quoting our previous Chair, the venerable Randy Kamps: “I can say this to you, my experience is you have a choice between the Carver Model or controlled chaos. Number one, we’re a public body and what the Carver Model really sets a wonderful structure for beyond even small things like how to do an agenda, how to interact, how to review, all of these things. I think we owe it to ourselves to learn how to use it.” (April, 2022 Board Minutes Transcript) This writer is in agreement with our previous Chair of this board.

## **The Failings of “The Many Failings of the Carver Board Governance Model”**

By Ben Townsend

In a recent Committee of the Whole (COW) at the Northern Lakes Community Mental Health meeting, the board was supplied a paper by a Tom Coyne entitled “The Many Failings of the Carver Board Model.” I met this paper with great interest, and studied it thoroughly, going line by line to sense what Mr. Coyne was trying to say. It does help to read other papers by Mr. Coyne to get a feel for why he would even write a paper against the Carver Governance Model. Generally, a long-time consultant would be writing papers to put forth his ideas for a Board Model, rather than resort to attempting to write against a thirty-five year experiment in Board Policy that has been the huge success of many companies, both public and private, around the world. Surely there is a reason for a bias that would invest the time and energy to write a four page paper and place it on the internet. Because of his paper, a curiosity has arisen that invites a scrutiny of both Coyne the man, his situation, and what has caused his bias.

### **Why Was the Coyne Paper Written in the First Place?**

We were offered “Many Failings,” but were given only one, with a caveat explanation as to why it is a supposed failing. Of the nine “criticisms of the Carver Model,” only one (the first) mentions a failing. Coyne writes: “(a) Its failure to drive organizational results” with the caveat “unless the Board strictly monitors Ends achievement and Executive Limitation compliance, (then comes the reason for the failure of the Carver Model) “which many boards do not.” In other words, if a board does strictly monitor the Ends and the Executive Limitation compliance, then it is no longer a failure.

The other eight so-called “failures” are merely a “tendency,” being “overly rigid,” “natural tendencies,” another “tendency,” a “feel,” a “denial,” and something “particularly unrealistic.” In none of his nine “failures” does he even show a true failure.

Secondly, it is a given from the last paragraph of his paper that his intent was to place the Carver Governance Model as the cause of “serious problems facing Jeffco schools today.” Now, Jeffco schools is the target of this paper by Coyne. This is the reason his mere three page and one paragraph paper was touted as the reason he has “gone so deeply into the unique views of Carver on governance.” Also of most interest is the fact that his “Failures” in the heading turns into “Shortcomings” in his final sentence. Are they failures, or shortcomings? After scrutinizing the paper’s totality, it seems that “Failures” was a mere clickbait for those opposed to the Carver Model of Governance.

Thirdly, Coyne finishes his brief paper on the failures of the Carver Model by stating: “Frankly, I would not have gone **so deeply** into the unique views of Carver on governance if there were **any evidence** that the use of his model produces superior performance compared to other governance approaches. **But there is not.**” Well, no one would have called his paper going

“deeply” into any view of any governance model. Also, Coyne has been ineffective in critiquing and changing the Jeffco School Board’s mind-set away from the Carver Model of Board Governance in the twelve years he has been living in Colorado and, for a short portion of that time, been on the School Accountability Committee for a small district out of seventeen districts. In checking recent years, the Wheat Ridge High School Accountability Committee has not listed Coyne on the board, and neither has the Jeffco District Accountability Committee. As for there being no “evidence” the Carver Model works, we can just list the Jeffco School Board as empirical evidence, having used the Carver Model effectively since June 10, 1999. Interestingly enough, this board governance change was dictated by the infamous Columbine school massacre on April 20, 1999. It seemed using the old, traditional, results-based governance was found as a problem for the school culture.

Fourthly, of greatest interest is the fact that when a person Google’s anything critiquing or critical of the Carver Model, Tom Coyne’s paper is the first and only paper that comes to the forefront. There literally are no other papers written against the Carver Model. On LexisNexis, a search of any paper for or against the Carver Governance Model brings up over 3000 papers, mostly periodicals, about 30% newspaper articles, and the rest are John Carver’s written articles in both periodicals and newspapers. But another paper will be written about all of those articles and what the vast majority of peer review journals have stated about Carver and his Model, and the four main studies that have taken place where all models of governance were critiqued. Is it anyone’s guess that since in-depth studies of thousands of types of boards, using all the different board models, that the Carver Governance Model was always the most preferred than any of the others? In this regard, Tom Coyne stands alone. And his article made the internet, but not any national newspaper or magazine.

### **What is the Jeffco School District and why is Tom Coyne critical of the Board?**

In another Tom Coyne paper written in June of 2015, entitled, “How Well Did the Jeffco School Board Govern in 2014/2015,” Coyne states that Jeffco Public Schools is the 34<sup>th</sup> largest school district in the United States, with about 5000 professionals serving 85,000 students with an annual budget of one billion dollars. Any reader of this paper will recognize the name of the infamous Columbine School, which is one of the school systems in this district. In this 2015 paper, Coyne states all the good things he believes the board has done and also all the bad things. And the good versus bad are about 50/50. Never did he mention the Carver Model by name as to a reason for any of the bad decisions the board made, although the Carver Model has been used by this large school system for the past 23 years.

In this same paper, perhaps Coyne has taken a different approach to the Carver Model, or else maybe he has learned more about the different studies which have taken place about Board Models. On page 7 of his “How Well...” paper, in his summation, he states, “The good news is that over the past year Jeffco’s current Board of Education majority has **significantly improved**

**the district's governance quality**, which are a necessary, if not a sufficient step towards realizing the substantial improvements in student achievement..."

Another more recent paper written by Tom Coyne is entitled "A Long Overdue 12 Step Plan to Improve Jeffco's Performance." This paper, found on Mr. Coyne's "Medium.com" writer's page and listing 18 followers of his webpage of articles, reveals the real "in-depth" purpose of Coyne's bias against the Jefferson County School District. Written in 2019, this paper gives his main premise for changing the school district. His premise is that the school board should "bring in more senior leaders from outside the district, and indeed outside Colorado." "The key is to bring in enough of them to form a critical mass that can drive cultural change." This is Coyne's "First Wave" to changing the entire school system.

In each of his papers, he states that he moved to Colorado from Calgary, a much smaller school system than Jeffco's, but also uses a Carver hybrid model. In this 2019 paper, he states, "For the past ten years since we moved here from Calgary..." This shows the progression of his papers. The first one after he moved to Colorado and went on the Wheat Ridge Accountability Committee, the second in 2015, where he actually had some wonderful things to say about the School Board, and to the 2019 paper where he wants school board governance change again. The last of his 12 Step Plan to improve Jeffco's performance is to, "Eliminate the use of **policy governance** by the Jeffco Board of Education." Then he places his cards on the table for all to see by stating that Coyne wants, "**the administrative governance** approach used by public companies."

Administrative Governance, to anyone familiar with foreign governance policies, is that which originated in Chinese institutions when these foreign institutions had just started their stock market during the decade of 1990-2000. This governance provides for incentives that provided pay with how well the officers were running the company. Therefore, according to David A. Caragliano in the Michigan Journal of International Law, the premise for his law journal article is that Administrative Governance is substituted for Corporate Governance.

### **Why did Tom Coyne Change his tune on Jeffco Governance in 2015?**

An interesting event took place in 2014 which placed Coyne in direct juxtaposition to the Accountability Committee (SPAC) and the Jeffco Board of Education. This situation was publically declared as a result of another paper that Coyne wrote in which he claimed that he had written the "Minority Report" of the Accountability Committee concerning the budget of Jeffco Schools. An email was publicly sent to the Board of Education by Ms. Monica Smith to be read at their April 3, 2014 meeting. The email speaks for itself as to the callousness and recklessness of Tom Coyne when it comes to ethical behavior of a SPAC member.

This email reads as follows:

OFFICIAL c-14-278 c: Board, Superintendent, Gillis (4/3/14mtg.)

From: Monica Smith

Sent: Wednesday, March 05, 2014 8:13 PM

To: Jeffco Schools Board of Education, et. al.

Subject: Minority Report

Dear Jeffco Board of Education

I received an email yesterday with the subject heading "SPAC Minority Budget Report to the BOE, as did all members of SPAC. This angered and shocked me and others on the SPAC that were at the budget meeting last week where SPAC spent many hours creating our report and recommendations. Also at that meeting it was decided that we did not agree with a minority report being sent by SPAC, Since it was NOT the work of a minority, but the thoughts of ONE – Tom Coyne. So, that he went ahead and still sent this as a minority report is a lie.

I don't fault Tom for having his own ideas, and thoughts, but to present them to the board as a work of SPAC was disrespectful to the people who spent many hours working to put SPAC's budget recommendations together.

Tom has been approached by people on SPAC, the chairs of SPAC and he has ignored and disregarded their requests to not present this as a SPAC report. I hope that you can read this report he sent as the work of one and see the large report from SPAC as the work of many as well as the many responses to the survey when putting together your budget for the new year.

Sincerely,

Monica Smith

SPAC member (4 years)

Accountability chair for Lucas Elementary (2 years) and Jefferson Academy (2 years)

Jeffco grad and parent of two Jeffco students

In summation, Tom Coyne is not one who is to be trusted to show the failings of the Carver Model. He touts the foreign, Chinese Administrative Governance Model. This is also shown by his new book that came out June 18, 2018 entitled: "K-12 On the Brink: Why America's Education System Fails to Improve, and Only Business Leadership Can Fix It." Get all business leaders on the board, which would be contrary to every CMH Board in the state which requires three different categories of board members. Please, allow the board to take the time and research exactly the facts as to why Northern Lakes uses the Carver Model, if the board needs to improve training on how to use the Carver Model to its fullest extent, and what other models are even out there which may be better. It will take the whole board to come to a consensus to either keep the Carver and use it properly, or to change models in the middle of a crisis looming in the future.

## NLCMHA GOVERNANCE REVIEW

### **1. Duty of Care:**

Take care of the organization by ensuring prudent use of all assets, including facility, people, and good will;

### **2. Duty of Loyalty:**

Ensure that this organization's activities and transactions are, first and foremost, advancing our mission; Recognize and disclose conflicts of interest; Make decisions that are in the best interest of the organization; *not in the best interest of the individual board member* (or any individual or entity).

### **3. Duty of Obedience:**

Ensure that we obey applicable laws and regulations; follows our own bylaws; and that we adhere to our stated organizational purposes or mission.

### **Seven Key Roles:**

- Make sure we fulfill ALL legal obligations
- Ensure effective organizational planning – short AND long term
- Provide (and/or ensure) appropriate financial resources
- Provide proper financial/fiscal oversight
- Guard (or in our case improve) our public standing
- Train or orient our new board members
- Select and evaluate the executive director

### **Strategic Question**

Should we have a committee structure? Why don't we use committees for our board work?

# BYLAWS

of the



# BOARD

## TABLE OF CONTENTS

ARTICLE I – NAME; CREATION; GOVERNING LAW.....	1
ARTICLE II – BOARD RESPONSIBILITIES .....	1
ARTICLE III – BUDGET, FINANCIAL CONTROLS AND POLICIES .....	2
ARTICLE IV - BOARD OF DIRECTORS.....	3
Section 1 – General.....	3
Section 2 – Appointment.....	3
Section 3 – Terms, Vacancy, Removal, Compensation, Expenses.....	4
Section 4 – Meeting Attendance .....	4
Section 5 – Orientation and Education of Board Members.....	5
ARTICLE V – STATUTORILY REQUIRED EXECUTIVE STAFF .....	5
Section 1 – Executive Director .....	5
Section 2 – Function of the Executive Director .....	5
Section 3 – Annual Review of Executive Director’s Performance.....	6
Section 4 – Medical Director .....	6
Section 5 – Director of the Office of Recipient Rights.....	6
ARTICLE VI – BOARD OFFICERS .....	6
Section 1 – Election of Officers, Timeline, and Terms of Office.....	6
Section 2 – Removal .....	7
Section 3 – Chairperson .....	7
Section 4 – Vice Chairperson .....	7
Section 6 – Secretary.....	7
ARTICLE VII – BOARD COMMITTEES .....	8
Section 1 – Standing Committees.....	8
a. Committee .....	8
b. Audit Committee.....	8
c. Recipient Rights and Advisory Committee.....	8
d. Nominating Committee & Leadership Development.....	9
Section 2 – Special Committees .....	9
ARTICLE VIII – MEETINGS OF THE BOARD .....	10
Section 1 – Open Meetings Act.....	10
Section 2 – Conflict of Interest Provisions .....	10
a. Disclosure of actual or potential conflict .....	11
b. Recusal .....	11
c. Procedure following .....	11
Section 3 – Full Board Meetings recusal.....	12
Section 4 – Special Meetings of the Board.....	12
a. Criteria to Call Special Meeting.....	12
b. Authority to Call Special Meeting.....	12

c. Notice for Special Meetings .....	12
d. Emergency Meetings .....	13
e. Special meeting by telephone .....	13
Section 5– Quorum .....	13
Section 6 – Roll Call Vote.....	14
Section 7 – Voting by Proxy .....	14
ARTICLE IX – BOOKS AND RECORDS.....	14
ARTICLE X – INDEMNIFICATION .....	15
ARTICLE XI – AMENDMENT TO BYLAWS .....	15
REVIEW HISTORY	
ATTACHMENTS	
Exhibit A – Crawford, Grand Traverse, Leelanau, Missaukee, Roscommon & Wexford Counties Enabling Agreement	

## **PREAMBLE**

The Northern Lakes Community Mental Health is committed to the provision of behavioral health services that inspire hope promote recovery, resilience, and wellness to eligible residents.

### Our Vision:

A community of informed, caring people living and working together.

### Our Mission:

To improve the overall health, wellness, and quality of life of our individuals, families and communities that we serve.

### Our Organizational Values:

We shall carry out our responsibilities consistent with our Values: 1) In treating all people with compassion, dignity, respect. 2) In respecting diversity and individuality. 3) In visionary public leadership, local decision-making, and accountability for our actions and decisions.

## **ARTICLE I – NAME; CREATION; GOVERNING LAW**

### **Section 1- Name**

The name of the organization is “Northern Lakes Community Mental Health Authority, (hereinafter called “Northern Lakes”)

### **Section 2 - Authority**

Northern Lakes is a Community Mental Health Authority (CMHA). As an Authority Northern Lakes is responsible to manage and provide a comprehensive array of mental health services and supports. Northern Lakes became a Mental Health Authority pursuant to, (i) Michigan law, MCL 330.1205 specifically sections 204, 205 and 212 of Michigan Public Act 258 of 1974, as amended (the “Mental Health Code”) and (ii) the “Enabling Agreement” enacted by & between the counties of: Crawford, Grand Traverse, Leelanau, Missaukee, Roscommon & Wexford with the effective date of October 1, 2003.

Northern Lakes is an independent governmental entity subject to state law, federal law, and the Enabling Agreement. Because the Enabling Agreement is integral to the creation and operation of Northern Lakes, a copy is appended as Exhibit A to these Bylaws.

## **ARTICLE II - BOARD RESPONSIBILITIES**

The Board of Directors ("Board") shall ensure:

(a) That a person is not denied service on the basis of race, color, nationality, religious or political belief, sex, age, handicap, county of residence, or ability to pay. This shall be stated in the

program statements of Northern Lakes' Board and in contractual agreements.

(b) Northern Lakes operates under personnel practices that do not discriminate against an employee or an applicant for employment with respect to hiring, tenure, terms, conditions or privileges of employment, or any matter which is directly or indirectly related to employment because of race, color, religion, national origin, age, handicap, or sex, except if a requirement of age or sex is based on a bona fide occupational qualification.

(c) Care and coordination of benefits with the NMRE is the Prepaid Inpatient Health Plan for the twenty-one counties served by these five Community Mental Health Service Programs. As the PIHP the NMRE contracts with the Michigan Department of Health and Human Services to manage the Specialty Services Waiver Programs approved by the Federal government and implemented concurrently by the State of Michigan to provide a comprehensive array of Medicaid mental health and substance abuse services and supports

(d) Northern Lakes reports to the Michigan Department of Health and Human Services (Department) on the types and scopes of services provided with the use of general funds.

(e) That Northern Lakes requires agencies which provide services by contract or agreement with the Board and which receive state aid to furnish the Board with an accounting of fee revenue received from patients or from persons paying on behalf of patients.

(f) That Northern Lakes coordinates services with other pertinent human services to ensure that the total needs of the population of the service area are met in a comprehensive manner without fragmentation or duplication of services. To accomplish this, the Board shall do all of the following:

(i) That Northern Lakes participates in community and regional planning, including health systems planning.

(ii) That Northern Lakes establish, or cause to be established, continuity of care agreements between appropriate service entities and with appropriate agencies which provide services to the population served by the Northern Lakes, including Department facilities.

(iii) Coordinate mental health care with health maintenance organizations and local area health centers.

(iv) If possible, collaborate with existing agencies rather than establishing competing services.

(g) Assure, on an annual basis, that none of its board members is in violation of the conflict-of-interest prohibition.

(h) Assure that each employee is made aware of the provisions concerning conflict of interest and attests to the absence of conflict of interest, and assure that each prospective employee is made aware of these provisions and is not offered employment if there is a conflict of interest as identified in Act No. 317 of the Public Acts of 1968, as amended, being Sec. 15.321 et seq. of the Michigan Compiled Laws.

(i) That Northern Lakes require each of its contracts to contain mutual representations that, to the best of the respective parties knowledge, the entering into of the contract is free of conflict of interest as identified in Act No.317 of the Public Acts of 1968, as amended, being Sec. 15.321 et seq. of the Michigan Compiled Laws, and section 222 of the act.

## **ARTICLE III – BUDGET AND FINANCIAL CONTROLS**

### **Section 1**

Pursuant to section 226 of the Code (MCL 330.1226), and Section 5 of the Enabling Agreement, the Board shall ensure all the following:

- (a) Annually conduct a needs assessment to determine the mental health needs of the residents of Crawford, Grand Traverse, Leelanau, Missaukee, Roscommon & Wexford Counties and identify public and nonpublic services necessary to meet those needs. Information and data concerning the mental health needs of individuals with developmental disability, serious mental illness, and serious emotional disturbance shall be reported to the department along with plans to meet identified needs. It is the responsibility of the Northern Lakes to involve the public and private providers of mental health services located in counties it serves in this assessment and service identification process. The needs assessment shall include information gathered from all appropriate sources, including Northern Lakes' waiting list data and school districts providing special education services.
- (b) Annually review and submit to the department a needs assessment report, annual plan, and request for new funds for Northern Lakes.
- (c) Complete an annual public hearing to gather information on the needs assessment, annual plan, and request for new funds before providing them to the county board of commissioners.
- (d) Northern Lakes shall provide a copy of its needs assessment, annual plan, and request for new funds to the board of commissioners of each county.
- (e) Submit the needs assessment, annual plan, and request for new funds to the department by the date specified by the department.
- (f) Submit to each board of commissioners for their approval an annual request for county funds to support the program.
- (g) Annually approve Northern Lakes' operating budget.
- (h) Take those actions it considers necessary and appropriate to secure private, federal, and other public funds to help support Northern Lakes.
- (i) Approve and authorize all contracts for the provision of services.
- (j) Review and evaluate the quality, effectiveness, and efficiency of services being provided by Northern Lakes. The board shall identify specific performance criteria and standards to be used in the review and evaluation. These shall be in writing and available for public inspection upon request.
- (k) Appoint an executive director of Northern Lakes who meets the standards of training and experience established by the department.
- (l) Establish and maintain general policy guidelines within which the executive director shall operate Northern Lakes.
- (m) Require the executive director to select a physician, a registered professional nurse with a specialty certification issued under section 17210 of the public health code, 1978 PA 368, MCL 333.17210, or a licensed psychologist to advise the executive director on treatment issues.

## **Section 2.**

### **(a) Financial**

The Board shall be authorized to establish such bank accounts as may be necessary to carry out its purposes.

(b) Property

The Board shall receive and hold interest in such real or personal property as may in any manner be acquired, bequeathed, conveyed, granted, or given, or in any way invested in the Board in trust for its purposes.

**ARTICLE IV – BOARD OF DIRECTORS**

**Section 1 – General**

The outcomes of Northern Lakes shall be governed by its Board.

**Section 2 – Appointment**

The Board shall consist of sixteen (16) positions and shall be appointed by the counties of: Crawford, Grand Traverse, Leelanau, Missaukee, Roscommon & Wexford respective Board of Commissioners (“Commission”) in accordance with the provisions of Section 212 of the Code (MCL 330.1212), and Sections V of the Enabling Agreement.

County	Board Positions
Crawford	2
Grand Traverse	6
County	Board Positions
Leelanau	2
Missaukee	2
Roscommon	2
Wexford	2
Total	16

Each board member shall promptly provide Northern Lakes’ with current and updated contact information, including telephone and electronic mail, and preferences regarding receipt of Board notices.

**Section 3 – Terms, Vacancy, Removal, Compensation, Expenses**

In accordance with the provisions of Section 224 of the Code (MCL 330.1224), the term of office of a board member shall be three (3) years from April 1 of the year of appointment One-third of the positions will be filled each year.

A vacancy shall occur upon the expiration of a term, and shall be filled in the same manner as the

original appointment a Board Member may remain seated until their position has been filled

A board member may be removed from office by their respective Commission for neglect of official duty or misconduct in office after being given a written statement of reasons and an opportunity to be heard on the removal (consistent with MCL 330.1224). Vacancies shall be filled for unexpired terms in the same manner as original appointments. Violation of Board Policy &/or Code of Conduct may result in a form of disciplinary action 3.6.6

Pursuant to MCL 330.1224 and Enabling Agreement Section VIII, members shall be paid a per diem for attendance at all meetings of the Board, committees of the Board, advisory committees, ad hoc committees, and conference attendance.

#### **Section 4 – Meeting Attendance**

Each Board member shall attend all regular board meetings and is expected to use good faith efforts to attend all meetings of any committee on which such Board member is serving.

Enabling Agreement

#### **Section 5 – Orientation and Education of Board Members**

New board members shall receive an orientation about Northern Lakes and their positions prior to participation at their first board meeting or as soon as is practical. Board members shall, on an ongoing basis, be educated regarding the strategic direction, rules, law, regulation, and practice that may affect community mental health care in Crawford, Grand Traverse, Leelanau, Missaukee, Roscommon & Wexford Counties and the State of Michigan.

### **ARTICLE V – STATUTORILY REQUIRED EXECUTIVE STAFF**

#### **Section 1 – Executive Director**

In accordance with the provisions of Section 226 of the Code (MCL 330.1226), the Board shall select an individual to be Executive Director Northern Lakes and has the sole discretion to hire and terminate the Executive Director. The Board Officers shall be responsible for negotiating a contract for employment of the Executive Director and presenting that contract to the Board for approval.

#### **Section 2 – Function of the Executive Director**

The Executive Director shall function as the chief executive and administrative officer of Northern Lakes and shall execute and administer the community mental health services program in accordance with the Board's approved applicable law, policies, operating budget, strategic plan, and procedures. The terms and conditions of the Executive Director's employment, including tenure of service, shall be as mutually agreed to by the Board and the Executive Director and shall be

specified in a written contract.

The Executive Director has the authority and responsibility for hiring, terminating, evaluating and supervising all employees, except as otherwise specified in Sections 5 below as to the Director of the Office of Recipient Rights.

The Executive Director shall adopt operational policies and procedures for the operation of Northern Lakes. Those policies and procedures shall include: financial and budgetary policies; banking, investment and cash management policies; provider and billing policies; human resource policies; procurement policies; conflict of interest policies; compliance policies; Health Insurance Portability and Accountability Act (HIPAA) policies; and such other operational policies and procedures as necessary and appropriate for the proper operation of Northern Lakes. The Board delegates to the Executive Director, or their designee, the authority and responsibility to approve and implement operational policies; provided, however,

(a) the following policies shall require Board approval upon implementation or upon any substantial change: financial and budgetary policies, banking and investment policies, conflict of interest policies, and procurement policies and

(ii) prior to the adoption of new policies not requiring Board approval, the policies shall be made available for Board to review, comment and, if desired, formal consideration by the Board. Policies shall be reviewed annually or as identified

### **Section 3 – Annual Review of Executive Director’s Performance**

The Board shall conduct a performance review of the Executive Director on an annual basis in May.

### **Section 4 – Medical Director**

In accordance with the provisions of Section 231 of the Code (MCL 330.1231) the Executive Director shall appoint a medical director who is a psychiatrist. The medical director shall advise the Executive Director on medical policy and treatment issues and shall be referred to as the Medical Director of Psychiatric Services.

### **Section 5 – Director of the Office of Recipient Rights**

The Executive Director shall select a Director of the Office of Recipient Rights who has the education, training, and experience to fulfill the responsibilities of the office. The Executive Director shall not select, replace, or dismiss the Director of the Office of Recipient Rights without first consulting Northern Lakes Recipient Rights Advisory Committee pursuant to MCL 330.1755(4).

## **ARTICLE VI – BOARD OFFICERS**

### **Section 1 – Election of Officers, Timeline, and Terms of Office**

The Northern Lakes officers of the Board shall be a Chairperson, Vice Chairperson, and Secretary. Terms of office shall be for a period of one year beginning with the May Board meeting and ending when the new officers assume their duties at the following May Board meeting. However, officers shall remain in office until their successor is elected.

The Chairperson shall annually, or upon vacancies, appoint members to the Nominating Committee, consisting of four to six Board members, prior to the April regular Board meeting. The Chairperson's slate of appointments shall be submitted for Board confirmation at the Board's regular May meeting and, if not approved, alternative slates of nominees shall be proposed until Nominating Committee members have been selected. The Nominating Committee shall report a recommended slate of officers at the April regular Board meeting. The Board shall accept or reject the slate of officers by majority vote. If the Board rejects the slate of nominees, nominations for individual officer positions may be taken on the floor, or the Nominating Committee shall meet and create a new slate of nominees to be presented at a special board meeting prior to the May regular Board meeting.

### **Section 2 – Removal**

Any officer may be removed by the Board by majority vote of the total Board membership, whenever, in its judgment, the best interests of Northern Lakes would be served thereby.

### **Section 3 – Chairperson**

The Chairperson shall, in general, supervise the affairs of the Board. The Chairperson will preside at all meetings of the Board; appoint the chairperson, and membership (with board approval) of all standing committees and special committees; call meetings of the Board in accordance with these Bylaws and all applicable law and serve as a voting ex officio member of all committees. The Chairperson shall perform all duties incident to the office of Chairperson and such other duties as may be prescribed by the Board from time to time. Occasionally the Chairperson represents the Board to outside parties. The Chairperson has the right to vote on issues.

### **Section 4 – Vice Chairperson**

In the absence of the Chairperson or in the event of the Chairperson's inability to act, the Vice Chairperson shall perform the duties of the Chairperson, and, when so acting, shall have all the powers of and be subject to all the restrictions upon the Chairperson. The Vice Chairperson will perform such other duties as from time to time may be assigned by the Chairperson or by the Board.

### **Section 5 – Board Secretary**

Working with the CEO, the Secretary shall review Board minutes each month and sign off on the minutes after they are approved by the Board. The Secretary and CEO shall also make certain that all notices are duly given in accordance with the provisions of these Bylaws, the Open

Meetings Act or as otherwise required by law; be custodian of the Board records and Bylaws; and, in general, perform all duties incident to the office of Secretary and such other duties as the Chairperson of the Board may from time to time assign to the Secretary. In the absence of the other Board officers, the Secretary shall conduct the Board meeting. In the absence of both the Chair and the Vice-Chair the Board meeting will be conducted by the Secretary.

## **ARTICLE VII – BOARD COMMITTEES**

### **Section 1 – Standing Committees**

The Board shall have the following permanent standing committees:

- (a) Recipient Rights Advisory Committee
  - i. Recipient Rights Appeals Committee
- (b) Nominating Leadership Development Committee.
- (c) Audit Committee
- (d) Committee of the Whole

All standing committees shall abide by requirements listed by law of committees of each committee's description, below. The committees shall document their work and present to the Board.

### **Section 2 – Special Committees**

The Board may establish such other special or ad hoc committees as it may deem necessary or appropriate. Once the Board Chairperson has directed a special committee to undertake a duty or obligation, that committee shall meet as determined by the Chairperson of the Board, the chairperson of that committee, or upon the request of a majority of such committee members. Upon the conclusion of the Committee's specific task, the Committee shall be disbanded.

## **ARTICLE VIII – MEETINGS OF NORTHERN LAKES' BOARD**

### **Section 1 – Open Meetings Act**

All Board and committee meetings shall be governed by and conducted in accordance with the provisions of Act 267 of the Michigan Public Acts of 1976 (MCL 15.261 et seq.), commonly known as the "Open Meetings Act", to the extent the terms of such Act are applicable. Board members must be physically present at the meeting to participate in closed sessions allowed under the Open Meetings Act. No telephonic or other remote participation in such closed sessions is permitted.

### **Section 2 – Conflict of Interest Provisions**

- (i) All Board Members must: timely and fully disclose any matter that gives rise to an actual or potential conflict of interest with respect to a Board action or contract presented for consideration by the Board;
- (ii) any board member having a disqualifying conflict shall not be permitted to vote on the matter; and
- (iii) Board approval of any matter as to which any board member has a disqualifying conflict shall require the affirmative vote of two-thirds (2/3) of the Board without the participation of the conflicted board member(s).

Employment by Northern Lakes or MDHHS of a Board member is prohibited.

### **Section 3 – Full Board Meetings**

The Board shall hold regular meetings each month at such times and places as the Board shall from time to time determine. The agenda and materials shall be provided to each member of the Board at least five (5) calendar days prior to each meeting and shall state the date, time, and place of such meeting. Public Notice of regular meetings shall be given once for each calendar year and shall show the regular dates, time, and place of meetings. That notice shall be posted in a place visible to the public at all facilities directly operated by the Board. All notices shall comply with the Open Meetings Act. Committee meetings will also be posted as required by the Open Meetings Act.

### **Section 4 – Special Meetings of the Board**

#### **a. Criteria to Call Special Meeting**

In order to call a special meeting of the Board, there must be an exigent matter that is considered so urgent that action cannot reasonably be delayed to the next regular meeting.

#### **b. Authority to Call Special Meeting**

The Chairperson of the Board, or in absence of the Chairperson, the Vice Chairperson, may call special meetings of the Board. Upon petition of at least six (6) board members (one from each county), the Chairperson shall be required to call a special meeting of the Board.

#### **c. Notice for Special Meetings**

Notice by telephone and/or email of such special meetings shall be given to all members of the Board in advance as far as practicable, but no less than 18 hours prior to the meeting.

In accordance with the Open Meetings Act, public notice stating the date, time, and place of the meeting shall be posted at least eighteen (18) hours prior to the meeting. Only such matters as are designated in the notice shall be considered at any special meeting.

Further, the Secretary or Designee shall prepare a certificate stating that notice was given eighteen (18) hours before the meeting or, in the alternative, the Board member shall sign an

acknowledgment that he or she received such notice or sign a waiver of receipt of such notice.

#### **d. Emergency Meetings**

The Board may meet in emergency session in the event of a severe and imminent threat to the health, safety, or welfare of the public when 2/3 of board members serving decide that delay would be detrimental to efforts to lessen or respond to the threat. However, if the Board holds an emergency public meeting that does not comply with the 18-hour posted notice requirement, it shall make paper copies of the public notice for the emergency meeting available to the public at that meeting.

#### **e. Participation by Alternative Means**

We follow the OMA and allow accommodations identified in the ADA

### **Section 5– Quorum**

A quorum for action at a full Board meeting shall be a simple majority of the full board membership. Unless otherwise stated in these Bylaws, the vote of a majority of the members present at a meeting at which a quorum is present constitutes the action of the Board unless otherwise prescribed by applicable law. Actions which are restricted to voting by “supermajority” shall require an affirmative vote of two-thirds (2/3) of the full Board.

If a quorum is not present at a meeting, an authorized meeting may be conducted as scheduled at the option of those members in attendance for consideration and informational purposes, or a majority of members present may adjourn the meeting without further notice. Lack of a quorum shall not preclude per diem payments to those Board members in attendance at an authorized meeting.

### **Section 6 – Roll Call Vote**

Ayes and nays by roll call shall be ordered when demanded by any member of the Board prior to the announcement of the vote.

### **Section 7 – Voting by Proxy**

No member shall be permitted to vote at any meeting by proxy.

## **ARTICLE IX – BOOKS AND RECORDS**

The Board shall keep minutes of its proceedings and all committee meetings in accordance with the provisions of the Open Meetings Act.

## **ARTICLE X – INDEMNIFICATION**

Unless otherwise prohibited by law, Northern Lakes shall indemnify any Board member or officer or any former Board member or officer (“Indemnitee”) against costs, expenses and liabilities to the extent and on the terms and conditions set forth in this Article. Northern Lakes shall provide an Indemnitee indemnification for costs, expenses and liabilities incurred by the Indemnitee in connection with any claim, action, suit or proceeding to which she or he is made a party by reason of their actions as a Board member or officer, undertaken in good faith and within their scope of authority. There shall be no indemnification in relation to matters as to which the Indemnitee shall be adjudged to be guilty of a criminal offense or liable to the Authority for damages arising out of their gross negligence or self-dealing.

Amounts paid in indemnification may include, but shall not be limited to, reasonable counsel and other fees; costs and disbursements reasonably and necessary incurred; ad judgements, fines and penalties against, and amounts paid in settlement by, such indemnitee. Northern Lakes may advance or reimburse expenses incurred or, where appropriate, may itself undertake the defense of the indemnitee. However, the indemnitee shall repay such fees, costs and expenses if it should ultimately be determined that she or he is not entitled to indemnification under this article.

Nothing in this article shall constitute or be construed as a waiver of any immunity to which the Northern Lakes or its Board members or officers are entitled under law.

## **ARTICLE XI - ADEMENDMENT TO BYLAWS**

An amendment to the Bylaws may be proposed by any Board member and submitted to a Bylaws Committee for review and recommendations to the Board, which shall constitute notice to the Board of such Amendment. An Affirmative vote of a two-thirds (2/3) of the Board is required for passage and for the Amendment to become effective.

### **REVIEW HISTORY:**

Board of Directors January 20, 2005  
Board of Directors March 16, 2006  
Board of Directors April 20, 2006  
Board of Directors January 15, 2009  
Board of Directors April 15, 2010  
Board of Directors May 20, 2010  
Board of Directors January 20, 2011  
Board of Directors January 19, 2012  
Board of Directors January 17, 2013  
Board of Directors February 20, 2014  
Revised Board of Directors February 19, 2015  
Revised Board of Directors February 18, 2016

Revised Board of Directors February 16, 2017  
Revised Board of Directors January 18, 2018  
Board of Directors February 21, 2019  
Board of Directors January 16, 2020  
Board of Directors January 21, 2021  
Proposed revision 7/21/2022 for Board Approval 8/18/2022

**Attachments**