

BYLAWS OF NORTHCARE NETWORK REGIONAL MENTAL HEALTH CARE ENTITY

Definitions:

Entity: Means the Region 1 (Upper Peninsula/NorthCare Network) Regional Entity formed pursuant to 1974 P.A. 258, as amended, MCL 330.1204b, a public governmental entity separate from the county, authority or organization that establishes it. (MCL 330.1204b (3)).

Governing Board: Means the governing body of the Entity, appointed by the Members as described in section 3.2.1.

Member: Means the Community Mental Health Services Programs named in section 2.1 which have entered into the Operating Agreement.

Operating Agreement: Means the written agreement amongst the Members that describes the formal operations of the Entity and which has been approved by the respective Members' governing bodies. The Operating Agreement shall be incorporated in these Bylaws by reference.

ARTICLE I PURPOSES and POWERS

- 1.1 **Statutory Authority.** The NorthCare Network Mental Health Care Entity (the "Entity"), is formed as a regional entity authorized pursuant to Section 1204b of Michigan's Mental Health Code, Act 258 of 1974, as amended (the "Mental Health Code"), MCL § 330.1204b.
- 1.2 **Nature of the Entity.** Pursuant to MCL § 330.1204b (3), the Entity is a public governmental entity separate from the authorities that establish it.
- 1.3 **Purpose.** The Entity is formed to carry out the provisions of the Mental Health Code by coordinating and furthering the statutory purposes of its participating community mental health services programs which are organized and operated under the Mental Health Code as community mental health authorities, agencies or organizations (the "Members" as identified in section 1.6 and 2.1) and whose designated service areas are within the geographic boundaries of the following Michigan counties: Alger, Baraga, Chippewa, Delta, Dickinson, Gogebic, Houghton, Iron, Keweenaw, Luce, Mackinac, Marquette, Menominee, Ontonagon, and Schoolcraft. The Entity's purposes include, but are not necessarily limited to the following:
 - 1.3.1 Directly provide or arrange for the provision of mental health, developmental disability and substance use disorder services ("Behavioral Health Services") within the designated service area of the Members.
 - 1.3.2 Advance the availability of quality whole person health care (physical and behavioral) and a meaningful life to all persons and their families with a mental illness, developmental disability, or substance use disorder within the designated service areas of the Members.
 - 1.3.3 Maintain and improve quality of management and delivery of Behavioral Health Services to persons within the designated service areas of the Members while promoting functional consolidation of administrative activities.

- 1.3.4 Increase uniformity and reduce undesired variance in the quality and cost of Behavioral Health Services to persons within the designated service areas of the Members.
 - 1.3.5 Develop, maintain, and improve information technology, including, but not limited to health information protection for coordinating and managing care and reporting performance and outcome indicators for the Members to key payers.
 - 1.3.6 Receive and distribute Medicaid payments or savings related to services provided by the Entity or the Members.
 - 1.3.7 Develop, maintain, and improve resources for patient education and support for the Members and persons receiving services from the Entity or the Members.
 - 1.3.8 Act as regional coordinating agency for substance use disorder (“SUD”) treatment programs administered by the Members and otherwise provided within the designated service areas of the Members.
 - 1.3.9 Promote efficiencies in local operations of the Members across the Upper Peninsula (NorthCare Network) Region.
 - 1.3.10 Coordinate the Member and the Entity marketing with health plans, health maintenance organizations, insurance companies, Integrated Care Organizations and other organizations involved in the health exchange of the State of Michigan, particularly with regard to availability of Behavioral Health Services.
 - 1.3.11 Improve quality and integration of services provided by the Entity and the Members by, among other things, facilitating the Entity wide quality improvement efforts and promoting standardization and broad implementation of best practices by the Entity and the Members throughout the designated service areas of the Members.
 - 1.3.12 Improve uniformity and effectiveness of revenue contracting of the Entity and the Members by, among other things, negotiating contracts with payers on behalf of the Entity and the Members, participating in efforts to develop “administrative services only” relationships (“ASO”) with medical and behavioral health providers and large payers engaging in activities within the Upper Peninsula (NorthCare Network) Region, which may include, but is not necessarily limited to state government, managed care plans, Integrated Care Organizations, insurance companies, and coordinating contracting by the Members. Nothing in these Bylaws shall preclude the Members from individually entering into payer contracts.
- 1.4 **Powers.** Except as otherwise stated in these Bylaws, the Entity has all of the powers provided in MCL § 330.1204b(2), including, but not limited to, the following:
- 1.4.1 The power, privilege, or authority that the Members share in common and may exercise separately under the Mental Health Code, whether or not that power, privilege, or authority is specified in these Bylaws.
 - 1.4.2 The power to contract with the State to serve as the Medicaid specialty service prepaid inpatient health plan for the designated service areas of the Members and also be able to participate in the dual eligible pilot and other pilot programs.
 - 1.4.3 The power to accept funds, grants, gifts, or services from the federal government or

a federal agency, the state or a state department, agency, instrumentality, or political subdivision, or any other governmental unit whether or not that governmental unit participates in the Entity, and from private or civic sources.

- 1.4.4 The power to enter into a contract with a Member for any service to be performed for, by, or from the Member.
- 1.4.5 The power to create a risk pool and take other action as necessary to reduce the risk that a Member otherwise bears individually. MCL 330.1204b (2)(e).
- 1.4.6 The power to calculate, assess, and collect from the Members payments attributable to their designated share of the Entity's costs and expenses.
- 1.5 **2012 PA 500.** If the Entity is a Michigan Department of Health and Human Services (MDHHS) designated community mental health entity, as defined in 2012 PA 500, the Entity shall have the power to assume the responsibilities of providing substance use disorder services in the region served by the Entity.
- 1.6 **Manner of Acting.** The Manner by which the Entity's purposes shall be accomplished and powers shall be exercised shall be through the actions of the Members for those powers reserved to the Members under these Bylaws and through the motions and resolutions of the Governing Board of the Regional Entity as set forth in these Bylaws or as delegated by the Governing Board to officers, committees or other agents as permitted by law and these Bylaws.

ARTICLE II THE MEMBERS

- 2.1 **The Members.** The Members forming the Entity shall remain separate legal governmental entities and shall retain all the powers, rights and authority afforded community mental health services programs, organized and operated as county mental health authorities, agencies or organizations under the Mental Health Code. Only the powers and authority specifically vested in the Entity under these Bylaws and as further defined under an Operating Agreement, to be entered into by the Member, are transferred to the Entity. The specific Members are: Copper Country CMH Services Authority, Gogebic County CMH Authority, Hiawatha Community Mental Health Authority, Northpointe Behavioral Health Care Systems Authority, and Pathways Authority.
- 2.2 **Membership.** The Members of the Entity will be community mental health services programs, organized and operated as a community mental health authority, agency or organization under the Mental Health Code: (a) whose designated service areas are within the geographic boundaries of the Upper Peninsula (NorthCare Network) Region (or Region as defined by the State of Michigan); and (b) either (i) are original signatories to these Bylaws; or (ii) elect to become the Member of the Entity by entering into an Operating Agreement with the Entity, which includes, but is not limited to, the requirement that the Member abide by the terms and conditions of these Bylaws, as may be amended from time to time, and the policies and standard operating procedures established by the Entity's Governing Board from time to time; provided that such agreement is approved by vote of the Members as provided in Sections 2.2 and 2.9. The Members are "participating community mental health services programs" as that term is used in MCL § 330.1204b.
- 2.3 **The Member Vote.** The Member shall have one vote on each issue as enumerated at Section

2.9.1 through 2.9.12 of these Bylaws which vote shall be conveyed in the form of a duly adopted written resolution of the governing body of the Member and delivered to the Governing Board of the Regional Entity. Each Member shall speak and vote on the issues identified above via the use of a written resolution.

- 2.4 **Withdrawal of the Member.** Any Member may withdraw from participation with the Entity effective upon providing to the Chief Executive Officer of the Entity written notice. Upon the effective date of such withdrawal, the Member will have no further rights or benefits as a Member of the Entity. The withdrawing Member's appointments to the Governing Board and other positions appointed by the withdrawing Member shall terminate upon the effective date of the withdrawal of the Member and no replacement shall be appointed nor vacancy be deemed to occur by reason of the Member's withdrawal and termination of appointments.
- 2.5 **Removal of the Member.** A Member may be removed as a participant participating in the Entity by a vote of three-fourths (3/4) of the other Members being three Members out of the five Members.
- 2.6 **New Participating Member.** New Members may be admitted by a vote of three-fifths (3/5) of the Members being three Members out of the five Members. At any time that the new Member is admitted and enters into the Operating Agreement to participate in the Entity, the new Member shall be entitled to all of the rights of governance provided in these Bylaws to the Member.
- 2.7 **Dispute Resolution.** Dispute resolution between or among the Members will be resolved according to the terms of the Operating Agreement.
- 2.8 **The Member Payment of Designated Share of the Entity's Costs and Expenses.** The Governing Board of the Regional Entity will regularly calculate, assess, and collect from the Members each Member's designated share of the Entity's costs and expenses.
- 2.9 **Reserved Powers and Rights of the Members.** Each Member shall possess the powers and rights reserved to the Members under these Bylaws which shall include the power to approve by voting via a resolution each of the following:
- 2.9.1 all amendments, restatements or the adoption of new bylaws;
 - 2.9.2 the Operating Agreement, any amendment there to and its termination;
 - 2.9.3 fix and amend from time-to-time the compensation of the Member's delegates to the Governing Board of the Regional Entity, if any;
 - 2.9.4 a plan of merger, consolidation or joint venture;
 - 2.9.5 the termination of the Entity and distribution of assets and liabilities, if any;
 - 2.9.6 the issuance of debt which exceeds certain threshold amounts established by the Members from time to time;
 - 2.9.7 the annual capital and annual operating budgets and strategic plans of the Regional Entity;
 - 2.9.8 the appointment and removal of the Member's delegates to the Governing Board of the

Regional Entity;

- 2.9.9 the appointment and removal of the Chief Executive Officer;
- 2.9.10 secured borrowings and unsecured borrowings in excess of amounts established from time to time by the Members;
- 2.9.11 the sale, transfer or other disposition of substantially all the assets of the Entity; and
- 2.9.12 the dissolution of the Entity.

ARTICLE III GOVERNING BOARD

- 3.1 **General Powers.** The day-to-day business, property, and affairs of the Entity shall be managed by the Governing Board of the Regional Entity.
- 3.2 **Number and Composition.** Each of the Members shall appoint three individuals from the Members' Boards' rosters to serve as delegates on the Governing Board of the Regional Entity. At least one individual (primary and/or secondary consumer) shall have received mental health or substance use disorder services, as defined in the Mental Health Code and the Public Health Code, 1978 P.A. 368, and 2012 P.A. 500. The Board Members will be determined as follows:
 - 3.2.1 Each Member will appoint three delegates who are active Board Members of the respective Member's Community Mental Health Board to serve as Board Members on the Governing Board of the Regional Entity. The Members will determine in their sole discretion from time to time which individuals from their respective Boards will serve as their appointed delegates to the Governing Board of the Regional Entity. At any time, the Members may appoint, remove, or replace their delegates to the Governing Board of the Regional Entity in their sole discretion.
 - 3.2.2 As a Michigan Department of Health and Human Services (MDHHS) designated community mental health entity, as defined in Section 100a (22) of 2012 PA 500, the Governing Board of the Regional Entity shall have representation of mental health, developmental or intellectual disabilities and substance use disorder services as required under 2012 PA 500.
 - 3.2.3 The Governing Board of the Regional Entity shall also include consumer representation.
- 3.3 **Term.** Each Board Member of the Governing Board of the Regional Entity will hold office at the pleasure of the Member's Board until the Board Member's death, resignation, removal by the appointing Member, completion of the appointed term or withdrawal of the appointing Member.
- 3.4 **Resignation.** Any Board Member may resign at any time by providing written notice to the Member's Board and to the Regional Entity. The resignation will be effective on receipt of the notice or at a later time designated in the notice. A successor will be appointed by the respective Member Board as provided in Section 3.2.1 of these Bylaws.
- 3.5 **Board Vacancies.** A vacancy on the Board shall be filled by the Member that originally made the appointment to the delegate's vacated position.

- 3.6 **Annual Meeting.** An annual meeting of the Governing Board may be held each year at such time and place designated by the Governing Board.
- 3.7 **Regular Meetings.** The Governing Board may hold regular meetings each month or as agreed upon by the Board at such times and places as the Governing Board may from time to time determine. Notice in writing of each meeting shall be given by email and/or ordinary mail to each Governing Board Member at least five (5) days prior to each meeting, which notice must state the date, time, and place of such meeting.
- 3.7.1 In the event of inclement weather, unexpected office closure, unforeseen circumstances or for any such cause (i.e. pandemics, emergency), the Governing Board Chair will consult with the CEO and Officers to determine if the meeting will be held, cancelled, or rescheduled. The Chair, with assistance from NorthCare staff, will notify all Board members. If the meeting is rescheduled, it will be done so in compliance with the Open Meetings Act.
- 3.8 **Special Meetings.** Special meetings of the Governing Board may be held at the call of the Chair of the Governing Board or, in the Chair's absence, the Vice Chair or the Secretary, or by a majority of the Governing Board Members in compliance with the Open Meetings Act.
- 3.9 **Waiver of Notice.** The attendance of a Board Member at a Governing Board meeting shall constitute a waiver of notice of the meeting, except where a Board Member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. In addition, the Board Member may submit a signed waiver of notice that shall constitute a waiver of notice of the meeting.
- 3.10 **Quorum and Voting.** A majority of the Governing Board Members then in office, being eight (8) Board Members out of the 15 total Board Members, constitutes a quorum for the transaction of any business at any meeting of the Governing Board, including those meetings conducted remotely via video/teleconferencing. Board Members must be physically present at the meeting, except as otherwise provided in the Open Meetings Act for remote attendance. Actions voted on by a simple majority of Governing Board Members in attendance shall constitute authorized actions of the Governing Board. All meetings must be conducted in accordance with the provisions of the Open Meetings Act, including requirements for Board Members attending remotely, proper notice, and public access. All decisions and deliberations of this public body will be made at a meeting that is open to the public via video conferencing technology.
- 3.11 **Order of Business.** Meetings will be conducted in accordance with *Roberts Rules of Order*, unless otherwise directed by the Governing Board.
- 3.12 **Non-Voting Advisors.** The Governing Board Members may, by authorized action, invite non-voting advisors to participate in Governing Board meetings and to provide information and advice to the Governing Board Members from time-to-time including, but not limited to, a member of the legal community. Further, the Entity's acting Chief Executive Officer shall participate in Governing Board meetings but shall not have a right to vote.
- 3.13 **Conflict of Interest.** Governing Board Members shall adopt a conflict of interest policy which shall require, among other things, the disclosure to the Governing Board Chair and any committee chairperson any actual or possible conflicts of interest, including but not limited to, financial interest and professional interests, and reveal any material facts or relevant information regarding the possible conflict of interest. Governing Board Members will ensure

that any disclosures are written into the minutes of the Governing Board meeting or committee meeting as applicable. Board Members and Alternates may not hold staff positions with any of the member organizations.

- 3.14 **Alternates/Designees.** The Members may appoint official designees to serve in place of their appointed Governing Board Members in the event that a Board Member is unable to attend a regularly scheduled meeting. This designee shall have full voting rights for the purpose of the meeting he/she is designated to attend.
- 3.15 **Compliance with Open Meetings Act and Freedom of Information Act.** It is the intention of the Entity to fully comply with all applicable provisions of Public Act No. 267, 1976, as amended (the "Open Meetings Act") and Public Act No. 442, 1976, as amended (the "Freedom of Information Act").

ARTICLE IV COMMITTEES

- 4.1 **General Powers.** The Governing Board, by resolution adopted by a vote of a majority, may designate one or more committees, each committee consisting of one or more Governing Board Members and other appointed Members. The Governing Board may also designate one or more Governing Board Members as alternate committee Members who may replace an absent or disqualified Member at a committee meeting. All committees designated by the Governing Board shall serve at the pleasure of the Governing Board.

A committee designated by the Governing Board may exercise any powers of the Governing Board in managing the Entity's business and affairs, to the extent provided by resolution of the Governing Board. However, no committee shall have the power to:

- 4.1.1 exercise those powers reserved to the Members under Section 2.9 of these Bylaws;
- 4.1.2 fill vacancies on a board or committee; or.
- 4.1.3 fix compensation for serving on the Governing Board or on a committee.

- 4.2 **Meetings.** Committees shall meet as directed by the Governing Board, and their meetings shall be governed by the rules provided in Section 3.12 of these Bylaws for meetings of the Governing Board. Minutes shall be recorded at each committee meeting and shall be presented to the Governing Board.
- 4.3 **Performance Management Committee:** A Performance Management Committee will be formed consisting of the CEOs of the Members or their designees. The Performance Management Committee will meet monthly or as otherwise agreed upon by members of the Performance Management Committee, and have the responsibilities and authority assigned by the Governing Board and outlined in the Operating Agreement.
- 4.4 **Substance Use Disorder Oversight Policy Board.** A Substance Use Disorder Oversight Policy Board (SUD Policy Board) shall be created through a contract with each of the counties served by the entity. The SUD Policy Board shall include the members called for in the establishing agreement but shall have at least 1 board member appointed by the county board of commissioners for each county served by the department-designated community mental health entity. As more fully provided by 2012 PA 500, MCL 333.1287, the SUD Policy Board

shall perform the functions and responsibilities assigned to it through the establishing agreement, which shall at a minimum include the following responsibilities:

- 4.4.1 Approval of the portion of the Entity's budget that contains 1986 PA 2 (MCL 211.24e(11)), funds ("PA 2 Funds") for the treatment, prevention, and recovery services of substance use disorders which shall be used only for substance use disorder services in the counties from which the PA 2 Funds originated;
- 4.4.2 Advice and recommendations regarding the Entity's budgets for substance use disorder services appropriating nonlocal funding sources.
- 4.4.3 Advice and recommendations regarding the Entity's contracts with substance use disorder treatment, prevention, or recovery providers.
- 4.4.4 Any other terms as agreed to by the participating parties consistent with the authorizing legislation.

ARTICLE V OFFICERS

- 5.1 **Officers.** The officers of the Entity shall be elected by the Governing Board. The initial officers shall be a Chair Person, a Vice Chair Person, and a Secretary. Officers will be annually elected by authorized vote of the Governing Board. The Governing Board may choose to appoint other officers as the Governing Board deems appropriate. The Chief Executive Officer will be appointed by the Governing Board and may (but is not required to) be a paid employee of the Entity.
- 5.2 **Term of Office.** Each officer shall hold office for the term of one year.
- 5.3 **Vacancies.** A vacancy in any office for any reason may be filled by majority vote of the Governing Board then serving.
- 5.4 **Removal.** An officer appointed by the Governing Board may be removed from office for neglect of official duty or misconduct in office, after being given a written statement of reasons and an opportunity to be heard there on. Three consecutive unexcused absences from regular meetings of the Board shall be considered neglect of official duty.
- 5.5 **Chair.** The Chair shall preside at all Governing Board meetings. The Chair shall have the power to perform duties as may be assigned by the Governing Board. The Chair shall perform all duties incident to the office.
- 5.6 **Vice Chair.** The Vice Chair shall have the power to perform duties that may be assigned by the Chair or the Governing Board. If the Chair is absent or unable to perform his or her duties, the Vice Chair shall perform the Chair's duties until the Governing Board directs otherwise. The Vice Chair shall perform all duties incident to the office.
- 5.7 **Secretary.** The Secretary shall be responsible for ensuring:
 - 5.7.1 completion of minutes of Governing Board meetings;
 - 5.7.2 notice is given to each Governing Board Member as required by law or these Bylaws;

- 5.7.3 the safe storage of the records of the Regional Entity;
 - 5.7.4 the maintenance of a register of the names and addresses of each officer and Governing Board Member;
 - 5.7.5 completion of all required administrative filings required by the Entity's legal structure; and
 - 5.7.6 performance of all duties incident to the office and other duties as assigned by the Governing Board of the Regional Entity.
- 5.8 **Resignation.** Any officer may resign such office at any time by giving written notice of such resignation to the Secretary. The resignation shall become effective upon the date specified in such notice or, if no date is specified, upon receipt of the notice by the Secretary. Acceptance shall not be necessary to render the resignation effective.

ARTICLE VI STAFF POSITIONS

- 6.1 **Chief Executive Officer (CEO).** The Chief Executive Officer shall be the Executive Director of the Entity and shall have the authority delegated to that position from time to time by the Governing Board. The office of Executive Director may be referred to by such other titles as determined by the Governing Board from time to time. The Chief Executive Officer may not hold another position (employee, board member or contractor) with any Member. The Chief Executive Officer shall be 100% dedicated to the general management functions of the applicant PIHP only; they may not have a concurrent role at a CMHSP.
- 6.2 **Chief Financial Officer (CFO).** The Chief Financial Officer shall serve as the fiscal officer as defined in MCL § 330.1204b and shall (a) have charge and custody over corporate funds and securities; (b) keep accurate books and records of corporate receipts and disbursements; (c) deposit all moneys and securities received by the Entity at such depositories in the Entity's name that may be designated by the Governing Board; the Chief Financial Officer has the responsibilities set forth in MCL § 330.1204b and will be responsible for receiving, depositing, investing, and disbursing the Entity's funds in the manner authorized by these Bylaws and Governing Board in accordance with the Entity's Operating Agreement and other duties as assigned by the Chief Executive Officer. The Chief Financial Officer may not hold another position (employee, board member or contractor) with the member. The Chief Financial Officer shall be 100% dedicated to the general management functions of the applicant PIHP only; they may not have a concurrent role at a CMHSP. The office of Chief Financial Officer may be referred to by such other titles as determined by the Governing Board and CEO from time to time.
- 6.3 **Chief Operating Officer (COO).** The Chief Operating Officer shall be 100% dedicated to the general management functions of the applicant PIHP only; they may not have a concurrent role at a CMHSP. The Chief Operating Officer position may be combined with one of the other Chief positions (ex. CEO) as determined by the Governing Board from time to time.
- 6.4 **Chief Information Officer (CIO).** The Chief Information Officer shall be 100% dedicated to the general management functions of the applicant PIHP only; they may not have a concurrent role at a CMHSP.

**ARTICLE VII
CONSUMER ADVISORY BOARD**

- 7.1 **Consumer Advisory Board to the Governing Board.** The Governing Board may institute a Consumer Advisory Board to advise and to counsel the Board regarding various issues relating to the Entity.
- 7.2 **Purpose.** The purpose of the Consumers Advisory Board is to advance the purposes of the Entity by providing input, analysis, and advice to the Governing Board concerning matters related to the Entity's purposes.
- 7.3 **Membership.** The Consumers Advisory Board shall consist of one consumer appointed to the Consumers Advisory Board from time to time by the Members of the Entity. For purposes of this Article VII, a "consumer" means a "primary consumer" as that term is defined in MCL § 330.1100c (5) of the Mental Health Code. At any time, a Member may appoint, remove, or replace its appointee to the Consumers Advisory Board. Each appointee serves at the pleasure of the Member by which he or she was appointed and shall serve until such appointee dies, resigns, or is removed by the Member that appointed the appointee.
- 7.4 **Officers.** The officers of the Consumers Advisory Board shall be chair and vice chair. The Members of the Consumers Advisory Board shall select officers of the Consumers Advisory Board by majority vote of the Members of the Consumers Advisory Board with each such Member being entitled to one vote. The term of the officers shall be one year. The chair shall preside at all Consumers Advisory Board meetings and serve as the chief spokesman for the Consumers Advisory Board. The vice chair shall perform all the function of the chair in his / her absence or other duties as assigned by the chair. The chair is responsible for preparing a written report of each meeting and distributing this report to all Consumers Advisory Board Members and to the Governing Board Chair.
- 7.5 **Meetings.** The Consumers Advisory Board shall meet as directed by the Governing Board, and their meetings shall be governed by the rules provided in Section 3.12 of these Bylaws for meetings of the Governing Board. Minutes shall be recorded at each committee meeting and shall be presented to the Governing Board.

**ARTICLE VIII
CORPORATE DOCUMENT PROCEDURE AND ACCOUNTABILITY**

- 8.1 **Financial Accountability.** The Chief Financial Officer, with the assistance of the Chief Executive Officer, shall maintain a process providing for strict accountability of all funds and will provide to the Governing Board a detailed financial report at intervals determined by the Governing Board. On an annual basis, after the completion of each fiscal year, the Governing Board will engage an independent public accounting firm to conduct an independent audit of the Entity's financial status and compliance with financial policies.
- 8.2 **Reports.**
- 8.2.1 All reports required by these Bylaws or otherwise required by the Governing Board from time to time will be presented to the Governing Board and distributed to the Governing Board Members.
- 8.2.2 Each such report will be presented at a meeting of the Governing Board for discussion and approval or other action as required by the Governing Board's review and analysis

of such report.

- 8.2.3 To the extent required by MCL § 330.1204b (5), the Chair will direct the Chief Executive Officer, or such other designee(s) as determined by the Chair to prepare and provide to each of the Members an annual report of the Entity's activities.
- 8.2.4 Reports will be deemed delivered to a Member by delivery of such report to the Member's Executive Director or other appointee to the Governing Board.

ARTICLE IX IMMUNITY

- 9.1 **Governmental Immunity.** All the privileges and immunities from liability and exemptions from laws, ordinances, and rules provided under MCL § 330.1205(3) (b) of the Mental Health Code to county community mental health service programs and their board members, officers, and administrators, and county elected officials and employees of county government are retained by the Entity and the Entity's board members, officers, agents, and employees, as provided in MCL § 330.1204b (4).
- 9.2 Except as otherwise provided by law, these Bylaws, or any agreement the Members or the Members and the Entity, the Members shall not be responsible for the acts, omissions, debts or other obligations and responsibilities of the Entity or any other Member or the Board members, employees, agents and representatives of the Entity or the other Members, whether acting separately or jointly under these Bylaws or pursuant to any such agreements. The Members shall only be bound and obligated as expressly agreed to by each Member and no Member may otherwise obligate any other Member.
 - 9.2.1 All liability to third parties, loss, or damage as a result of claims, demands, costs, or judgments arising out of activities to be carried out by the Entity shall be the responsibility of the Entity, and not the responsibility of the Member, if the liability, loss, or damage is caused by, or arises out of, the actions or failure to act by the Entity, its Board members, officers, employees or representatives; provided that nothing herein shall be construed as a waiver of any governmental immunity that has been provided to the Entity or its board members, officers, employees or representatives, by statute or court decisions.
 - 9.2.2 All liability to third parties, loss, or damage as a result of claims, demands, costs or judgments arising out of activities to be carried out by the Member shall be the responsibility of the Member and not the responsibility of the Entity, if the liability, loss, or damage caused by, or arises out of, the actions or failure to act by the Member, its Board members, officers, directors, employees and authorized representatives; provided that nothing herein shall be construed as a waiver of any governmental immunity that has been provided to the Member or its Board members, officers, employees or representatives, by statute or court decisions.
 - 9.2.3 Each Member and the Entity shall seek its own legal representative and bear its own cost including judgments in any litigation which may arise out of its activities to be carried out pursuant to its obligations under these Bylaws or any agreement between the Members or the Members and the Entity. It is specifically understood that no indemnification will be provided in such litigation.

- 9.2.4 In the event that liability to third parties, loss or damage arises as a result of activities conducted jointly under these Bylaws or any agreement between the Members or the Members and the Entity, such liability, loss or damages shall be borne by each party in relation to each party's responsibilities under the joint activities, provided that nothing herein shall be construed as a waiver of any public or governmental immunity granted to any of said parties as provided by applicable statutes and/or court decisions.
- 9.2.5 Under these Bylaws, it is the intent that each of the Members and the Entity shall separately bear and shall be separately responsible for only those financial obligations related to their respective duties and responsibilities.

ARTICLE X ALLOCATION OF ASSETS AND LIABILITIES

- 10.1 **Allocation.** The manner in which the Entity's assets and liabilities shall be allocated to each Member is as follows:
- 10.1.1 **Revenues.** The Entity's manner for equitably providing for, obtaining, and allocating revenues derived from a federal or state grant or loan, a gift, bequest, grant, or loan from a private source, or an insurance payment or service fee ("Revenues"). Revenues shall be allocated to the Members as provided in the Operating Agreement or some other agreement approved by the Members and incorporated herein by reference.
- 10.1.2 **Capital and Operating Costs.** The Entity's method or formula for equitably allocating and financing the Entity's capital and operating costs, payments to reserve funds authorized by law, and payments of principal and interest on obligations will be as provided in the Operating Agreement or some other agreement approved by the Members and incorporated herein by reference.
- 10.1.2.1 Failure by the Member to pay its designated share of the Entity's costs and expenses within sixty (60) days of receiving notice of the amount due may be grounds for removal of the Member under Section 2.5 of these Bylaws and termination of any contract for services provided by the defaulting Member. Such removal from membership or termination of contract does not extinguish the liability of such Member to the Entity.
- 10.1.3 **Other Assets.** All assets not otherwise provided for in these Bylaws will be allocated as provided in the Operating Agreement as approved by the Members and incorporated herein by reference.
- 10.1.4 **Surplus Funds.** This provision must provide the Entity's manner in which, after the completion of its purpose as specified in the Bylaws, any surplus funds shall be returned to the Members.
- 10.1.5 **Other.** The manner and timeline of disbursement and other financing matters shall be included in the Operating Agreement approved by the members or board and incorporated herein by reference.

**ARTICLE XI
SPECIAL EMPLOYMENT MATTERS**

- 11.1 If the Entity assumes the duties of the Member, as a community mental health services program or contracts with a private individual or entity to assume such duties of the Member, the Entity shall comply with all of the following:
- 11.1.1 **General Employment Practices.** The manner of employing, compensating, transferring, or discharging necessary personnel is subject to the following restrictions:
- (i) An employee of the Entity is a public employee; and
 - (ii) The Entity and its employees are subject to 1947 PA 336, MCL § 423.201 to 423.217.
- 11.2 **Transferred Employees.** Any employees of a Member who are transferred to the Entity and appointed as employees of the Entity shall retain all the rights and benefits from their prior Member employment for 1 year. If, upon becoming a Member of the Entity, the Member ceases to operate, the employees of the Member shall be transferred to the Entity and appointed as employees of the Entity who shall retain all the rights and benefits from their prior Member employment for 1 year. An employee of the Entity shall not, by reason of the transfer, be placed in a worse position for a period of 1 year with respect to worker's compensation, pension, seniority, wages, sick leave, vacation, health and welfare insurance, or another benefit than the employee had as an employee of the Member. A transferred employee's accrued benefits or credits shall not be diminished by reason of the transfer.
- 11.3 **Collective Bargaining.** If a Member was the designated employer or participated in the development of a collective bargaining agreement, the Entity assumes and is bound by the existing collective bargaining agreement. The establishment of the Regional Entity shall not adversely affect existing rights or obligations contained in existing collective bargaining agreements to which the Members are parties. For the purposes of this Section, "participation in the development of a collective bargaining agreement" means that a representative of the Member actively participated in bargaining sessions with the employer representative and union or was consulted during the bargaining process.

**ARTICLE XII
CONTRACTS**

- 12.1 **Contract Process.** The Governing Board shall designate by resolution which positions of the Entity will have authority to enter into contracts on behalf of the Entity with third parties and specify in the resolution the limitations applicable to such contracts. Contracts involving the acquisition, ownership, custody, operation, maintenance, lease or sale of real property and the deposit, division or distribution of property acquired by the execution of a contract shall be approved by the Governing Board of the Entity.
- 12.2 All new contracts and/or amendments exceeding \$10,000 dollars shall be approved by the Governing Board prior to execution on behalf of the Entity.

**ARTICLE XIII
COMPENSATION**

When authorized by the Governing Board, a person shall be reasonably compensated for services rendered to the Entity as an employee, agent, or independent contractor, except as prohibited by these Bylaws.

**ARTICLE XIV
FISCAL YEAR**

The fiscal year of the Entity shall consist of 12 consecutive months and end on September 30.

**ARTICLE XV
AMENDMENTS**

The Members may amend or repeal these Bylaws, or adopt new bylaws by a vote of two-thirds (2/3) of the Members, being four Members out of the five Members, if notice setting forth the terms of the proposed amendment or repeal has been given in accordance with any notice requirement for a meeting of the Governing Board. No amendment to these Bylaws shall be effective until filed as provided in Article XVI.

**ARTICLE XVI
EFFECTIVE AUTHORITY OF BYLAWS**

These Bylaws, including any amendment thereof, shall be effective only after they have been duly adopted in accordance with MCL § 330.1204b (1) and subsequently filed with the Clerk of each County in which each Member is located and does business and with the Michigan Secretary of State. The Secretary of the Entity shall make a record in the books and records of the Entity of the date and place of filing of these Bylaws as provided herein and the effective date of these Bylaws, which will be the last date of filing of such Bylaws as provided in this Article.

**ARTICLE XVII
DISSOLUTION**

The Members may dissolve the Entity by a vote of two-thirds (2/3) of the Members, being four Members out of a five Members, after paying or making provision for the payment of all the debts, obligations and liabilities of the Entity and the pro rata distribution, if any, of the assets of the Entity to the respective Members. Any remaining assets not so disposed of shall be disposed of by a court of competent jurisdiction in the county in which the principal office of the Entity is located, to a governmental entity as said court shall determine to be organized and operated for purposes similar to the Entity's purposes.

Approved by the Advisory Council on March 13, 2013.

Amended Bylaws Approved by Governing Board on October 14, 2020.

Amended Bylaws Approved by Governing Board on December 9, 2020.