

# BY-LAWS OF BOARD OF DIRECTORS

12/15/16

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Highland Rim Economic Corporation

P. O. Box 208

Erin, TN 37061

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## **BY-LAWS**

### **HIGHLAND RIM ECONOMIC CORPORATION**

#### **ARTICLE I. NAME AND DESCRIPTION**

1. **Highland Rim Economic Corporation is a private non-profit Corporation incorporated under the laws of the State of Tennessee and recognized as the proper body to carry out the purposes and functions set out in these by-laws.**

**The central office of Highland Rim Economic Corporation shall be located in Erin, Houston County, Tennessee.**

**The Corporation may have such other offices as the Board of Directors determines or as the affairs of the Corporation may require.**

## ARTICLE II. PURPOSE

1. The purpose and function of Highland Rim Economic Corporation is the following:
  - a. To administer the programs of the Tennessee Department of Human Services and other funding agencies in the counties of Dickson, Houston, Humphreys, Stewart, and other counties as may be designated by the Board of Directors.
  - b. To work with the three significant groups in the community, the low income, the public sector, and the private sector, and to seek out, identify, and attempt to eliminate the causes of poverty.
  - c. To make the entire community more responsive to the needs and interests of the low income by mobilizing available resources and bringing about a greater institutional sensitivity.
  - d. To plan and develop a system of priorities among projects, activities, and areas as needed for the most effective and efficient use of resources.

- e. **To plan, develop, and provide low-income housing for eligible residents within the service area.**

### **ARTICLE III. BOARD OF DIRECTORS**

- 1. The governing body of this Corporation is its Board of Directors, which is comprised in accordance with the terms of this Article.**
  
- 2. The membership of the Board of Directors shall be established by Board action and shall consist of representation from each county choosing to provide representation. The membership of the Board of Directors is not to exceed fifty-one (51) members and the total membership of this Board is to always be divisible by three (3).**
  
- 3. Representatives of the low income shall be selected to membership on the Board in the manner prescribed in this Article and shall serve until removed through resignation, Board action, or death.**

**Representatives of private community groups shall be selected to membership on the Board in the manner prescribed in this Article and shall serve until removed through resignation, action of the private community group, Board action, or death.**

**Representatives of the public sector shall be selected to membership on the Board in the manner prescribed in this**

**Article and, as all public officials serve at the pleasure of their constituency, shall serve for as long as they maintain their status of public official.**

- 4. The governing body of this Corporation must ensure that there is: one (1) member with a background and expertise in fiscal management or accounting, one (1) member who is an attorney familiar with issues coming before the Board, and one (1) member with a background and expertise in early childhood education and development. Should the Corporation be unable to fulfill this requirement in any of the three (3) areas, then a consultant must be employed in the pertinent area to fulfill the requirements of the Head Start Act (Section 642(c)(1)). (Amended 9-18-08).**

## **ARTICLE IV. MEMBERSHIP OF THE BOARD**

### **A. PUBLIC SECTOR**

- 1. One-third of the total membership of the Board shall be comprised of public officials, including the chief elected official of each county served and represented on the Board.**
- 2. Public officials shall be defined as the chief elected officials of the political subdivisions and officials of independent public agencies.**
- 3. The Board members who represent the public sector shall be designated by the governing officials of the political subdivision(s) served by the Corporation. The governing officials shall determine jointly which public officials will serve on the Board.**
- 4. A public official who has been designated for membership on the Board may decide to appoint a permanent representative to serve on the Board in his behalf in which case he shall notify the Chairman of the Board in writing of the name of his representative. The governing officials may allot a certain number of the total seats to**



which they are entitled to officials of independent public agencies, in which case each agency shall notify the Chairman of the Board in writing of the name of its representative.

In the event the chief elected public official or other public officials are currently unavailable or unwilling to serve, they may appoint their own representative.

**B. REPRESENTATION OF THE LOW INCOME**

1. At least one-third of the total membership of the Board must be comprised of representatives of the low income.
2. Such representatives need not be low income themselves but will be selected to insure that they truly represent the low income.
3. Representatives of the low income shall be selected from various service areas of each county served. The service areas from which low-income representatives are chosen shall be determined in such a way as to insure that each low-income representative serves a reasonable proportionate share of the constituency.

4. If a target area meeting is held to select a low income representative to the Board and there are no low income representatives present at the meeting, the Board of Directors may fill the vacancy. Preference will be given to the low income.

**C. REPRESENTATION OF PRIVATE GROUPS AND INTERESTS**

1. The remainder of the Board shall be comprised of representatives from private community groups and organizations.
2. Private community groups shall be defined as any non-profit organization concerned with business, industrial, labor, religious, private welfare, private education, significant minority groups or other community interest groups. When a vacancy occurs in the private sector, the Board Chairman will contact those groups interested in serving. He will determine from the responses the community group to be represented.
3. Significant minority group representation will be continually present on the Board, and such groups will not be rotated off the Board.

4. The private community groups who will be entitled to representation on the Board shall be notified in writing of their selection and invited to select a representative to serve on the Board. The individual representative shall be a member of the group which he represents and each group or organization shall notify the Chairman of the Board in writing of the name of its representative.
5. The members of private groups will serve until removed by resignation, action of the private group, Board action, or death so long as their group continues to show interest and is willing to serve.

**D. RESIDENCE OF REPRESENTATIVES**

Every member of the Board who is selected to represent a specific geographic area within the community must reside within the area which he represents. This requirement of residency shall apply to:

1. All representatives of the low income;
2. Those public officials (or their representatives) who represent specific political subdivisions, wards, or districts; and

3. **Representatives of private community groups which are organized on a geographic basis.**

**E. VACANCIES**

**When a vacancy occurs in the public or private sector of the Board, the vacancy shall be filled in the same manner and by the same body which originally selected the representative to that seat. When a vacancy occurs in a seat on the Board representing the low income, this vacancy shall be filled in the same manner in which it was originally filled.**

**F. CONFLICT OF INTEREST**

**The Agency is free to contract for good and services from vendors of its own choosing. The Agency shall not obligate or expend any funds for purchase or rental of goods, space, or services from a member of the Board or his/her immediate family or do business with an Agency or Corporation in which either the Board member or a member of their immediate family may have a substantial financial interest. This section is specifically directed toward the elimination of any financial conflict of interest between the actions of Board members as such and their actions concerning personal interests.**

**G. NEPOTISM**

No person shall hold a job while he or his immediate family serves on a Board or Committee of Highland Rim or delegate agency if that Board or Committee has authority to order personnel actions affecting their job. For purposes of this part, a member of an immediate family shall include any of the following persons:

<b>Husband</b>	<b>Wife</b>
<b>Father</b>	<b>Father-In-Law</b>
<b>Mother</b>	<b>Mother-In-Law</b>
<b>Sister</b>	<b>Sister-In-Law</b>
<b>Brother</b>	<b>Brother-In-Law</b>
<b>Son</b>	<b>Son-In-Law</b>
<b>Daughter</b>	<b>Daughter-In-Law</b>
<b>Grandparents</b>	<b>Grandchildren</b>

A Board member desiring employment with Highland Rim Economic Corporation shall resign from the Board of Directors before applying. If a resignation is not received, the Board member shall be excluded from consideration for the employment opportunity.

**A Board member shall be required to resign from the Board of Directors for an immediate family member to be given employment consideration.**

**H. NON-DISCRIMINATION**

**Highland Rim Economic Corporation shall not discriminate in its hiring and personnel procedures against any applicant for employment and/or services, or any employee because of race, creed, color, national origin, sex, or age.**

## ARTICLE V. PETITIONING PROCEDURE

1. Any private community group or representative group of the low income which feel inadequately represented on the Board may petition for adequate representation.
2. Any such petition must be signed by fifty (50) members of the petitioning group or by 50 percent (50%) of the bonafide members of that group or organization.
3. The organization or group presenting such a petition shall be promptly afforded an informal open hearing before the Board in order that they may have a full and fair opportunity to present their request.
4. When a petitioning group is granted a seat on the Board pursuant to such a hearing that representative shall be promptly seated and afforded all rights and privileges of any other member of the Board.
5. The Board shall then be readjusted and realigned in order to maintain exactly one-third representation of public officials and at least one-third representation of the low income within the fifty-one Board membership limitation.

6. **A written statement of the Board's action on such petitions shall be submitted to the petitioning groups.**



## **ARTICLE VI. MEETINGS OF THE BOARD**

- 1. The annual meeting of the Board of Directors shall be on the third Thursday of June of each year.**
- 2. Regular meetings shall be held once a quarter. Such quarterly meetings shall be held at a time convenient to the Board of Directors on the third Thursday of the third month of each quarter.**
- 3. Special meetings may be called by the Chairman of the Board or upon the request of any twelve members of the Board pursuant to the notice requirements of this Article.**
- 4. Written notice stating the place, date, and time of all meetings shall be mailed to each Board member and will be, if necessary, communicated via a widely circulated local newspaper where it could be done without cost and public service radio announcement at least ten (10) days prior to such meeting.**
- 5. All meetings of the Board of Directors shall be held in the service area at a location specified by the Board.**
- 6. Thirty-five percent (35%) of the members of the Board of Directors of this Corporation with representation from each**

- sector at any meeting thereof shall constitute a quorum of that body. No business may be conducted at any meeting unless a quorum is present in person or telephonically. For the purpose of determining a quorum, the non-vacant seats shall determine total board membership.
7. The act of the majority of the Directors at any meeting at which a quorum is present shall be an act of the Board.
  8. All regular and special meetings shall be open to the general public.
  9. The parliamentary procedures of all meetings of this Corporation shall be conducted in accordance with Robert's Rules of Order, Revised.
  10. Secret ballot will be used in voting on all motions to (1) call a closed session of the Board, (2) remove a Board member for cause, (3) hire or fire an Executive Director of this Corporation, (4) elect any officer of this Corporation.
  11. Each member of the Board shall be entitled to one vote. Proxy voting is prohibited.
  12. (A) Any member of the Board may be removed from membership for willful misconduct. Removal for cause

**must be supported by a two-thirds vote of a meeting at which a quorum is present.**

**(B) Any member of the Board who, without just cause, is absent from three (3) consecutive regularly scheduled meetings of the Board may be removed by a two-thirds vote of the Board conducted by secret ballot.**

**(C) Any member of the Board who ceases to be a member of the service area group or private community organization which he represents on the Board, or any public official who ceases to hold the office which entitles him to sit on the Board shall no longer be a member of the Board.**

**13. An agenda of each special called meeting of the Board shall accompany the notice of that meeting and shall be sent to all Board members. No meeting, be it regularly scheduled or special called, may address the issues of (1) removal of a member of the Board for cause, (2) the election of officer(s) of the Board, (3) the amendment or revision of these by-laws, or (4) the hiring or firing of the Executive Director of this Corporation unless such items appear on an agenda circulated pursuant to the requirements of this Article.**

14. **Written minutes of regular or called meetings will be kept on file in the Central Office of Highland Rim Economic Corporation.**
  
15. **All books and records of activities of the Agency shall be available for public inspection except in cases where disclosure of such documents would involve an undue administrative burden on the Agency, constitute a breach of confidentiality, or interfere with the internal decision making processes of the Agency. Notwithstanding the above exceptions, it will be the policy of the Agency to implement this procedure to the satisfaction of the public.**

## ARTICLE VII. OFFICERS OF THE BOARD

1. The officers of this Corporation shall be the Chairman, Vice Chairman, and Secretary. All officers of this Corporation shall be duly elected members of the Board.

Chairman of the Board. The Chairman shall be the principal representative of the Corporation and, subject to the control of the Board, shall, in general, oversee all of the business and affairs of the Corporation.

He shall preside at all meetings of the Board. He may sign, with the Secretary or any other designated individual thereto authorized by the Board, any contract, check, agreement or other instrument which the Board has authorized.

He shall, in general, perform all duties incident to the office of Chairman and such other duties as may be prescribed by the Board from time to time.

Vice Chairman. The Vice Chairman shall perform all duties of the Chairman of the Board in the absence of that officer. He may perform such other duties as may be assigned him by the Board.

- Secretary.** The Secretary shall: (a) keep the minutes of the Board, (b) see that all notices are duly given in accordance with the provisions of these by-laws and as required by law, (c) be custodian of the records of the Board, and (d) keep a register of the post office address of each Director.
2. No officer of this Corporation shall receive compensation for duties performed in the exercise of his office.
  3. All officers of this Corporation shall be elected at the annual meeting of the Board which shall be held on the third Thursday of June of each year. Each officer shall serve for a period of one year and may succeed himself in office upon a proper act of the Board.
  4. Any vacancy in any office because of death, resignation, or otherwise, may be filled by the Board for the unexpired portion of the term.

## ARTICLE VIII. COMMITTEES OF THE BOARD

1. (A) Executive Committee. The Executive Committee shall be composed of the principal officers of the Corporation and three (3) other Board members. This Committee shall be empowered to conduct Board business between regular Board meetings when time or circumstances do not warrant a called meeting. (Amended 11/05/2009)
  
- (B) Other Standing Committees. The Chairman of the Board will appoint such other Standing Committees as the Board will deem necessary. Such Standing Committees may include, but shall not be limited to, a Personnel Committee, a Grievance Committee, a Planning Committee, a Human Rights Committee, an Evaluation Committee, and a Nominating Committee.
  
- a. Personnel Committee. The Board of Directors shall elect from among its members a Personnel Committee. This Committee shall be composed of no less than three (3) members, whose duties shall be to assist the Executive Director with personnel

matters when requested to do so or when so directed by the Board of Directors.

- b. Grievance Committee. The Board of Directors shall elect from among its members a Grievance Committee. This Committee shall be composed of no less than three members, whose duties shall be to receive and act on all employee grievances and complaints in accordance with the Agency's Personnel Policies.
- c. Planning Committee. The Board of Directors shall elect from among its members a Planning Committee. This Committee shall be composed of no less than three (3) members, whose duties shall be to conduct research, determine priorities, develop programs, and recommend policy to the Board.
- d. Human Rights Committee. The Board of Directors shall elect from among its members a Human Rights Committee. This Committee shall be composed of no less than three (3) members, whose duties shall be to address questions con-



cerning equal opportunity and human rights.

- e. **Evaluation Committee.** The Board of Directors shall elect from among its members an Evaluation Committee. This Committee shall be composed of no less than three (3) members, whose duties shall be to evaluate all programs of the Agency at regular intervals and report/recommend to the Board their findings. Recommendations shall also include proposals to implement and assist in the completion of such programs.
  
2. **Special Committees.** The Chairman of the Board may appoint special committees from time to time depending upon the needs of the Board. Such Committees may have policymaking or advisory functions and shall serve for as long as their need exists.
  
3. **Membership.** All Standing and Special Committees of the Board shall fairly reflect the composition of the full Board and at least one-third of their number shall be representatives of the low income.
  
4. **Ratification.** Any and all acts of any and all standing and

special committees must be ratified by an act of the Board at the next scheduled meeting of that body.

5. **Quorum and Act.** A simple majority of any Committee shall constitute a quorum of that Committee. Any act of the majority of a Committee at which a quorum is present shall constitute an act of that Committee.
  - a. **Notice.** Each member of any Committee must be notified in writing of the time, date, and location of such meeting at least five (5) days before the Committee shall meet. The requirement for notice may be waived, however, upon agreement of all members of that Committee.

## **ARTICLE IX. POWERS OF THE BOARD**

**The Board of Directors shall be responsible for developing/approving plans and programs of the Agency.**

**In this regard the Board shall have the power to receive and administer funds and contributions from private, local, and public sources and to receive and administer funds under any Federal, State, or local program pursuant to the requirements of those programs.**

**The Board shall have the power to transfer funds so received and to delegate powers to other agencies subject to its overall program responsibilities.**

**The Board of Directors shall provide oversight and leadership for Highland Rim Economic Corporation. The execution of the plans, programs, and policies of the Agency shall be the responsibility of the Executive Director. The Board of Directors shall maintain a chain of command which designates the Executive Director as directly responsible to the Board and all other staff responsible to the Executive Director. The Board shall hear no comments, complaints, or grievances from staff members unless they have been previously brought before the Executive Director for resolution. Such comments, complaints, or grievances shall be forwarded in**

accordance with the grievance procedures outlined in Agency Personnel Policies. The Board of Directors will not involve itself in the daily operation of the Agency.

The Board Chairman and/or the Executive Director shall represent Highland Rim Economic Corporation and shall speak on behalf of the Agency.

The Board of Directors shall adhere to Part 1304.50 Appendix A, Governance and Management Responsibilities, in the operation of Head Start. A copy of this document will be provided to the Board of Directors.

The Board of Directors expect oral and/or written reports at the Board meetings in order to be informed about occurrences in the Head Start Program.

## **ARTICLE X. NON-POLITICAL ACTIVITY**

**During duty hours, no employee of Highland Rim Economic Corporation shall engage in any political activity.**

## **ARTICLE XI. RESOLUTION OF CONFLICTS**

**The following procedures will allow Highland Rim Economic Corporation and the Head Start Policy Council to resolve differences in an orderly manner.**

**Highland Rim Economic Corporation desires that all matters which are presented to the Board of Directors and the Policy Council be presented in a fashion that allows all parties ample time to ask questions concerning the issue and to make comments as to their concerns. When the Board of Directors and the Policy Council do not agree, the following procedures will be followed to allow for a timely solution to the differences.**

**If issues have arisen upon which the Board of Directors and the Policy Council can not agree, the parties must attempt to resolve them by means of additional meetings. After such meetings, if the Board of Directors believes the Policy Council will not approve its decision, they shall notify the Policy Council in writing. The notice shall contain a statement of the factors supporting their proposed decision or action.**

**Within 10 days after receipt of the notice, the Policy Council shall hold a special meeting to consider the Board's proposed decision or**

action. Immediately after the special meeting, the Policy Council shall notify the Board in writing of its approval or disapproval of the proposed decision or action. If the notice is of disapproval, it shall contain a statement of the reasons.

In the event of a disapproval and if the Board desires further consideration of the matter, it shall initiate a meeting between itself and the Policy Council for the purpose of attempting to resolve their differences.

If after these efforts, the Board and the Policy Council are unable to reach an agreement, the proposed decision or action shall not be taken.

A mediator (neutral third party who does not decide the dispute) may be brought in to assist both the Board and the Policy Council to focus their interests and goals in order to come to an agreement that meets their individual and mutual objectives. Mediators are prohibited from discussing the case with anyone outside the mediation process and only one person from each side is allowed to present the facts for consideration. A mediator's fee is an allowable cost to the program grant, however, approval is required from a federal official.

When an impasse occurs and the conflict involves hiring or firing of

the Head Start Director, a grant request for refunding, or major changes in budget and work programs while the program is in operation, the Board must require that it be submitted to binding arbitration. The arbitration shall be conducted by a panel of three (3) arbiters, one to be designated by the Board of Directors, one to be designated by the Policy Council, and the third who will be designated by the other two members and who will serve as chairperson of the arbitration panel. The arbiters shall be persons of good reputation and standing in the community and shall not be associated with the Head Start Program. If the two arbiters first designated are unable to agree upon a third arbiter within seven (7) days after the designation of the second of them, they will request the State or local bar association or the American Arbitration Association to name one of its members who would be willing to serve as chairman. None of the arbiters shall be relatives of any of the parties and they shall serve without compensation.

When the Board decides to submit the impasse to arbitration, it shall notify the Policy Council in writing that the impasse is to be resolved by binding arbitration. The Notice shall include:

- a. A statement of the issue on which the Board and the Policy Council are at impasse;



- b. The name and address of the person the Board has designated as a member of the arbitration panel;**
- c. A request that the Policy Council designate a member of the arbitration panel within seven (7) days of the receipt of the Notice and instruct him/her to communicate immediately with the person designated by the Board for the purpose of selecting the third member of the panel; and**
- d. The Board shall send a copy of the Notice to the Head Start Regional Office.**

**Failure by the Policy Council to designate an arbiter within seven (7) days of receipt of the Notice of Arbitration shall be a default and shall be considered to be approval of the Board's proposed action.**

**The Arbitration Panel shall schedule the arbitration hearing within a reasonable time but not more than twenty (20) days after the designation of the third arbiter. The hearing shall be held in the locality of Highland Rim Economic Corporation, but not in their offices, at a place fixed by the Arbitration Panel with consideration of the convenience of the parties.**

**The Board and the Policy Council are the parties to the arbitration**

hearing. Highland Rim Economic Corporation shall assume any expenses entailed by the arbitration and shall provide clerical and other support as needed.

The duty of the Arbitration Panel is to resolve the issues in dispute as expeditiously and fairly as possible at the minimum expense to the parties involved. The proceedings of the Arbitration Panel shall consist of:

- a. Oral presentation of the Policy Council position, including minority views if there are any;
- b. Oral presentation of the Board's position;
- c. Response by both parties to such questions as the panel wishes to ask;
- d. Informal cross examination of each party by the other, within the limits allowed by the Panel;
- e. Such additional presentation of oral or written materials as the Panel deems necessary to fully apprise it of relevant facts for an informed decision. The parties may suggest to the Panel additional relevant witnesses or materials that would be helpful to the Panel;

- f. If the Panel needs additional material such as budget statements, Head Start regulations or other materials of that nature, the Board has the duty to provide the panel with such documents.**

**Both parties are obligated to act in good faith before and during the proceedings. Neither party may communicate with the arbitrators once the Panel has been selected except at formal meetings attended by all parties. Any attempt to intimidate an arbitrator shall be reported to the Regional Office and shall result in a default judgment against the party guilty of it.**

**Refusal to comply with directions, continued use of delaying tactics by any person at the hearing, or other obstructive tactics shall constitute grounds for immediate exclusion of such person from the hearing by the chairperson.**

**The arbitration procedures do not preclude the parties from compromising their differences and reaching a settlement so long as no final decision has been issued by the Panel.**

**Both the Board and the Policy Council shall designate one and only one of its members to represent them at the proceedings.**

**The Arbitration Panel shall issue its decision in writing fifteen (15)**

**days after the Panel meeting. Copies shall be sent promptly to Highland Rim Economic Corporation, the Policy Council, and the Regional Office.**

**The final decision shall be binding on both parties and there shall be no appeal. Failure to abide by the final decision by Highland Rim Economic Corporation is grounds for denial of the application for refunding, for suspension and termination of financial assistance, or for denial of the application for amendment to the budget or work program.**