

TSA Board Reorganization Summary Presentation

to TSA's Board of Directors

**By Tom Jankowski, PhD
Board Reorganization Committee, Chairman**

At the end of this meeting, you are going to be asked to cast perhaps your most important votes ever in your role as a member of The Senior Alliance Board of Directors. You will be asked to approve a dramatic change in the way that Board seats are allocated and Board membership is determined, and then you will be asked to dissolve the current Board on which you sit. This also means that, for most of us, our votes today will be the last votes we ever cast as TSA board members. Because these votes are so important, and so dramatic, and with such permanent effect, I asked Chairman Henningsen for the opportunity to address the board today to explain why I think this change is necessary, how the details of the change were worked out by the Ad Hoc committee and why we made the decisions we did, and to answer any questions you may have before we proceed. Everyone here today needs to understand the issues, understand what's at stake, understand their duties and responsibilities as board members, and understand what will happen if we fail to act.

Now, I know there are people in this room who disagree with the nature of the problem as identified by the Michigan Office of Services to the Aging, and don't like the solution the Ad Hoc Committee has proposed. That's OK. However, I've also heard grumbling that there is some kind of nefarious intent behind this change, some kind of power play or attempt to take over TSA by the Executive Director, or that it involves an ill-advised distortion of the organization that would betray the communities and the seniors that it is meant to serve. That is not OK, because nothing could be further from the truth. The fact of the matter is that we are recommending these changes as a way keeping faith with our communities and our seniors by addressing the very serious and valid findings of OSA, which holds an enormous amount of power over this organization. It is also a fact that TSA staff have not influenced our recommendations at all, except when the Ad Hoc committee has intentionally reached out to seek their advice. In particular, I want to assure you that Bob Brown has had almost no involvement in this process whatsoever, and that he has made no attempt to persuade me, or anyone else on the committee, to take any action in one direction or another. I cannot stress that enough: The Ad Hoc committee acted independently. We reached the decision we did not because of some ulterior motives, but because we gathered all the information we could, carefully considered the options before us, and chose the ones we thought would be best for TSA and our older citizens. Those who see some kind of plot or conspiracy here are simply mistaken. We've done all of our work in the public eye, in the clear light of day, and had all of our debates and discussions out loud and in the open, right in this room. We've invited everyone to attend

and offer their input, and we've posted all associated materials and documents on the TSA website for everyone to see. Nothing was hidden, nothing was obscured, nothing was whispered. I can assure you that I and my fellow Ad Hoc committee members have carried out our duties seriously, soberly, thoughtfully, in good faith, and with a deep sense of responsibility to this organization and to the people it serves. You may not like the solution we devised, but please don't question our motives, our integrity, or our devotion to TSA or our community's seniors. We did the best job we could under a great deal of pressure to design the best possible board reorganization scheme to carry The Senior Alliance forward into the future.

Findings

Now, as we all know, the reason we are recommending this change is because the Michigan Office of Services to the Aging has required that we reorganize our board of directors to eliminate conflicts of interest, and has strongly suggested that in doing so, we also reduce the size of the board. I hope you've all taken the opportunity to read OSA's findings, which have been distributed here and posted on the website. In a nutshell, OSA says that too many of our members have conflicts of interest because they draw a paycheck from organizations—mostly municipal senior centers—that are or could be TSA contractors for senior center staffing, health promotion, or transportation programs. You may quibble with those findings, but protesting will do you no good because the folks at OSA have made up their minds. They have given us a good deal of latitude regarding exactly how we are going to change the board to eliminate apparent conflict of interest, but they have not given us a choice about whether to change or not. We have to do it. It's as simple as that. We have no choice.

Principles and Values

Now, several of you have expressed dismay at this change because you feel that if we change the way the board is structured, we will break the ties between TSA and the communities within its planning and service area. That has been a critical concern of the Ad Hoc committee as we've gone about our business, and we have given it a tremendous amount of thought. The nature of the board as a body representative of the communities in which it operates is something that we have sought to maintain, a consideration we always kept at the top of our list alongside the goals of eliminating actual or potential conflicts of interest and reducing the size of the board to something a bit more manageable. Others have expressed dismay that, by effectively eliminating conflicts of interest, we will be losing people with valuable experience and knowledge about our older citizens and the supports and services they need. This was also something that the Ad Hoc committee thought about and discussed quite a lot, and it is a valid concern. Unfortunately, there is no way to reconcile these conflicting values. We cannot keep the same people on the board while eliminating the conflicts of interest and continuing to fund all the services and programs that TSA's vendors provide. It is impossible. If we want to continue to fund the services that local communities provide to their seniors—and we do—we must restructure the board. However, the Ad Hoc committee has come to recognize that the board of

directors is not the only mechanism for capturing and exploiting that expertise, and in fact may not even be the best mechanism for doing so. Based on the experience of most of the other area agencies in Michigan and across the country, it is the Advisory Council that is the proper forum for rigorously debating policy and carefully developing effective programs to recommend for implementation by the board. And since the Advisory Council has no role in approving contracts or expenditures, conflict of interest is not a problem. If you are ineligible to serve on the new board due to your role as a senior center director, and if you are still interested in lending your expertise to TSA and helping to support the programs and services it provides for Western Wayne and Downriver seniors, I would strongly urge you to apply for membership on the Advisory Council. We envision an expanded and more active role for the Advisory Council after the board reorganization, and TSA can use your help to realize that vision. And by the way, if you have no conflict of interest and are eligible to serve on the new board after the old board has been disbanded—and there are several people in this room, people who have served TSA well for many years, who will still be eligible to sit on the new board—I would strongly urge you to approach your mayor or supervisor immediately after this meeting and ask to be nominated for board membership under the new scheme.

Meetings

OK, without taking too much time, I'd like to give you an overview of what the Ad Hoc committee did and how and why we did it. We met six times between late August and early November for a total of about 15 and a half hours. That is a lot of time. Between meetings, staff conducted research and prepared reports that we requested to be presented at the next meeting to inform our discussions. I am sure they collectively performed dozens if not hundreds of hours worth of work to provide us with the extensive information we asked for.

We included ample time in each of our meetings for public comments, and our third meeting included a lengthy public hearing component. We also decided in our third meeting that, not only would we allow time for public comments at the beginning of each subsequent meeting, but we'd allow them at the end as well. We also accepted written input during and between all meetings. In other words, we offered plenty of opportunities for those who were interested to tell us how they felt about the situation and what they thought we should do about it. Many of you took advantage of those opportunities; indeed, a few of the people in this room who did not sit on the committee attended every or nearly every meeting we held. I am grateful for their involvement, for their ideas, and for their devotion and dedication to The Senior Alliance. Even if we did not ultimately adopt their recommendations, we always listened carefully and gave them serious consideration, and they always helped to inform the decisions we made.

Information Considered

We considered a wide array of relevant information when making our decision. We consulted with attorneys and with experts on non-profit organizations, area agencies on aging, and board governance issues. We reviewed federal and state law, OSA operating standards,

TSA's bylaws and articles of incorporation, and Roberts Rules of Order. We compared TSA's board and advisory council to those of other area agencies on aging in Michigan in detail and across several different characteristics. We closely examined the structure, operation, and history of our board, member attendance, and board alternates. We took into consideration population demographics, local and county governments, TSA funding, quality improvement principles, political theory, organizational psychology, and countless other things that could have an impact on how TSA's new board might operate. We had an extensive discussion with Lynn Kellogg, the CEO of area agency on aging region 4 in Southwest Michigan, who has extensive aging network experience, is a past president of the National Association of Area Agencies on Aging, and was involved in a similar reorganization of her board several years ago. We combed through TSA by-laws, word by word, and carefully considered the meaning of each phrase related to the board and the conflict of interest policy. We did our best to gather and consider every relevant scrap of information that might impinge on our decision, and trust me: We tried to leave no stone unturned in the limited time we had.

Decisions and Justification

What alternatives did we consider and why did we settle on the by-law changes we are recommending to adopt today? Well, the first thing we considered was to just leave the board structure the way it is, with each of the 34 communities in Western Wayne and Downriver appointing one board member, and to solve the conflict of interest problem instead by either limiting who is eligible to serve on the board or by eliminating senior center staffing funding, senior center-based health promotion and disease prevention programs, and funding to local communities for senior transportation programs. We agreed that it would be unwise to eliminate these programs, and that although OSA's finding regarding board size was not an absolute requirement but rather a strong recommendation, it would be in the best interest of TSA to cooperate with OSA in reducing the size of our board. After all, TSA's board of 37 is the largest in the state; most of the other area agencies have boards of 20 or less. We decided that the recommended size reduction was well-advised, and that it could only be accomplished by changing the way that board seats are apportioned.

The next thing we considered was the matter of how to apportion those seats. We closely examined several alternatives, including rotating appointments, grouping communities into TSA-defined zones or clusters based on senior population for the purposes of apportioning seats, using Wayne County commission districts to group communities, or using the Conference of Western Wayne and the Downriver Community Conference to apportion board seats and to appoint members. After lots of consideration and debate, we chose the latter option because the others involved too many difficulties and complications. We decided that the simplest solution, and the one that best preserved the relationship between TSA and the chief elected officials of the local cities and townships via their membership in the regional conferences, was the preferable alternative. This way, the mayors and supervisors will still be directly responsible for making appointments to the TSA board, only they will have to do so in concert and in cooperation with

their fellow mayors and supervisors in a forum that is designed to help them promote their common interests. I honestly do not believe that we could have come up with a better way to reduce the size of the board and maintain its representative nature.

We then considered the details of board membership, the ideal size of the board, terms of office, and term limits. OSA, in their findings, had suggested a board size of 17 or less, based on their study of other area agency boards. We decided that we would allow the CWW and DCC governing bodies made up of mayors and supervisors to each appoint six members to represent their respective areas, and to allow those 12 members to appoint six additional at-large members, including the Advisory Council chair, for a total board size of 18. We decided that staggered three-year terms would be best, so that every year six seats or one-third of the board would be up for appointment. And we decided against term limits; all members will be subject to unlimited reappointment if that is what they and those who appoint them desire.

We thought carefully about how to deal with the community match issue. Several commentators pointed out that the current board structure is explicitly tied to the matching funds the 34 communities are asked to donate to TSA, and that their ability to appoint a voting member to the TSA board is contingent on their willingness to contribute matching funds. We ultimately decided that, while we would still strongly encourage each community to provide matching funds to TSA for the good of their seniors, because of the new appointment scheme and because of the financial difficulties our communities are facing, we would de-couple the provision of matching funds and voting privileges on the board. Each city and township will still be asked and persuaded and expected to contribute to TSA, but they and their older residents will face no penalty for failing to do so.

We also considered the conflict of interest issue and added specific definitions of eligibility for board membership to TSA's bylaws. We decided to prohibit employees, officers, board members, or anyone with a financial interest in any service provider organization from serving on the TSA board, as well as their family members, companions, and business associates. This is standard practice in most areas across the state, and we are merely getting in line with standard practice.

Now, of course, these and other related changes we made to the by-laws required extensive revisions to the by-law language, and it would take the rest of the day to review them in detail. The by-law revisions were announced and posted on the TSA website over one month ago, and are contained in your board packet. I hope you have taken the opportunity you've been given to read them carefully before coming to this meeting. If you have specific questions about the new by-law wording, my fellow committee members and I, with the assistance of staff, will do our best to answer them. However, although you have a right to demand that we discuss each and every word of the by-law revisions we have recommended here in this meeting today, I beg that you please not do that. To do that in a thorough fashion would literally take hours, probably six hours at the very least, and I'm afraid that if we do that we will lose our quorum as people

need to leave. If that happens we will be unable to act at all, and that could lead to a tragic end for The Senior Alliance.

Conclusion

I've been asked several times why OSA has the ability to force us to make this change, and the answer is simple: Because under section 305, subsection (a)(2), paragraph (A) of the Older Americans Act, the state unit on aging, which in Michigan's case is the Office of Services to the Aging, has the power to designate which agencies or organizations shall serve as the area agencies on aging within the state. And under section 305, subsection (b)(5), paragraph (C), state units on aging including OSA were explicitly granted the power to revoke that designation as well. And let me be blunt: If we do not satisfy OSA, they have made it abundantly clear that they will begin the process of revoking our designation as the area agency on aging for Western Wayne and Downriver. I believe this is no idle threat. They are not messing around. If OSA revokes TSA's designation, nearly all of our funding and services and our reasons for being will be swept away, and TSA will be mortally wounded. My friends, we cannot allow that to happen. Thousands of seniors and disabled citizens rely on TSA to help them live independently in our communities, and we cannot let the support they get from TSA be disrupted. We cannot let our seniors down. It is our responsibility to act.

Others have asked: If the conflict of interest issue is so important, why is it just being addressed now? I cannot answer that question. Just like, I cannot tell you why my ten-year-old Ford Windstar was recalled last month for a potentially deadly problem that has existed ever since the vehicle was built. It is what it is. And the fact is, it really doesn't matter in a practical sense why it took so long to deal with this issue. What matters is that OSA has identified what they believe to be an intolerable moral and legal hazard, and they are not willing to bend on that finding. They have asked us to address it now, by the end of this year. We cannot fail to respond to their concerns, and we cannot fail to do so right now, today, since this is our last board meeting of the year. If we fail to act, we will fail at our most basic and most important responsibility as board members, which is to ensure the survival and viability of this organization. We must preserve The Senior Alliance, even if we cannot preserve our seats on the board of directors. Mark my words: If we do not adopt the board reorganization plan, we still won't be able to save the board because TSA itself will soon cease to exist. Either way, this board in its current configuration is going down. Please let us not take the entire organization down with it. Please vote to approve the changes the Ad Hoc committee has recommended.