

BYLAWS
OF THE
OPERATING BOARD OF DIRECTORS
COUNTY OF DEKALB
DEKALB, ILLINOIS

Amended & Approved by the DeKalb County Board: May 21, 2014

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OPERATING BOARD OF DIRECTORS
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INTRODUCTION

The County of DeKalb operates a nursing and rehabilitation facility known as DeKalb County Rehab & Nursing Center (The Center), located in DeKalb, Illinois at 2600 North Annie Glidden Road. The County operates and maintains The Center in accordance with the statutes of the State of Illinois as they pertain to County Homes (Reference Counties Code 55 ILCS 5/1 B 1001 *et seq.*). The County of DeKalb has elected to carry out its responsibilities for The Center through the Rehab & Nursing Center Operating Board. With these Bylaws, the County of DeKalb establishes a formal governance process that the Committee, as the Operating Board for The Center, is to follow.

ARTICLE I
NAME AND PURPOSES

The name of the nursing and rehabilitation facility shall be DeKalb County Rehabilitation and Nursing Center. The principal purpose of The Center shall be the offering of skilled nursing and rehabilitation services.

ARTICLE II
GOVERNING AUTHORITY

Except as set forth in these Bylaws, the authority and ultimate responsibility for the operation of The Center shall rest with the DeKalb County Board. Nothing in these Bylaws shall be interpreted to the contrary.

ARTICLE III

OPERATING AUTHORITY

Section 1. POWERS

Except as otherwise provided by the DeKalb County Board, these Bylaws, or applicable law, the activities and affairs of The Center shall be conducted and all powers shall be exercised by or members of the Operating Board referred to as Directors. It shall be the responsibility of the Operating Board to govern The Center according to all applicable laws and regulations and in such a manner that The Center is self-supporting, operating within its revenues and without County subsidy.

Section 2. NUMBER AND QUALIFICATION

The Operating Board shall consist of seven (7) persons. Directors shall be selected from DeKalb County residents who possess the ability to participate effectively in the discharge of the Operating Board's responsibilities. Specific expertise in the health care field, generally, and in long-term care, specifically, is a desirable, but not an exclusive, criterion for qualification as a Director. At least two (2) Directors shall be members of the DeKalb County Board.

Section 3. ELECTION

The Directors shall be elected by the DeKalb County Board in February, except for the filling of vacancies as provided in Section 5 and 6 below.

Section 4. TERM

Each Director shall hold office for staggered terms of two years. Each Director, including a Director elected to fill a vacancy, shall hold office until expiration of the term for which elected and until a successor has been elected and qualified. Directors may be re-elected to successive terms, provided no Director may serve for more than four (4) consecutive two (2) year terms without being off the Operating Board at least one year.

Section 5. RESIGNATION

Any Director may resign at any time, either by oral tender of resignation at any meeting of the Operating Board or by giving written notice thereof to the Chairperson of the DeKalb County Board. Such resignation shall take effect at the time specified therefore and, unless otherwise specified with respect thereto, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. REMOVAL

A Director may be removed, with or without cause, by action of a majority of the DeKalb County Board.

Section 7. VACANCIES

Any vacancy occurring on the Operating Board shall be filled by the DeKalb County Board. A Director elected to fill a vacancy occurring on the Operating Board shall serve for the unexpired term of his or her predecessor in the office.

ARTICLE IV MEETINGS OF THE OPERATING BOARD

Section 1. PLACE OF MEETING

All meetings of the Operating Board shall be held at The Center or at such other place as may be designated for that purpose from time to time by the Chairperson of the Operating Board.

Section 2. ORGANIZATIONAL MEETINGS

As soon as reasonably practicable, and within thirty (30) days after the election of Directors, and after any special meeting of the DeKalb County Board at which Directors have been elected, the Directors shall meet for the purpose of organizing the Operating Board, for the election of officers and for the transaction of such other business as may come before the Operating Board.

Section 3. REGULAR MEETINGS

Regular meetings of the Operating Board shall be held at such time and place as the Operating Board may fix by resolution from time to time. Notice of all regular meeting of the Operating Board will be given pursuant to Illinois Law.

Section 4. SPECIAL MEETINGS

Special meetings of the Operating Board for any purpose or purposes may be called at any time by the Chairperson or by any three (3) Directors.

Section 5. NOTICE OF MEETINGS

Notice of all meetings shall comply with comply with the requirements set forth in Illinois law. Notice of the time and place of all meetings shall be delivered personally, by email, by telephone, or sent by first-class mail or telegram, charges prepaid, addressed to each Director at that Director's address as it is shown on the records of the corporation. In

case the notice is mailed, it shall be deposited in the United States mail at least seven (7) before the time of the holding of the meeting.

In case the notice is delivered personally, by email, or by telephone or telegram, it shall be delivered personally or by telephone to the telegraph company at least forty-eight (48) hours before the time of the holding of the meeting. Any oral notice given personally or by telephone may be communicated either to the Director or to a person at the office of the Director who the person giving the notice has reason to believe will promptly communicate it to the Director. The time period for notices of organizational meetings of the Operating Board shall be as stated above, but extended by seven (7) days.

Section 6. QUORUM

A majority of the Operating Board shall constitute a quorum for the transaction of business at any meeting of the Operating Board, but if fewer than a majority thereof are present at the meeting, a majority of the Directors present may adjourn and reconvene the meeting from time to time without further notice.

Section 7. ATTENDANCE AT MEETINGS

Members of the DeKalb County Board shall be allowed to attend all meetings of the Operating Board, including Executive Sessions which may be called from time to time.

Section 8. MINUTES

Minutes shall be kept of all meetings of the Operating Board with a copy forwarded to the DeKalb County Board and an official permanent copy filed with the DeKalb County Clerk's Office.

ARTICLE V **OFFICERS**

Section 1. OFFICERS

The officers of the Operating Board shall be a Chairperson and a Vice-Chairperson.

Section 2. ELECTION OF OFFICERS

The officers of the Operating Board shall be elected annually by the Operating Board at its organizational meeting for a term of one year or until he or she shall resign or shall be removed, or otherwise disqualified to serve, or his or her successor shall be elected and qualified. Elections shall be by written ballot. Officers shall be limited to two (2) consecutive one (1) year terms in the same office.

Section 3. REMOVAL OF OFFICERS

Any officer may be removed either with or without cause by a majority of the Directors then in office at any regular or special meeting of the Operating Board. Should a vacancy occur in any office as a result of death, resignation, removal, disqualification or any other cause, the Operating Board will elect a successor at its next meeting or as soon as practicable thereafter.

Section 4. CHAIRPERSON

The Chairperson shall preside at all meetings of the Board, serve as an ex-officio member of all standing committees, and report annually to the Operating Board and to the DeKalb County Board on the current state of The Center and plans for the future. The Chairperson shall be empowered to call special meetings of the Operating Board as set forth herein, and shall discharge all other duties as may be required by these Bylaws and from time to time as may be assigned by the Operating Board and the DeKalb County Board.

Section 5. VICE CHAIRPERSON

In the absence or disability of the Chairperson, the Vice-Chairperson shall perform all 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.

Section 6. MANAGER

The Manager, in accordance with Operating Board policy, shall have the general overall supervision of The Center affairs and shall act as the duly authorized representative of the Operating Board in all matters in which the Operating Board has not formally designated some other person to act. The Manager shall have the right to appoint such subordinate administrative individuals as he/she deems necessary or desirable to insure the efficient conduct of the business and operations of The Center.

Section 7. ADMINISTRATOR

The Administrator shall be designated by the Operating Board upon the recommendation of the Manager. The Administrator shall report to and be responsible to the Manager and shall perform the duties associated with the day-to-day administration of the facilities and shall supervise the Director of Nursing. In the absence of the Administrator, the Manager may temporarily perform the duties of the Administrator.

ARTICLE VI **COMMITTEES**

Section 1. COMMITTEES GENERALLY

Except as otherwise provided by these Bylaws, the Operating Board may, by resolution or resolutions passed by a majority of the Directors thereof, appoint standing or special Committees for any purpose and, if such Committees are comprised solely of Directors, delegate to such Committees any of the powers and authority of the Operating Board, except the power and authority to adopt, amend, or repeal these Bylaws, or such other powers as may be prohibited by law or by these Bylaws. Such Committees shall have power to act only in intervals between meetings of the Operating Board and shall at all times be subject to the control of the Operating Board. The Operating Board, or if the Operating Board does not act, the Committees, shall establish rules and regulations for meetings and shall meet at such times as are deemed necessary, provided the provisions of Section 5,6,and 7 of Article IV (*Meetings of the Operating Board*) shall apply to Committee Meetings. Committees shall keep regular minutes of proceedings and report the same to the Operating Board from time to time as the Operating Board may require. Any Committee not appointed pursuant to the provisions of the first sentence of this section or composed of persons, one or more of whom are not Directors, may act solely in an advisory capacity to the Operating Board. Except as otherwise provided in these Bylaws, the Chairperson shall appoint Committee Members and designate the chair of the Committee.

Section 2. NOMINATING COMMITTEE

The Nominating Committee shall consist of at least three (3) persons appointed by the Chairperson of the Operating Board. This Committee shall have the responsibility of maintaining a roster of qualified persons for recommendation to the DeKalb County Board to serve as Directors. In the absence of a Nominating Committee, the Operating Board shall have the responsibility of maintaining a roster of qualified persons for recommendation to the DeKalb County Board to serve as Directors.

Section 3. TERM OF OFFICE

The Chairperson, and each member of any Operating Board Committee, shall serve until the next annual election of Directors, and until his or her successor is appointed, or until such Committee is sooner terminated, or until he or she is removed, resigns, ceases to be a Director of the Operating Board, or otherwise ceases to qualify as a Chairman or Director, as the case may be, of the Operating Board.

Section 4. VACANCIES

Vacancies on any Committee may be filled for the unexpired portion of the term in the same manner as provided in the case of original appointment.

Section 5. EXPENDITURES

Any expenditure of The Center funds by a Committee shall require prior approval of the Operating Board.

ARTICLE VII **QUALITY OF NURSING & REHAB SERVICES**

Section 1. OPERATING BOARDS RESPONSIBILITY

The Operating Board shall require: (a) that the Nursing Staff prepare and maintain adequate and accurate medical records for all patients, and (b) that the person responsible for each basic and supplemental medical service cause written policies and procedures to be developed and maintained and that such policies be approved by the Operating Board. The Operating Board shall further require, after considering the recommendations of the Nursing Staff, the conduct of specific review and evaluation activities to assess, preserve, insure, and improve the overall quality and efficiency of patient care at The Center and to assure the provision of a single standard of care for patients with the same diagnosis, which assurance is provided by holding The Center staff accountable for its delegated responsibilities in areas of utilization review, and quality assurance. The Operating Board shall provide whatever administrative assistance is reasonably necessary to support and facilitate the implementation and the ongoing operation of these review and evaluation activities.

Section 2. ACCOUNTABILITY TO OPERATING BOARD

The Center staff shall conduct and be accountable to the Operating Board for conducting activities that contribute to the preservation and improvement of the quality and efficiency of patient care provided in The Center. Without limiting the generality of the foregoing, these activities shall include:

- a) The conduct of periodic meetings at regular intervals to review and evaluate the quality of patient care and the correction of identified problems;
- b) Ongoing monitoring of patient care practices through the defined functions of the Nursing Staff, other professional services and The Center administration;
- c) Review of utilization of the Centers medical resources to provide for their allocation to meet the needs of the patients; and
- d) Such other measures as the Operating Board may, after considering the advice of the Nursing Staff, other professional services and The Center administration, deem necessary for the preservation and improvement of the quality and efficiency of patient care.

Section 3. DOCUMENTATION

The Operating Board shall require, receive, consider and act upon the findings and recommendations emanating from the activities required by Section 2 of this Article. All such findings and recommendations shall be in writing, assigned by the persons responsible for conducting the review activities and supported and accompanied by appropriate documentation upon which the Operating Board can take informed action.

ARTICLE VIII **ADJUNCT ORGANIZATIONS**

From time to time The Center may establish adjunct organizations, including advisory bodies, foundations, and auxiliaries. Each such group shall establish its own Bylaws and rules and regulations and present them to the Operating Board for approval, and all amendments thereto shall also be subject to the approval of the Operating Board. The Bylaws of the Rehab & Nursing Center Operating Board shall prevail and govern over the documents and actions of such adjunct and subordinate groups.

ARTICLE IX **INDEMNIFICATION**

The County of DeKalb shall indemnify its Directors, officers, agents, employees, and appointees who are or were parties or who are threatened to be made parties to any proceeding against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding in accordance with and subject to the limitations prescribed by the Constitution of the State of Illinois of 1970, applicable State law, and the DeKalb County Indemnity Policy as adopted on October 16, 1996 and as modified from time to time.

The County of DeKalb shall also have the power to maintain / provide insurance on behalf of its Directors, officers, agents, employees, and appointees against any liability asserted against or incurred by them in their capacity as such Director, officer, agent, employee, or appointee arising out of their status as such whether or not the County would have the power to indemnify against such liability.

ARTICLE X **GENERAL PROVISIONS**

Section 1. EXECUTION OF CONTRACTS

The Operating Board, except as in these Bylaws or otherwise provided, may authorize an officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of The Center, and such authority may be general or confined to specific instances, and unless so authorized by the Operating Board, no officer, agent or employee shall have any power or authority to bind The Center by any contract or engagement or to pledge its credit or to render it liable for any purpose of in any amount.

Section 2. COMPENSATION OF OFFICERS AND DIRECTORS

The members of the Operating Board and the officers shall serve without compensation. The Administrator and Operating Officer shall be entitled to receive such compensation for services rendered as determined by the Operating Board from time to time. Directors may be compensated for reasonable expenses incurred in the fulfillment of their responsibilities to The Center.

Section 3. INSPECTION OF RECORDS

The records of The Center are subject to the Freedom of Information Act 5 ILCS 140/1 *et seq.* Consistent with the requirements, rules, and procedures contained in the ILCS FOIA, the books of account of The Center and minutes of proceedings of the Operating Board shall be open pursuant to State law. Such inspection may be made in person or by an agent or attorney and shall include the right to make extracts. Demand of inspection other than at a meeting of the DeKalb County Board shall be made by a writing, addressed to the Chairperson of the Operating Board.

Section 4. REPORTING

The Operating Board shall cause an annual report to be sent to the DeKalb County Board and the DeKalb County Clerk's Office no later than 120 days after the close of the fiscal year. In addition, the Operating Board shall report quarterly on the position of The Center versus its annual Business Plan and budget to the DeKalb County Finance Office.

ARTICLE XI **POWERS OF THE DEKALB COUNTY BOARD**

The following powers are reserved exclusively to the DeKalb County Board, and any attempted exercise of any such powers by any entity other than the DeKalb County Board shall not be valid or of any force or effect whatsoever:

1. To change the mission and purposes of The Center for which it was and is formed and exists.
2. To elect the members of the Operating Board and to remove the same without cause,
3. To amend, alter, modify or repeal these Bylaws,
4. To merge, consolidate, or affiliate The Center with another corporation, organization or program,
5. To dissolve or terminate the existence of The Center and to determine the distribution of assets upon such termination or dissolution,
6. To require a certified audit of The Center at any time and to appoint the fiscal auditor.

ARTICLE XII
ACTION REQUIRING APPROVAL BY THE DEKALB COUNTY
BOARD

Actions initiated by the Operating Board on the following matters can be authorized by and shall be effective only upon the prior written assent of a statutory majority of the DeKalb County Board:

1. The acquisition, purchase, sale, lease, transfer or encumbrance of any real estate or of any substantial part of other assets of The Center,
2. Any increment or additions to the capital debt or to renegotiate, modify or otherwise change the existing capital debt obligations of The Center,
3. Any borrowing not indicated in the capital or operating budgets of The Center,
4. The adoption of the annual operating and capital budgets of The Center or any changes thereto.

ARTICLE XIII
AMENDMENTS AND REVIEW

These Bylaws, or any part thereof, may be amended, modified or repealed, or new Bylaws may be adopted by the vote or written assent of a majority of the DeKalb County Board.