

THE LEGAL REPORT

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“PROCESS AND PROGRESS”

MAKING THE MOST OF MEETINGS

By design, Boards of Trustees are comprised of various individuals, of varying backgrounds, with a variety of ideas to represent various interests and accomplish varied goals. Isn't "variety" the spice of life. However, Trustees need to be aware of the unique dynamics of Boards not only to utilize such diversity to enhance the quality of decisions, but to protect against such differences evolving into a "variety show".

To overcome the inherent chaotic nature of meetings, there must be a method of control that does not stifle the meeting process, especially its creative and interactive nature. In order to reach high quality decisions, trustees must maintain satisfying and facilitating relationships with one another. A meeting that is well organized will increase the chances of a smooth, effective decision-making process thereby making it easier for trustees to feel a commitment towards both the process as well as whatever outcomes are achieved.

Effective meetings include trustees who know how to deal with conflict. Conflict is a natural and normal aspect of decision making. To avoid polarization, Boards should attempt to establish the criteria for a decision before getting into areas of potential conflict. Keeping the criteria foremost helps to minimize conflict over positions and thus makes final decisions easier to obtain.

Adherence to general principals of discussion or debate is essential to conducting productive meetings. The essential purpose of "Rules of Order" is to provide a framework of procedure for the orderly and fair conduct of business. Procedural rules were never meant to interfere with substantive deliberations of the meeting, but were designed to provide an accepted and understood format for timely consideration and resolution of the meeting's issues. No offense to any trustees named Robert, but "Robert's Rules of Order" all too frequently lead to confusion, disagreement and disruption (e.g., I object to the reconsideration of a subsidiary motion prior to the recision of the amendment to the privileged question. What?). Remember traditional parliamentary rules were drafted by and for men wearing powdered wigs. The focus of any procedural rule should be to promote timely consideration of an issue rather than ritualistic procedure. Determining the rules should not overshadow resolving the underlying question.

The essential requirements for any meeting are fairness and good faith towards all who are entitled to take part. Those present must be given an opportunity to consider and act upon matters properly brought before the meeting.

To that end, a Board's objectives should be:

- To determine the will of the Board and to articulate decisions for the conduct of business.
- To assure sufficient discussion and consideration of issues so that all pertinent points of view are considered.
- To maintain at all times the dignity of the meeting so that each recognized speaker's views are made known to trustees and to ensure that appropriate respect is accorded all trustees.
- To present the consideration of business in a manner understood by everyone.

Frequently, it will be easy to come to an agreement. If the issue cannot be resolved by consensus, molding different approaches or opinions to a general consensus is the hallmark of capable leadership. To facilitate such consensus, a Board should:

- Spend sufficient time stating and restating the initial question until everyone agrees on the issue.
- Start with opinions - get them on the table, but don't argue over them.
- Establish the relevant criteria for collecting more information.
- Encourage dissent.
- Withhold evaluation - appreciate diversity of perspective.
- Develop commitment from trustees at every possible point.
- Build in a feedback mechanism to check a decision's success.

If all else fails, remember:

- Fund participants' interests always come first.
- Have an agenda and stick to it.
- Make sure that the agenda is reasonable given the time constraints.
- Have a specific starting and ending time.
- Take breaks; have something to eat/drink.
- Only one meeting; please (no side-bars).
- Take time to get to know each other.
- Stick to the subject at hand.
- Insist that advisors speak in plain language.
(e.g., no legalese, investment deviations, etc.)
- Follow the basics in "parliamentary" procedure.
- Get information "up front" to minimize review time at the meeting.
- Be prepared.
- Set meeting dates far in advance.
- Make the professionals work for you.

While all questions ultimately come down to a vote, it is often the process which makes that decision a rewarding one.

ENDNOTE: "Common sense often makes a good law". Supreme Court Justice William Douglas.

IMPORTANT NOTE: This summary is intended to be informational only and is intended to provide a general overview. Reference should be made to the laws and regulations in addressing specific questions. This information should not be considered the rendering of legal advice or other professional services and Trustees should consult with their plan professionals regarding the implications of these laws.