Memo

To: Hot Springs Village Board of Directors
From: Governance Committee
Date: December 20, 2018
Re: Motion – Approve Proposed Revision to Bylaws Article VII, Section 3

Motion

1. I move to declare any board member’s April 2018 election certification to fill a two-year term (expiring April 2020) by who so volunteers.
   
   If no board member volunteers, the board member receiving the lowest number of votes shall serve the shorter term.
   
   If there is no election in 2018 (i.e., three Candidates fill three open seats uncontested and therefore no votes to be counted) the three board members shall participate in a manual “chance” process of blind selection term assignments such as the drawing of “the short straw” or drawing “from a hat”, etc.

2. I move to approve an update of Article VII, Section 3 of the Bylaws to read:
   
   The term of office of a Director shall be a period of three (3) years or until his or her successor has been duly elected and qualified, as described in Article VII, Section 7.
   
   In the event a vacancy interferes with a 3-2-2 staggering, a candidate shall serve a shortened term thereby restoring the intended board turn over methodology. Once elected, that Director shall be declared:

   First, by volunteering; if not then,
   Second, by lowest number of votes in election; if not then,
   Third, by all Directors in that election participating in a manual “chance” process of blind selection term assignments such as the drawing of “the short straw” or drawing “from a hat”, etc.

Background:

During the Governance Committee’s recent governing document review, a prior year election misinterpretation was found to have altered the staggered term intent of the Articles of Incorporation and Bylaws. In retrospect, a provision should have been made during the April 2016 election for “the pendency of the vacant term”, meaning one candidate should have been elected to fill a shorter term, thus keeping the staggered terms intact. The recommended motions correct the unintended consequences that occur from altering Board terms and to clarify the Bylaw language that likely led to confusion in this matter.
ARTICLE VII

Board of Directors

Section 1. Qualifications. A Director must be a member in good standing of the Association having membership privileges, cannot be a paid employee of the Association or an independent contractor of the Association while serving on the Board of Directors, and must have been duly elected as provided in the Declaration, Articles of Incorporation and these Bylaws. Directors are elected volunteers and are not to receive a salary or remuneration for their service.

Section 2. Number. The Board of Directors of the Association shall be composed of seven (7) members. A change in the number of directors shall be made only by amendment to the Articles of Incorporation.

Section 3. Term of Office. The term of office of a Director shall be a period of three (3) years or until his or her successor has been duly elected and qualified, as described in Article VII, Section 7. In the event a vacancy interferes with a 3-2-2 staggering, a candidate shall serve a shortened term thereby restoring the intended board turn over methodology. Once elected, that Director shall be declared: First, by volunteering; if not then, Second, by lowest number of votes in election; if not then, Third, by all Directors in that election participating in a manual “chance” process of blind selection term assignments such as the drawing of “the short straw” or drawing “from a hat”, etc. A Director may serve two (2) consecutive, elected three-year terms. No Director serving two (2) consecutive three-year elected terms shall be eligible for nomination or election until the passing of three (3) consecutive years from the last service.