Memo

To: Hot Springs Village Board of Directors

From: Governance Committee

Date: July 18, 2018

Re: Define Process to Update Protective Covenants and Related Documents

In the June Board meeting, the Board authorized staff to have drawing and plans drafted for the pool project and to bring those recommendations back at a future Board meeting following their approval by ACC. In doing so, staff noted various gaps in current permitting procedures and governing documents related to POA projects on common property.

As noted in ACC’s June 21st meeting minutes, the Board was also asked to review the circumstances surrounding a permit denial for the budgeted Lake Cortez fishing pier. Again, staff noted various gaps in permitting procedures and governing documents related to POA projects on common property.

These gaps appear to be a carryover from when CCI had full authority over such projects.

As a result, the Governance Committee was asked to review governing documents and recommend steps for ensuring they lend themselves to thorough and objective permitting decisions. The Governance Committee recommends the formation of a Protective Covenant Review Committee (PCRC) to facilitate updates to the Protective Covenants and the related governing and operational documents. The process for needed updates would include:

1. Whenever staff, ACC, or the board receive a permit application and cannot cite language within the Protective Covenants that sufficiently addresses the issue, the PCRC will be notified of the deficiency.

2. The PCRC is charged with arriving at a unanimous decision and recommending updates to the Board. In doing so, they may utilize external zoning and legal experts, where needed. When a unanimous decision cannot be reached, the recommendation to the Board will include the dissenting opinion and this opinion must outline alternative solutions.

3. Table 4.1-1 in the Protective Covenants will guide the authority levels of staff, ACC and the Board in arriving at zoning and permitting decisions.

4. A Board vote is required to add to or update the Protective Covenants and related governing documents.

5. Staff will immediately update and make available the related permitting documents.

The Governance Committee recommends that the current Section 3.8 (Issues not Addressed) verbiage in the Protective Covenants be replaced with steps 1-5 above.