Memo

To: Hot Springs Village Board of Directors
From: Governance Committee
Date: July 18, 2018
Re: Establish Protective Covenant Review Committee and Make Initial Assignments

During April’s adoption of the CMP and Protective Covenants, it was noted that updates to various governing documents would be forthcoming as individual components were executed. As noted in the preceding agenda item, a clear and transparent process is needed for approving POA projects on common property, as well as future updates to Protective Covenants and related governing and operational documents.

To facilitate those goals, the Governance Committee recommends the formation of a Protective Covenant Review Committee made up of the ACC Chair, ACC Board Liaison, ACC Staff Liaison and CEO. This standing Board committee’s purpose is to support the Board, ACC and staff by recommending Protective Covenant improvements to the Board that facilitate objective permitting decisions and limit the Association’s risk from interpreting or inconsistently applying them. The recommended charter is attached. The committee’s initial assignments will include:

1. Recommending updates to the Protective Covenants and associated governing and operational documents related to common property, including the POA’s outdoor pool and fishing piers.
2. Recommending the integration of Chapter 5, Articles 1-3 Policies (ACC) into the Protective Covenants
3. Recommending the integration of Chapter 2, Article 7 Policy (Common Property) into the Protective Covenants
4. Recommend updates to Table 4.1-1

The Governance Committee recommends the charter’s approval in the August meeting, as well as an update to Bylaws Article XII, Section 1.B.

In the meantime, the ACC Chair, ACC Board Liaison, ACC Staff Liaison and CEO will continue their work in identifying Protective Covenant gaps for current POA common property projects and will bring recommended updates for the pool project to the August Board meeting.
CHARTER
PROTECTIVE COVENANT REVIEW COMMITTEE
HOT SPRINGS VILLAGE PROPERTY OWNERS ASSOCIATION

I. AUTHORITY

In accordance with Article XII, Section 1(B), of the By-laws of the Hot Springs Village Property Owners Association, this Committee is accountable to the Board of Directors.

II. PURPOSE

To support the Board, ACC, and Staff by recommending Protective Covenant improvements to the Board that facilitate objective permitting decisions and limit the Association’s risk from interpreting or inconsistently applying Protective Covenants.

III. ORGANIZATION AND APPOINTMENT

The committee shall consist of the ACC Chair, ACC Board Liaison, ACC Staff Liaison and CEO. The committee members shall select a Chair and Secretary.

IV. DUTIES AND RESPONSIBILITIES

A. To identify and make recommendations, in writing, to the Board of Directors that address ambiguities and gaps within the Protective Covenants
B. To arrive at a unanimous decision among all four members, with respect to any recommendation made to the Board of Directors. When a unanimous decision cannot be reached, the recommendation to the Board will include dissenting opinions that outline alternative solutions

V. LIMITATIONS

A. The committee shall not issue orders to any POA employee, nor will any member have the authority to discipline employees.
B. The committee is not authorized to engage external experts without the CEO’s approval.
C. No committee member shall engage in any activity that would constitute a conflict of interest with the duties and responsibilities of the committee.
D. Committee members are prohibited from accepting any form of gratuity, any form of remuneration from suppliers, contractors, realtors, property owners, or any person doing business, attempting to do business, or in conflict or competition with the POA.
E. The committee shall not seek policy or rules changes with governmental agencies or outside stakeholders. Such recommendations shall be made to the Board Chairman for further consideration and action.

F. Committee members are not authorized to submit minutes or unofficial reports to anyone other than the COO, who serves as the Secretary and official record keeper of the corporation.

VI. MEETINGS

The Committee will convene as needed and, where appropriate, invite stakeholders relevant to the issue before them and external zoning or legal experts. The activities of this committee shall be made transparent by a final written recommendation submitted during a regularly scheduled meeting of the Board.