Memo

To: Hot Springs Village Board of Directors
From: Governance Committee
Date: March 21, 2018
Re: Motion – Approve Chapter 8, Article 4, Board Member Duties

Motion

I move to approve Board of Directors Policy, Chapter 8, Article 4, “Board Member Duties” as presented.

Background
Beginning with public discussions during the 2017 Board Retreat, the Board has prepared and revised various documents surrounding their fiduciary roles and governance responsibilities. A first draft of Hot Springs Village Board Member Duties was presented during the Board Candidate Orientation on January 26, 2018 (Sections I - IV).

A revised Board Member Duties policy was presented and discussed at the February 21, 2018 regular board meeting.

The attached proposed Chapter 8, Article 4, “Board Member Duties” Policy is a compilation of Board member and officer duties, responsibilities, and job descriptions. This policy uses the Board member responsibilities, authority, and accountability statements in the HSVPOA Bylaws Article IX, Sections 1, 2, & 3 as its foundation.
ARTICLE 4
BOARD MEMBER DUTIES

Section I Purpose
Mission of the Board:
"To Govern consistently with the Declaration and Protective Covenants, to assure the viability of Hot Springs Village by establishing and managing goals and objectives and to ensure that the voice of the property owner is represented."

Role of the Board:
The Board's role is defined by the responsibilities, authority, and accountability stated in Article IX, Sections 1, 2, & 3 of HSV By Laws.

Conduct of the Board:
Best practices for making and implementing decisions through appropriate conduct are described in Article 1 of the board policies, "Conduct of a Board in a Governance Role".

Section II Duties of a Board Member
Duties of a Board Member include:
1. To operate in concert with state and federal laws, the Articles of Incorporation, the Declaration and Protective Covenants, Bylaws, and corporation policies;
   Fiduciary Duty of Obedience - Bylaws: Article VII, section 4; IX, section 2.e & 3

2. To develop a working knowledge of fiduciary duties and apply them in your governing role;
   Bylaws: Article IX, section 1.d

3. To establish the vision, mission, values, and Enterprise Goals for Hot Springs Village and ensure that a Comprehensive Master Plan is in place to achieve them;
   Fiduciary duty of Care - Bylaws: Article IX, section 1.b

4. To attend, prepare, and actively participate in meetings and discussions;
   Bylaws: Article VII, section 6.a

5. To approve the annual operating budget from a strategic, enterprise-level perspective, monitoring related financial performance, and appointing independent auditors;
   Fiduciary Duty of Care - Bylaws: Article IX, section 1.d;

6. To participate in Board training and effectiveness assessments;
   Bylaws: Article IX, section 1.e
7. To participate in hiring and releasing the CEO, setting clear performance expectations and providing the governance-level resources to achieve them;
   Bylaws: Article IX, section 1.a

8. To maintain confidentiality;
   Bylaws: Article IX, section 3.II.a; Policies: Chapter VIII, Article 3

9. To model each of the organization's values;
   Policies: Chapter VIII, Article 1, section 3.a

10. To encourage and respect alternative opinions that serve to bring forth the best ideas and point them towards a shared vision;
    Policies: Chapter VIII, Article 1, section 3.e

11. To support the organization and Board decisions- whether I am of the minority or majority opinion - in a positive and uniting manner at all times and in all places;
    Fiduciary Duty of Obedience - Policies: Chapter VIII, Article 1, section 3.e
    Bylaws: Article IX, section 3.I

12. To observe parliamentary procedures and display courteous conduct in all board and committee meetings;
    Policies: Chapter VIII, Article 1, section 3.d. e

13. To refrain from intruding on issues that are the responsibility of management, except to monitor results and prohibit actions that conflict with governing policies and principles;
    Bylaws: Article VII, section 4, 6.b; Article IX, section 1; Policies: Article 1, section 3.c

14. To participate in retreats, strategic planning, self-studies, evaluations, and any other opportunities available to enhance my effectiveness as a board member;
    Bylaws: Article IX, section 1.e

15. To actively prepare for and participate in assigned committees only, modeling and upholding the separation of governance activities from management activities during these meetings;
    Fiduciary Duty of Care - Bylaws: Article IX, section 1

16. To follow the association's conflict of interest policy, including declaring potential conflicts and refraining from voting on matters in which I have a conflict of interest; and
    Bylaws: Article IX, section 3.II; Article I, section 10

17. To consider resigning my position as a board member, if, for any reason, I find myself unable to carry out my fiduciary responsibilities: care, loyalty, and obedience.
    Bylaws: Article VII, Section 5
Section III Term of Office
Hot Springs Village Board Members serve in accordance with Article XII of the Articles of Incorporation.

Section IV Leadership Qualities
Synergistic virtues and attributes of an aspiring, well-versed member of the board:
1. Leadership practices that inspire a shared vision, model the way, encourage the heart, enable others to act, and challenge the process (from Kouzes and Pozner Leadership Model);
2. Personal values that are rooted in a passion for improving the lives of all property owners and stakeholders of Hot Springs Village;
3. Political considerations of conduct and activity that create and strengthen relationships with county, city, state, and federal government officials.

Section V Board Officer Duties
1. Chair. The Chair shall be selected from among the members of the Board of Directors and is expected to provide leadership to Hot Springs Village’s Board of Directors and the Board committees. The Board Chair facilitates communication and decision-making within the board. Specific responsibilities include, but are not limited to:
   a. Works with the Chief Executive in preparing an agenda for Board meetings, considering requests made by all Board members and company officers
   b. Convening and facilitating board and executive session meetings.
   c. Facilitates any disciplinary actions for Board members, in accordance with Association Bylaws and Robert’s Rules of Order.
   d. Appoints all Board Committee chairs.
   e. Ensures that Board Committees are focused on pursuing the strategic needs of the association.
   f. Works in partnership with the Chief Executive to make sure that Board resolutions, directives and policies are carried out and support the organization’s mission and comprehensive master plan.
   g. Ensuring that there is a quarterly performance review of the CEO and an annual Effectiveness Assessment of the Board.
   h. Helps guide and mediate Board actions with respect to organizational priorities and governance concerns.
   i. Acts as an ambassador of the association and advocates for its mission to internal and external stakeholders.
   j. Oversees the recruitment, evaluation, and discipline of the Chief Executive.
   k. Ensures the Board Vice Chair is apprised of Board activities and prepared to fulfill the roles and responsibilities of the Chair in the case of her or his inability or absence.
   l. Acts as liaison with CEO on behalf of the Board to ensure majority wishes are understood and executed.
   m. Acts as official spokesperson for the Board on governance matters.

2. Vice Chair. The Vice Chair shall be selected from among the members of the Board of Directors and is expected to provide leadership to the association’s Board of Directors.
The Vice Chair shall also perform such other duties as the Chair or Board of Directors may assign to him or her from time to time. Specific responsibilities include, but are not limited to:

a. Fulfill the roles and responsibilities of the Chair in the case of her or his inability or absence.
b. Fulfill the roles and responsibilities of the Secretary in the case of her or his inability or absence.

3. **Secretary.** The Secretary may be a member of the Board, provided, however, that such member of the Board may not be salaried. In the event someone other than a member of the Board is appointed to serve as Secretary, then such person may be salaried and need not be a member of the Association. The Board Secretary is expected to establish and oversee sound practices for documentation and effective procedures for Board communication. Specific responsibilities include, but are not limited to:

a. Overseeing the recording and timely distribution of Board and Executive Session meeting minutes.
b. Keeping records of all official and/or legal organizational documents, such as articles of incorporation, Declaration, Protective Covenants, bylaws, policies, legal advice, and other key documents, ensuring that all board resolutions are duly integrated in the appropriate governing document.
c. Ensuring notices are duly given in accordance with the provisions of the association’s bylaws or as required by law.
d. Recording all votes.
e. Signing organizational documents as needed.

4. **Treasurer.** The Treasurer may be a member of the Board, provided, however, that such member of the Board may not be salaried. In the event someone other than a member of the Board is appointed to serve as Treasurer, then such person may be salaried and need not be a member of the Association. The Board Treasurer is expected to provide financial expertise to assist the Board in monitoring and evaluating the financial health of the association. Specific responsibilities include, but are not limited to:

a. Possesses professional experience using generally accepted accounting principles (GAAP) and accrual accounting
b. Acts as a subject matter expert in assisting the Board with governance level review and oversight of the Association’s annual budget, tax forms, monthly financial reports, and audits.
c. Serves on the Board’s Audit Committee, recommending financial and investment policy updates, as needed
d. Participates in hiring decisions for the top ranking accounting staff member, or financial consultants, should a staff position be temporarily unfilled.
e. Ensures that financial reports are prepared in accordance with GAAP and are reviewed with the Board on a monthly and annual basis, along with additional supporting schedules where needed to properly evaluate the Association’s financial health.
f. Ensures the timely completion of the association’s corporate tax forms and annual financial and 401k audits by a Certified Public Accountant and that payroll, property, and sales tax payments and reports are filed accurately and timely by internal staff or an appropriate third-party service.

g. Oversees, per Board resolution, the opening or closing of financial institution accounts and is a designated signatory.

h. Performing other duties as from time to time may be assigned to him or her by the Chair of by the Board of Directors

5. **Parliamentarian.** The Parliamentarian may be a member of the Board, provided, however, that such member of the Board may not be salaried. In the event someone other than a member of the Board is appointed to serve as Parliamentarian, then such person may be salaried and need not be a member of the Association. The Parliamentarian is expected to assist the Board in utilizing Roberts Rules of Order.

a. Ensures a quorum is present prior to Board deliberations

b. Assists the Board in engaging in orderly debate that encourages all voices to be heard, subsequently arriving at the will of the majority

c. Performs research on parliamentary procedure and ensures board members have a working knowledge of how to conduct meetings in accordance with governing documents

d. Participates in annual governing document reviews and other such activities as requested by the Board.