Memo

To: Hot Springs Village Board of Directors
From: Tom Weiss, Vice Chairman
Date: August 16, 2017
Re: Motion – Approve Governance Committee Charter

Motion
I move to approve the Governance Committee Charter as presented.

Background
At the June 21, 2017 regular meeting, Chairman Weidert appointed the Governance Committee. Governance Committee members include Vice Chairman, Tom Weiss, committee chairman, and Directors Bob Cunningham, Marcy Mermel, and CEO, Lesley Nalley.

The committee’s purpose is to ensure the Board fulfills its legal, ethical, functional, and fiduciary responsibilities through recommendation and application of governance policies, recruitment strategies and processes, orientation and training programs, board and board member effectiveness reviews, and periodic governing documents reviews.

The Governance Committee developed the attached committee charter and presented it to the Board for review at the July 19, 2017 Board meeting.
CHARTER
GOVERNANCE COMMITTEE
HOT SPRINGS VILLAGE PROPERTY OWNERS ASSOCIATION

I. AUTHORITY

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

II. PURPOSE

The purpose of the Governance Committee is to ensure that the Board fulfills its legal, ethical, functional and fiduciary responsibilities through recommendation and application of:
- Governance policies;
- Recruitment strategies and processes;
- Orientation and training programs;
- Board and board member effectiveness reviews;
- Periodic governing documents reviews.

III. ORGANIZATION AND APPOINTMENT

The committee shall consist of a Committee Chair (appointed annually by the Board Chair), the CEO, and two elected Board members (appointed by the Committee Chair).

IV. DUTIES AND RESPONSIBILITIES

The Governance Committee will ensure that the board of directors is able to govern the organization effectively through, but not limited to, the following methods, models and concepts.

1. Creating and periodic review of governance policies and procedures including, but not limited to:
   a. Responsibilities, Authority and Accountability of the Board;
   b. Conduct of the Board in a Governance Role;
   c. Conflict of Interest and Ethics procedures;
   d. Identification, election and removal of Board Members.

2. Recruiting the best possible board candidates by:
   a. The Board creating and maintaining a list of viable board candidates who display characteristics that can sustain or add to strengthening the effectiveness of the Board;
   b. The Board remaining at the number of directors required by the bylaws, when reasonably possible;
   c. The Candidates being given the opportunity to understand the mission, vision, values, conflict of interest policies, governance role, and the Board’s code of ethics;
   d. The Board Member election process complying with Bylaws, Policies and other related requirements.
3. Providing orientation for board candidates and training for new and existing board members that promotes confidence and competence at the governance level for:
   a. Mission, vision and values Statement;
   b. Budgets and financial documents;
   c. Legal matters and contractual obligations;
   d. Governance role, responsibilities, accountabilities and authority;
   e. Ethics and appropriate behaviors statements.

4. Evaluating the effectiveness of individual directors and the board as a whole:

The Governance Committee will encourage the board to remain mindful of its effectiveness in making governance-level decisions as a team, its effectiveness in identifying and aligning the board’s skills with the future needs of the Village, and each individual Director’s achievements, abilities, strengths and limitations by conducting periodic 3rd party assisted effectiveness assessments.

5. Creating and periodic review of governing documents regarding:
   a. Representing the interests of property owners;
   b. Ensuring documents are supported by local, state, and federal regulations;
   c. Providing guidance to the Board, serving to clarify its scope of authority and legal standing for actions taken;
   d. Protecting the interests of the Corporation and its mission;
   e. Supporting successional development efforts that keep the community relevant and thriving.

V. LIMITATIONS

This committee has no authority to set policy or take any action on behalf of the Board.

VI. MEETINGS

As an advisory committee to the Board of Directors, meetings of this committee may be closed sessions due to the sensitivity of the subject matter.