

**COLUMBIA ASSOCIATION  
BOARD OF DIRECTORS  
GOVERNING DOCUMENTS**



April 27, 2017

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# INTRODUCTION

The Columbia Association (CA) was created to provide for the common good and social welfare of and therefore serve the people of Columbia. CA's long-term effectiveness and the quality of its services to the people of Columbia (in an ever-changing, challenging environment) depend on the leadership of a Board of Directors that continually answers three central questions in a full and timely fashion:

1. How is CA performing; programmatically, financially, and administratively?
2. Where should CA be headed?
3. What should the Columbia Association's role be in relation to CA's stakeholders and community partners?

The purpose of a Board of Directors is to provide guidance and oversight, not to manage. A CA Board of Directors should not micromanage; it should have a strategic focus while ensuring CA fulfills its purpose. The CA Board of Directors agrees that, in answering the three key governing questions, a high impact/strategic focused governing body essentially makes judgments and decisions within three broad categories:

1. Planning – both Strategic and Operational
2. Monitoring – both Strategic Implementation and Organizational Performance
3. Relationship Building – both stakeholders and community partners

The CA Board of Directors realizes that Planning, Monitoring, and Relationship Building need to be handled by the entire CA Board of Directors, but permanent committees targeted to specific areas can help with the workload. To help the CA Board of Directors function as a high impact, strategic focused body, three permanent CA Board committees have been established:

1. Audit Committee
2. Risk Management Committee
3. Board Operations Committee (BOC)

The roles and responsibilities of these three standing committees are described later in this document.

Depending upon the need, ad hoc CA Board of Directors committees may be created from time to time to achieve a specific purpose. An ad hoc committee will terminate when its purpose is fulfilled.

## **BOARD GOVERNING MISSION**

The Board of Directors, as the Columbia Association's governing body:

1. Serves as the steward and guardian of CA's values, vision, mission, and resources.
2. Plays a leading, proactive role in CA's strategic decision making, and in setting strong, clear strategic directions and priorities for CA.
3. Monitors CA's operational performance.
4. Ensures that CA's image and relationships with key stakeholders are positive and that they contribute to CA's effectiveness in serving Columbia.
5. Makes sure that Columbia residents and businesses are well informed about CA and its mission, activities, and policies, and are given ample opportunity to provide input into the Board's policy deliberations and decision-making processes.
6. Ensures that CA possesses the financial and other resources necessary to realize its vision and carry out its mission.
7. Ensures that Board members are fully engaged in the governing process and that the resources they bring to the Board are fully utilized in governing.
8. Takes accountability for its own performance.
9. Appoints a President/Chief Executive Officer to manage CA and sets the President/CEO's compensation.
10. Works in close partnership with the President/CEO, ensures that clear, detailed President/CEO performance targets are set, and periodically evaluates the President/CEO's performance against these targets.
11. Always adheres to the following "Columbia Association Board Values" and "Responsibilities of a Director":

## COLUMBIA ASSOCIATION BOARD VALUES

1. Represent constituent interests assertively and make decisions based on the welfare of the entire community.

*Recognize diverse perspectives, such as ethnicity, age, economic circumstances, differing village life cycles, and varying tenures of Columbia residents.*

*Once all constituent perspectives are established and acknowledged, weigh them in relation to the perspective of the entire community.*

2. Engage in open discussions that encourage and respect differing positions.

*“Seek first to understand, then to be understood.”*

*When differing with someone’s position, first acknowledge it by summarizing his or her point of view. (Or, ask for such a summary if someone differs with you. “Did you understand my intention? What was it?”)*

3. Strive for consensus, but agree to disagree based on the merits.

*Argue to seek a better understanding, not to win the argument. Use inquiry to probe positions with which you may not agree. Call the question after points have been established.*

4. Speak as a Board through unified messages that present both majority and minority positions.

*If consensus cannot be reached, end the discussions by summarizing both sides to their mutual satisfaction.*

*When speaking outside of Board meetings, identify whose opinion you’re discussing (your own or the Board’s).*

5. Cultivate trust by showing respect for others and accepting responsibility for your role in the process.

*When discussing issues, focus on the issues, not the people you are discussing them with.*

## **RESPONSIBILITIES OF A DIRECTOR ON THE CA BOARD OF DIRECTORS**

- Be informed regarding the mission, services, policies, and programs of the Columbia Association (“CA”).
- Formulate strategic policies.
- Carry out fiduciary responsibilities of CA Board, including oversight and approval of CA budget and review of CA financial statements.
- Regularly attend Board/Committee meetings and work sessions.
- Review agendas, supporting materials, and prior meeting minutes before meetings, and otherwise prepare for meetings and work sessions.
- Take responsibility for and follow through on assignments arising from meetings and work sessions.
- Attend special events and functions of CA Board and Villages, as well as community-wide CA events.
- Present reports of CA Board actions at respective Village Board meetings.
- Work with CA’s President/CEO to establish performance objectives.
- Evaluate performance of CA’s President/CEO, while providing the necessary support for the President/CEO to further CA’s goals.
- Follow CA Board ethics, conflict of interest and confidentiality policies, sign requisite acknowledgements of ethics policies and complete financial disclosure form.
- Communicate with residents: articulate CA’s goals, accomplishments, programs and policies, and obtain input from residents.
- Attend at least one meeting of a CA Resident Advisory Committee as assigned by the Board Operations Committee.
- Participate in the decisions of the CA Board and exercise independent judgment in doing so.
- Serve as a member of the Board Operations Committee at one meeting each fiscal year.
- Serve as the Board liaison to a Board Advisory Committee and attend at least one meeting of that committee each fiscal year.

- The Chair of the Board, pursuant to the Board's delegation of authority on April 27, 2017, may approve appointments to the Village Community Associations' Architectural Committees.

# DUTIES OF DIRECTORS

## A. The Standard of Care

A Director's compliance with a standard of care is required by the Annotated Code of Maryland, Corporation and Associations Article, Section 2-405.1. That standard of care requires that a Director act in good faith, in a manner the Director reasonably believes to be in the best interests of the corporation, and with the care an ordinarily prudent person in a like position would exercise under similar circumstances.

## B. Exercising the Standard of Care

Courts have found that directors comply with their duty of care by, among other things:

1. Attending Meetings – Regular attendance at meetings of the board of directors is a basic element of prudent performance as a director.
2. Exercising Independent Judgment – Each director, no matter how selected, shares in all the responsibilities and powers of the directors. Each director should exercise her or his independent judgment on all corporate decisions.
3. Being Informed – To function effectively, a director needs to be informed. In the ordinary course of business a director may act in reliance on information and reports received from regular sources whom the director reasonably regards as trustworthy.
4. Setting Policy and Delegating Day-to-Day Operations - The board does not operate the day to day business of the corporation. In delegating operational functions to corporate management, the board must set policies and provide oversight. An individual director, however, may not delegate his or her responsibilities as a director. Consequently, a director may not vote by proxy.

## C. Conflicts of Interest

Directors must exercise their powers in the best interests of the corporation, not in their own interest or the interest of another entity or person.

1. Conflict of Interest: General Principles – Directors of nonprofit corporations may have interests in conflict with those of the corporation. They must be conscious of the potential for such conflicts and act with candor and care in dealing with such situations.

Conflicts of interest involving a director are not inherently illegal nor are they to be regarded as a reflection on the integrity of the board or of the director. It is the

manner in which the director and the board deal with a disclosed conflict that determines the propriety of the transaction.

2. Conflict of Interest: Awareness and Disclosure – A director should be sensitive to any individual interest he or she may have in a decision to be made by the board of directors and, as far as possible, recognize such interest prior to the discussion or presentation of such a matter before the board. When a director has an interest in a transaction being considered by the board of directors, the director should disclose the conflict before the board of directors takes action on the matter. Upon disclosure by the director, he/she should recuse him/herself from the discussion and vote and the board should provide a disinterested review of the matter.
3. Corporate Opportunity – Before a director engages in a transaction which he or she reasonably should know may be of interest to the corporation, the director should disclose the transaction to the board of directors in sufficient detail and adequate time to enable the board to act or decline to act with regard to such transaction.

## BOARD EVALUATION OF PRESIDENT/CEO

- For each regularly scheduled CA Board Meeting, the CA President/CEO will submit a written report concerning CA activities and activities of other organizations in which the President/CEO or other senior staff members participate.
- Each year, at the June Board Work Session, the President/CEO will submit up to 5 objectives to be achieved by 31 March of the following year. At the June Board Meeting, the Board will approve, with amendments if necessary, the CA President/CEO's objectives, which will then be used to determine the amount of the President/CEO's bonus.
- At a closed meeting of the CA Board in November, the CA Board will discuss with the CA President/CEO his/her progress on achieving the approved objectives.
- In April, the CA Board will evaluate the CA President/CEO's achievement of each of the approved objectives, using the following ratings:
  - 4 = Greatly exceeded objective
  - 3 = Exceeded objective
  - 2 = Met objective
  - 1 = Partially met objective
  - 0 = Did not meet objective
- The sum of all the ratings (points) scored by all the Directors will form the percentage of the bonus. Assuming there are 5 objectives with a score of 2 meaning that the CA President/CEO met the objective, and there are 10 Directors, 100 points (5 x 2 x 10) means that the President/CEO will receive 100% of the bonus amount. As an example, if the sum total of all the ratings is 87, then the actual bonus awarded to the CA President/CEO will be 87% of the total bonus amount. If the total is more than 100, the amount is still only 100% of the bonus amount.
- The Chair of the CA Board will prepare the Evaluation form (see Appendix A) and is responsible for tallying the evaluations.
- Once the bonus amount has been determined, the Chair of the CA Board will inform the President/CEO and the Chief Financial Officer.

**Appendix A**  
**FY-XXXX CA PRESIDENT/CEO'S EVALUATION**

Name of Director: \_\_\_\_\_

Date: \_\_\_\_\_

For FY-xxxx, the BOC adopted xxxx objectives for the President/CEO. You are asked to rate the President/CEO on how he/she did on each goal/objective on a scale of 0 to 4:

- 4 = Greatly exceeded goal
- 3 = Exceeded goal
- 2 = Met goal
- 1 = Partially met goal
- 0 = Did not meet goal

The ratings will be used to determine the President/CEO's bonus. The sum of all the ratings (points) scored by all the Directors will form the percentage of the bonus. Assuming there are 5 objectives with a score of 2 meaning that the CA President/CEO met the objective, and there are 10 Directors, 100 points (5 x 2 x 10) means that the President/CEO will receive 100% of the bonus amount. As an example if the sum total of all the ratings is 87, then the actual bonus awarded to the CA President/CEO will be 87% of the total bonus amount. If the total is more than 100, the amount is still only 100% of the bonus amount.

It is important that each Director carefully consider each objective individually and fairly evaluate the President/CEO on that objective and only on that objective. In setting objectives, the Board is telling the President/CEO that these are the items on which his/her bonus depends. You can provide comments regarding each rating. Comments are very important. They will be shared with the CA President/CEO and will help him/her understand how well he/she met his/her goal or where he/she fell short.

After the ratings, there is space for you to provide comments to the President/CEO on any other area/activity. This Part does not impact the President/CEO's bonus.

Please review and complete the CA President/CEO's Evaluation Form by April xxxx and return it to the Chair of the Board. If you don't return the survey on time, your rating of the goals will **default to 2** (Met the goal).

This is a CONFIDENTIAL process, as are all performance reviews. Only the Chair of the CA Board knows how a particular Director rated the President/CEO. If you have any questions, please contact the Chair. Thank you for completing the evaluation.

**OBJECTIVE #1:** By March 31st,

Rating for #1	Choose <b>ONLY</b> one rating by placing an X in the appropriate box
4	
3	
2 (Met)	
1	
0	

Comments on #1:

**OBJECTIVE #2:** By March 31st,

Rating for #2	Choose <b>ONLY</b> one rating by placing an X in the appropriate box
4	
3	
2 (Met)	
1	
0	

Comments on #2:

**OBJECTIVE #3:** By March 31st,

Rating for #3	Choose <b>ONLY</b> one rating by placing an X in the appropriate box
4	
3	
2 (Met)	
1	
0	

Comments on #3:

**OBJECTIVE #4:** By March 31st,

Rating for #4	Choose <b>ONLY</b> one rating by placing an X in the appropriate box
4	
3	
2 (Met)	
1	
0	

Comments on #4:

**OBJECTIVE #5:** By March 31st,

Rating for #5	Choose <b>ONLY</b> one rating by placing an X in the appropriate box
4	
3	
2 (Met)	
1	
0	

Comments on #5:

**Please Provide any other comments regarding the President/CEO's performance**  
Comments:

# **CA BOARD OF DIRECTORS OPERATING PROCEDURES FOR MEETINGS AND WORK SESSIONS**

## **A. Board Meeting and Work Session Schedule**

The CA Board of Directors holds an organizational meeting on the second Thursday of May. At that meeting, the CA Board Chair and CA Board Vice-Chair are elected.

The CA Board of Directors holds a work session on the second Thursday of each month except for May and August. CA Board Work Sessions may be canceled by the Board Chair and/or the CA President/CEO if there is no business for the work session. No formal votes are taken at a work session. Additional information on work sessions is contained in the POLICY ON CONDUCT OF WORK SESSIONS OF BOARD OF DIRECTORS included in these Board Governing Documents.

The CA Board of Directors holds a meeting on the fourth Thursday of each month, with the following exceptions: there is no meeting in August, and the November and December Board meetings are held on the second Thursday of those months directly following the work session. CA Board meetings may be canceled by the CA Board Chair and/or the CA President/CEO if there is no business to transact.

Additional work sessions and meetings of the Board may be called by the Chair and/or the President/CEO.

The CA Board Chair presides at Board and Board Operations Committee (“BOC”) meetings and Board Work Sessions. In the absence of the Chair, the CA Board Vice-Chair presides. In the absence of both the Chair and Vice-Chair, the CA President/CEO presides.

The Chair appoints Board members to the Audit Committee and the Risk Management Committee. Board Members may request assignment to either of these committees, but the Chair makes the final decision.

At the organizational meeting of the CA Board of Directors, after the selection of the Chair and Vice-Chair, the rotation schedule for CA Directors on the BOC will be determined. Each Director other than the Chair and Vice-Chair will serve at least once on the BOC before a Director may serve again.

A majority of a CA Board Committee membership is required to be present at a meeting to constitute a quorum. In order to meet the quorum requirement, the Chair may appoint (on a temporary basis) Board Members (including the Chair) to a Board Committee.

All CA Board work sessions and meetings shall be open unless closed for one of the purposes enumerated in Section 11B-111(4) of the Maryland Homeowners Association Act. Board members may attend open work sessions and open meetings by telephone if they

are unable to attend in person. Closed work sessions and closed meetings may not be attended by telephone. All agendas for open meetings and work sessions shall include an opportunity for resident speak out. During Resident Speak Out, individuals will be limited to 3 minutes and groups will be limited to 5 minutes. At work sessions, comments during Resident Speak Out will be permitted only on agenda topics. Additional information on Resident Speak Out is contained in the GUIDELINES FOR WHO MAY SPEAK AT RESIDENT SPEAKOUT included in these Board Governing Documents.

At the July work session of the Board each year, the Board will discuss the annual reports submitted by CA's Resident Advisory Committees. The Charges proposed by each committee in its annual report will be voted on by the Board at its July Board meeting.

## **B. Special Rules of Order**

Board meetings and Committee meetings will operate under Roberts Rules of Order, modified, as follows:

1. Small Board Rules not followed. The Board shall not follow procedures for small boards in Section 49 of Roberts Rules of Order Newly Revised, 10th Edition.
2. Procedure for Conduct of Meetings:
  - a. Recognizing Directors who wish to speak: Any Director wishing to speak will raise his/her hand, and the Chair will add his/her name to the queue and call on each Director in turn.
  - b. Limits on Debate: Board members, when recognized, may speak a maximum of two times during debate on any motion and for a maximum of 3 minutes each time. The Chair may allow a speaker to speak more than twice if the Chair determines it to be in the interest of fairness.
  - c. Discussions prior to a motion: Informal discussion before making a motion on an agenda item may occur with a specified total time limit.
  - d. Chair putting the question: The Chair need not rise when putting a question to a vote.
  - e. Voting by Chair: The Chair may vote on all motions and resolutions. The Chair's position, including the decision not to vote, shall be recorded with every motion not passed by unanimous consent.
3. Agenda Items: At a meeting (open or closed), an item may be added to the agenda only if it has the approval of two-thirds of the members of the Board/Committee present at such meeting.

4. Times: Normally, CA Board meetings and work sessions will begin at 7:30 PM. However, the Board Chair and President/CEO may adjust the starting time of a meeting or work session. CA Board meetings and work sessions normally will end by 10 PM. The adjournment time may be adjusted by a 2/3 vote of Board Members present at the meeting or work session.
5. Consent Agenda: The Chair and/or President/CEO may prepare motions for inclusion in a Consent Agenda. On request of any single Board/Committee member, a motion will be removed from the Consent Agenda. Motions remaining on the Consent Agenda may be passed by general consent, and are voted on as a group. Motions removed will be considered under the normal procedures for motions.
6. Procedures for Major Motions: Major Motions to be considered by the CA Board at an open (regular) meeting must have first been discussed at two public CA Board work sessions or meetings. Once discussed, CA staff will prepare a motion to be presented to the Board at a meeting following those discussions. Major Motions are adopted by a majority vote of the Board and, unless otherwise specified by the Board, are effective immediately after passage. By a vote of two-thirds of those Board members present, the CA Board may at any time choose to treat a Major Motion as an ordinary motion, in which event there need not have been two discussions prior to the vote. Major Motions are motions pertaining to the following subjects:
  - a. Expenditure of monies greater than \$50,000
  - b. Changes to the corporate bylaws
  - c. Changes to corporate policy
  - d. Changes to Board Operating Procedures
  - e. Any other motion the Board may designate by majority vote as a Major Motion.
7. Motions Other than Major Motions: In order for a motion other than a major motion to be considered by the CA Board at an open (regular) meeting, it must first have been discussed at a prior public Board meeting or work session. In the event that the subject of the motion is of an urgent nature requiring an immediate vote, this requirement may be waived by a two-thirds vote of the Directors present at the meeting.
8. Amendment or Tabling of Motions: Prior to voting on motions, the Board can amend or table any motion by a majority vote. Any tabled motion dies 60 days after it was tabled.

### **C. Minutes**

Minutes shall be the official record of CA Board of Directors meetings. Meeting minutes shall not contain comments or debate on motions, nor record amendments to motions except as in the final form of a motion that was adopted or failed. Minutes will reflect all motions made and each Director's vote on a motion. Minutes will be posted on the CA web site. Written comments provided to the Recording Secretary by people who utilize Resident Speak Out shall be made addenda to the official copy of the minutes.

All meetings, except ones in closed session, shall be recorded in audio form from the call to order to adjournment. The meeting recordings shall be maintained in the Columbia Archives and posted on the CA web site.

### **D. Reports**

All reports presented to the CA Board of Directors will be filed. Reports must be in written form and posted on the CA web site prior to the work session or meeting at which the report is presented.

### **E. Work Sessions**

Roberts Rules of Order do not govern CA Board work sessions. An item may be added to the agenda at a work session only if it has the approval of two-thirds of the CA Board Members present at such work session. No formal votes on motions will occur at a work session.

### **F. Agendas**

1. All CA Board meetings, work sessions and committee meetings will have an agenda.
2. As the CA Board must address similar topics that carry over from year to year, the Yearly Standard Agendas Listing (see Appendix B) is the foundation upon which all regularly scheduled CA Board meetings/work sessions agendas are built. The Listing contains the schedule of all regularly scheduled CA Board meetings and work sessions for the year.
3. Agendas for regularly scheduled meetings and work sessions shall be constructed in the following manner:
  - The Office of the CA President/CEO will maintain a log (called the Agenda Topics Log) of all items proposed as topics for regularly scheduled CA Board work sessions and meetings.
  - The Agenda Topics Log will start fresh at the beginning of each fiscal year.
  - The Agenda Topics Log will be available online (in read-only format) to all CA Board Members.
  - The Agenda Log will contain the following information:
    - Brief description of the topic

- Date topic submitted
  - Person submitting topic
  - Priority
  - Projected date topic may appear on an agenda
  - Actual date topic is placed on an agenda
  - Topic Resolution (what action, if any, did the Board take concerning the topic)
  - Each topic on the Agenda Topics Log will be assigned a priority as follows:
    - Priority 1 Required of the Board
      - These are items which are the obligation of the Board
      - Includes items such as budget, financial, easements, etc.
    - Priority 2 Emergency Items
      - Rather rare, but they occur
      - Proposed by the CA President/CEO
    - Priority 3 Board Mandates
      - These are items as to which the CA Board mandated some action be taken and reported back to the Board
      - Examples include the objectives set by the Board for the CA President/CEO; Board mandated reports/plans (such as Pond Maintenance Plan), etc.
    - Priority 4 Board Work Plan
      - These items relate to the goals/objectives which the CA Board set during its discussion and approval of the yearly work plan; i.e., items that the CA Board as a whole wanted to address.
    - Priority 5 Informational
      - These are items to keep the CA Board informed such as briefings, reports, etc.
    - Priority 6 Individual Request
      - These are items requested by an individual Board member
  - As agendas are created, high priority topics should be considered first.
  - Higher priority topics can bump lower priority topics as agendas are created or modified.
  - In creating specific agendas, the CA President/CEO and Board Chair will draw from the Agenda Topics Log.
  - Priority 3, 4, 5 and 6 topics must appear on a CA Board Work Session agenda before appearing on a Board Meeting agenda. The Board may not vote on such topic at a Board meeting held on the same date following the work session at which the topic is first discussed.
  - Individual CA Board members can propose Priority 6 topics by sending a request to the Office of the President/CEO with a copy to the Board.
  - The Office of the CA President/CEO will update the information in the Agenda Topics Log.
4. For open (regular) CA Board meetings and work sessions, the BOC is responsible for setting the agendas. For closed meetings and specially called meetings and work sessions, the Board Chair and/or President/CEO (or CA Staff if designated by the President/CEO) are responsible for setting the agenda.

5. For Audit and Risk Management Committee meetings, CA Staff, working with the Committee Chair, are responsible for setting agendas. For BOC meetings, the initial agendas to be considered by the BOC for the Board work session and Board meeting will be prepared by the President/CEO in cooperation with the Board Chair.
6. For open (regular) meetings and/or work sessions, agendas and associated documentation will be posted on the CA web site at least 6 days in advance of the meeting/work session.
7. CA Board meeting and work session agendas must focus on strategic issues and major oversight responsibilities (such as establishing guidelines and metrics for evaluating CA performance, reviewing these performance metrics, and providing guidance on major operational issues). CA's Five Year Strategic Plan governs strategic issues. Most oversight responsibilities have been delegated to the Audit committee. Attempts at micromanagement are to be avoided.
8. All agenda items except Resident Speak Out must have a time duration, and the Chair shall endeavor to keep discussion within the allotted time periods.
9. Once an agenda has been approved and posted with the associated documents on the CA web site, those materials can only be changed/updated with the approval of the Chair of the Board (or Committee) and the CA President/CEO. Once a change has been approved, the Executive Assistant to the CA President/CEO will be informed of the approved change. If documents on the web site are updated, the CA Board will be notified.

### **G. Closing Meetings**

The process for closing a meeting is set forth in the Board's GUIDELINES FOR CLOSING MEETINGS OF THE COLUMBIA ASSOCIATION BOARD OF DIRECTORS, which is included in this document.

### **H. General Rules of Decorum at CA Board and Committee Meetings and Work Sessions**

1. In order to maintain decorum and civility under Robert's Rules of Order, the following rules apply to interactions among Board members and with the staff at all Board and Committee Meetings and Work Sessions:
  - a. Do not attack or question each other's motives.
  - b. Avoid personalities, since the measure, not the Board or staff member, is the subject of debate.
  - c. Be respectful of a "call to order" when there is an infraction.

2. During CA Board Meetings and Work Sessions, except during Resident Speak Out and during formal presentations by staff or others, the Chair shall recognize only CA Board Members and CA Staff.

**Appendix B**  
**YEARLY STANDARD AGENDAS LISTING**

- May Organizational Meeting (60 min)
- Administrative Items
  - Elect Chair & Vice-Chair
  - Choose IAT representatives and committee members
  - Choose representatives to Advisory Committees
  - Appoint Officers of CA
- May Meeting (150 min)
- Administrative Items
  - President's Report
  - Architectural Appointments
- June Work session (150 min)
- Administrative Items
  - CA Dashboard
  - President's Goals
- June Meeting (150 min)
- Administrative Items
  - President's Report
  - Architectural Appointments
  - President's Goals
- July Work session (150 min)
- Administrative Items
  - Advisory Committees
  - Set Budget Parameters
- July Meeting (150 min)
- Administrative Items
  - Financials from 4th Quarter of previous Fiscal Year
  - Independent Audit Results
  - Advisory Committees
  - Set Budget Parameters
- September Work session (150 min)
- Administrative Items
  - Annual Village Financials Update

- September Meeting (150 min)
- Administrative Items
  - President's Report
  - 1st Quarter Financials
  - IRS 990 and 990T Forms
- October Work session (150 min)
- Administrative Items
  - CA Dashboard
  - Budget Hearing
- October Meeting (150 min)
- Administrative Items
  - President's Report
  - Budget Discussion
- November Work session/Meeting (150 min)
- Administrative Items
  - President's Report
  - Budget Hearing/Discussion
- November Closed Meeting (60 min)
- CA President/CEO Mid-term Review
- December Work session/Meeting (150 min)
- Administrative Items
  - President's Report
  - 2nd Quarter Financials
- January Work session (150 min)
- Administrative Items
  - CA Dashboard
  - Budget Hearing/Discussion
- January Meeting (150 min)
- Administrative Items
  - President's Report
  - Budget Discussion
- February Work session (150 min)
- Administrative Items
  - Budget Hearing/Discussion
  - CA Board Work Plan

- February Meeting (150 min)
- Administrative Items
  - President's Report
  - Budget Vote
- March Work session (150 min)
- Administrative Items
  - CA Board Work Plan
- March Meeting (150 min)
- Administrative Items
  - President's Report
  - 3rd Quarter Financials
  - CA Board Work Plan
  - Closed Meeting Minutes Approval
- April Work session (150 min)
- Administrative Items
  - CA Dashboard
- April Meeting (150 min)
- Administrative Items
  - President's Report
  - Closed Meeting Minutes Release Decision
- April Closed Meeting (30 min)
- CA President/CEO Evaluation Review

## **POLICY ON CONDUCT OF WORK SESSIONS OF BOARD OF DIRECTORS**

The Columbia Association (“CA”) Board of Directors will conduct work sessions on the second Thursday of each month (except May and August) in order to discuss matters on an informal basis. This policy addresses the rules applicable to such work sessions.

A work session is a form of meeting and, as such, is governed by section 11B-111 of the Maryland Homeowners Association Act (the “Act”) and sections 2.06 and 2.07 of CA’s by-laws. The Act requires that all meetings be open to members of the association unless closed for one of the reasons specified in the Act. (While the only “members” of CA are the Directors, CA has traditionally opened its meetings to the public.) The Act also states that a designated time period must be provided for lot owners to comment on the specific topic(s) on the meeting agenda.

Based on the above, the following rules shall apply to work sessions of the Board:

1. Work sessions shall be open to the public unless closed in accordance with the Act and CA’s by-laws.
2. Notice of work sessions shall be provided in the same manner as any other meetings.
3. An agenda shall be prepared for the work session.
4. At the beginning of the work session, a time period shall be allowed for lot owners to comment **only** on agenda topics. Otherwise, the public will not participate in a work session unless invited to do so by the Board.
5. Robert’s Rules are suspended and do not govern the conduct of work sessions.
6. The Board will discuss agenda topics, but no formal vote will be taken on any topic.

## **GUIDELINES FOR CLOSING MEETINGS OF THE COLUMBIA ASSOCIATION BOARD OF DIRECTORS**

Meetings of the Columbia Association ("CA") Board of Directors (the "CA Board") shall be closed in accordance with the following guidelines:

1. The purposes for which a meeting of the CA Board may be held in closed session are set forth in section 11B-111(4) of the Maryland Homeowners Association Act (the "Act").
2. In accordance with section 2.07(b) of CA's Bylaws, the CA Board "upon request of the Chairperson of the Board, the Vice-Chairperson of the Board in the absence of the Chairperson, the President or a majority of the Board . . . by vote at a meeting or in writing with or without a meeting, may meet in closed session, or may adjourn an open meeting to meet in closed session. . . ." A closed meeting of the Board also may be called by majority vote of the Board Operations Committee ("BOC").
3. A meeting may be closed or a closed meeting called only for one of the purposes listed in the Act.
4. Without disclosing the substance of the discussion to be had at the closed meeting, the person calling the closed meeting shall provide a brief general description of the purpose for closing the meeting sufficient for the Board to determine that the Act's criteria for meeting in closed session have been met. That description will be provided to the Board in a confidential manner, to the extent possible at least 48 hours in advance of the meeting.
5. If any CA Board member wishes additional information in order to satisfy himself or herself that the meeting is being closed for a proper purpose, that Board member should contact the person calling the meeting. Any additional information provided to one Board member will be provided to all Board members in a confidential manner.
6. At the commencement of a meeting called as a closed meeting, the CA Board shall vote whether to close the meeting. That vote will be based on the communication received by each Board member prior to the meeting and any follow-up information provided in response to inquiries made by CA Board members. There will not be any discussion of the purpose for closing the meeting beyond a short generic statement of the subject of the meeting and to record one or more of the purposes stated in the Act and the vote.

## **BOARD DINNERS WITH COMMUNITY STAKEHOLDERS**

- Each year, the CA Board will hold dinners with the following Community Stakeholders:
  - November – State/County officials
  - December – Village Chairs & Managers
  - March – Executive Board of the Howard County Chamber of Commerce
  - April – TBD
  
- At the January CA Board Meeting, the Board will decide which organization(s) to invite for the April Stakeholder Dinner from among a roster of community-oriented organizations.
  
- The purpose of the Stakeholder Dinners is to foster an improved working relationship between the CA Board, CA staff and various community stakeholders.
  
- In addition to the CA Board, CA staff, at the discretion of the CA President/CEO, may be invited to attend.

## BOARD COMMITTEES

BOARD COMMITTEES	NUMBER OF MEMBERS	
Board Operations	Board Chair, Board Vice-Chair, President/CEO, and 2 other Board members on a rotating schedule	
Risk Management	3 Board members, President/CEO, CFO, 1 expert community member	
Audit	3 Board members, 2 financial expert community members, Internal Auditor (non-voting)	
Architectural Resource	General Counsel, 1 other CA staff member, 2 village Covenant Advisors, 1 expert community member	
ADVISORY COMMITTEES	NUMBER OF MEMBERS	LENGTH OF TERM
Aquatics	1 staff, 16 community members	2 years
Art Center	1 staff, 18 community members	3 years
Golf and Green	3 staff, 16 community members	2 years
Health and Fitness	1 staff, 12 community members	1 year
Information Technology	CIO, 5 expert community members	1 year
International Exchange and Multicultural Program	1 staff, 24 community members	3 years
Senior	1 staff, 17 community members	2 years
Teen and Middle School	1 staff, 15 community members	1 year
Tennis	1 staff, 20 community members	2 years
Watershed	1 staff, 11 community members	1 year

## **BOARD OPERATIONS COMMITTEE ROLE AND RESPONSIBILITIES**

The Board Operations Committee (“BOC”) is responsible for the effective functioning of the CA Board of Directors. The BOC meets on a quarterly basis as follows:

- End of May/beginning of June
- End of August/beginning of September
- End of November/beginning of December
- End of February/beginning of March.

The Chair of the Board serves as the BOC Chair. The other voting members of the BOC are the President/CEO, the Vice-Chair of the Board, and two other Board members who will rotate for each meeting and serve on the BOC only once during a fiscal year. The rotation schedule will be determined by the Board Chair at the organizational meeting of the Board in May. The BOC is accountable for the following:

1. Coordinating the functioning of the Board of Directors and the Audit and Risk Management Committees, recommending revisions to CA Board policies including the Board Governing Mission, Board Values and Responsibilities of a Director, setting Board member performance standards, and monitoring Board member performance.
2. Preparing the agendas for monthly Board work sessions and Board meetings.
3. Recommending revisions in the CA Charter and By-Laws to the Board of Directors in the interest of stronger governance and management of CA affairs.
4. Developing and overseeing implementation of a formal Board member capacity building program, including such elements as orientation of new members, continuing education and training, and a mentoring program pairing new with senior Board members.
5. Recommending revisions to CA’s ethics and conflict of interest policies to comply with the law and best practices, and fulfilling its duties as described in CA’s Policy for Reporting Violations of the Code of Ethics and Business Conduct, the Conflicts of Interest Policy and the Special Requirements for Members of the Board of Directors.
6. Monitoring the attendance of each Director at one meeting, at a minimum, each fiscal year of the Advisory Committee for which that Director is the liaison.
7. Fulfilling such other duties as may be assigned by the Board.

## **AUDIT COMMITTEE ROLES AND RESPONSIBILITIES**

The Audit Committee consists of three Board Members appointed by the Chair of the Board and two community financial experts. CA's Internal Auditor serves as Chief Staff Liaison. The Audit Committee is responsible for overseeing CA's system of internal controls and external/internal audit functions, as well as overseeing CA's financial program performance. The Committee Chair is elected by the Committee. The Audit Committee is responsible for the following:

1. Reviewing the external audit firm selection process as recommended by the President/selection committee and recommending to the Board selection of the external audit firm on the recommendation of the President/selection committee.
2. Reviewing external audit fees and engagement letters.
3. Reviewing the annual financial statements and footnotes with the external auditors and management and determining whether they are complete and consistent with information known to Committee members.
4. Reviewing with the external auditors and management all matters required to be communicated to the Committee under Generally Accepted Auditing Standards (i.e., management letter, internal control weaknesses, audit adjustments, any disagreements with management, and the like).
5. Reviewing the results of other external/investigative audits and recommending action to the Board as appropriate.
6. Ensuring that audit engagement partners are rotated every five years.
7. Reviewing and recommending approval of CA's Internal Audit Department's Mission Statement and Charter.
8. Meeting on a quarterly basis (or as considered necessary) with the Internal Audit Department and President to review all internal audit reports/projects, considering the effectiveness of the organization's controls surrounding accounting, financial reporting, operations and information technology.
9. Reviewing and recommending approval of the Form 990 (Return of Organization Exempt From Income Tax) before it is filed with IRS annually.
10. Annually reviewing and approving the Internal Audit Plan.
11. Serving as the Board's investment committee and in this capacity, making decisions relative to management of CA's investment portfolio.

12. Reviewing the Quarterly Board Report, which includes Operating and Capital Budget updates, as well as Marketing, Vendor, Purchasing and Severance Agreement Reports.
13. Fulfilling its duties as described in CA's Policy for Reporting Violations of the Code of Ethics and Business Conduct, the Conflicts of Interest Policy and the Special Requirements for Members of the Board of Directors.
14. Fulfilling such other duties as may be assigned to the Committee by the Board.

## **RISK MANAGEMENT COMMITTEE ROLES AND RESPONSIBILITIES**

The Risk Management Committee is responsible for the administration of CA's program of general liability self-insurance in accordance with CA's Self Insurance Trust agreement. The Committee consists of three Board members appointed by the Board Chair, the CA President/CEO, the CA Chief Financial Officer and one community expert. The CFO serves as the Committee Chair. The Risk Management Committee is responsible for the following:

1. Overseeing the provision and acquisition of claims adjustment and claims administration, loss control and other risk management services.
2. Overseeing the acquisition of legal, actuarial, accounting and other services as necessary for the administration of the Program.
3. Formulating policy for the administration of the Program.
4. Defining the scope and limitations of coverage afforded by the Program.
5. Determining the need for any other general liability insurance coverage for CA or any other Covered person.
6. Otherwise assuring that the Program is properly and responsibly administered.
7. At least annually reviewing CA's self-insurance program to ensure funding sufficiency, clear payments, and other self-insurance matters as required.
8. If necessary recommending to the Board annual funding levels for CA's self-insurance trusts and any broadening or restructuring of the scope or the State of Coverage afforded by the Trust Fund Program.
9. Fulfilling such other duties as may be assigned by the Board.

## **GUIDELINES FOR WHO MAY SPEAK AT RESIDENT SPEAKOUT**

1. People owning, living or working on property that pays the CA Annual Charge may speak for up to three minutes on any subject during the Resident Speakout portion of Board Meetings and only on agenda topics during the Resident Speakout portion of work sessions. If an individual represents a group, he/she may speak for up to five minutes.
2. Non-resident members of the Sport and Fitness Facilities as well as all non-resident participants in CA programs may speak during the Resident Speakout portion of Board Meetings and work sessions for up to three minutes (or if representing a group, five minutes), but only on agenda items that relate to their participation.
3. Any other individuals who wish to speak must obtain approval from the Board Chair prior to the Board meeting or work session.
4. Written testimony from persons not attending a Board meeting will be reviewed by the Board Chair who will summarize the testimony during Resident Speakout. The written testimony will be attached to the minutes.

## **PROCEDURES FOR CA BOARD ORGANIZATIONAL MEETING**

At least three (3) days before the meeting, potential candidates for Chair and Vice-Chair send to all Board members a written statement of their willingness to serve, the personal characteristics they would bring to the roles, their views of the overall direction that the Board should take in the upcoming year and other relevant information.

At the organizational meeting, those who sent statements nominate themselves. Additional self-nominations accompanied by oral statements may also be accepted.

During the initial portion of the discussion, Board members ask the nominees questions or make comments about their statements. Subsequently, the discussion should focus on the nominees' positive attributes and skills that they would bring to their roles. Concentrating first on the nominees' statements and then on the relative positive characteristics of the nominees not only allows nominees to remain in the room to clarify their statements but also diminishes the need to call for an executive session.

An executive session may be called, however, for the discussion of personal information that could be sensitive. Candidates would be allowed in the executive session to offer any additional information that would be vital to the proceedings.

After the discussion, written ballots are cast, the ballots are counted and recorded by the President/CEO and the vote total for each nominee announced.

After the vote, the Chair-elect leads the discussion on the rotation schedule for appointment of Directors to the Board Operations Committee, and the selection of Directors to serve on the Audit and Risk Management Committees and as representatives on the Inner Arbor Trust, Inc. Board of Directors. At this time, each Director also shall be assigned as the liaison for one of the Board's ten Resident Advisory Committees.

## **PROCESS FOR ELECTING THE BOARD CHAIR AND VICE-CHAIR**

- Preprinted paper ballots with the names of all Board members will be available at the organizational meeting to be used to vote for the Board Chair and Vice-Chair. A box to check mark for voting purposes will be next to each name.
- The only names for which Board members may vote are those of the nominees.
- If there is no contested election for Chair, then no vote is necessary. The person nominated will automatically become the Chair.
- If a vote is necessary, the paper ballots will be distributed to Board Members who will vote for the candidate of his/her choice.
- Ballots will be collected by the President/CEO. The President/CEO, with the possible assistance of other officer(s) of the Corporation, will count the ballots within the Board Room.
- The results of the vote will be announced by the President/CEO. The ballots will be kept until the next election of the Board Chair and will be housed in the appropriate binder for Board agendas and minutes kept in the Office of the President/CEO. The ballots will be available for inspection upon written request.
- If there is a tie vote for Chair, the Board may consider splitting the Chair between two nominees. One person will serve as Chair for six months and the other person will be Vice-Chair. They will then switch positions. In this situation, there will be no need to vote for a Vice-Chair.
- If a vote for Vice-Chair is necessary, the same process will be used as that for election of the Board Chair.
- If there is no contested election for Vice-Chair, then no vote is necessary. The person nominated will automatically become the Vice-Chair.

## **GUIDELINES FOR BOARD MEMBERS ADDRESSING OPERATIONAL CONCERNS RAISED BY RESIDENTS**

1. Operational concerns and requests brought to the attention of CA Board Members should always be referred to the staff for resolution.
2. The Staff will copy the Board Member(s) who brought the concern to the staff on any communication with the resident.
3. If the resolution of the issue involves a major policy change, it will be directed to the Board Operations Committee for placement on a Board agenda.

## **POLICY FOR RELEASE OF CLOSED MEETING MINUTES AND CONFIDENTIAL MATERIALS**

Confidential memos and materials and closed meeting minutes will first be reviewed by the Board Operations Committee, which will determine (with input from CA's General Counsel) whether the materials should be put on the consent agenda at the next Board meeting to be released to the public.