



**DC Ranch Association
Board Report 1-7-19 #1**

Subject Matter: Proposed Policy 106 - Neighborhood Voting Members

Background: The Policy Committee proposes the adoption of a policy that defines the Neighborhood Voting Member program. The proposed policy accompanies this report.

Key provisions of this policy address the following:

- Voting member definitions
- Direction regarding processes and expectations associated with the NVM program
- Roles, responsibilities and authorities
- Voting (cumulative voting is prohibited)
- Community Council interaction
- Preparation and training
- Nomination process
- Term, election and removal
- The total number of NVMs (44)
- Serving simultaneously on the Ranch Association Board
- Spouses of Ranch Association board members and NVM board election voting

The policy was first introduced to the Board at its December 10, 2018 meeting. Beforehand, however, it was distributed to the NVMs for comment. Due to the amount of comments received from NVMs about the proposed policy, the Policy Committee was asked to review the comments and provide its response. The matter was then slated for the January 7, 2019 board meeting. A separate document accompanies this report that provides NVM comments and Policy Committee responses. In addition, changes were made to the December 10 submittal, which are highlighted in yellow on the proposed policy.

The proposed policy assumes that the Board will favorably consider adjustments to the total NVM count, increasing it from 43 to 44. Currently, there are 43 NVM voting blocks. Voting blocks are equivalent to lot counts. The NVM voting block with the fewest votes is Canyon Villas (23); the NVM voting block with the most votes is The Village at Market Street (129).

By making a few adjustments to the voting blocks that NVMs now represent, a more equitable allocation can be achieved, and the new ICON neighborhood can be represented.

The proposed adjustments: 1) increase the total NVM count to 44, 2) reduce the 100+ voting blocks to less than 100 votes and 3) rearrange voting block lines at Park and Manor (1.17), splitting the neighborhood in half. Details are as follows:

1. Create a second NVM position at The Estates (1.11) and adjust the current one voting block of 111 to two voting blocks (55 and 56).
2. Create a second NVM position at The Village at Market Street (2.7) and adjust the current one voting block of 129 to two voting blocks (65 and 64).
3. At Camelot (2.13/2.14) there are three NVMs that coincide with the three neighborhood gates: 93rd Place, 94th Way and 96th Way.
 - a) Add 15 lots to Camelot 93rd Place, adjusting the current vote count of 36 to 51.
 - b) Reduce Camelot 94th Way from 70 to 55 as a result of the foregoing recommendation.
 - c) No change to 96th Way with 60 votes.
4. Add the new 19 lots at The Village at Silverleaf (5.9a) to 102nd Street Horseshoe Canyon (5.9-5.12), bringing the total votes from 67 to 84.
5. Combine Canyon Villas at Silverleaf (T.1) that carries 29 lots, with Canyon Golf Villas (T.4) with 23 lots, for a total of 52 votes.
6. Establish a new NVM and voting block for ICON (T4b), which will eventually have 72 votes.
7. Lower the NVM count in Arcadia (T.7) from three to two, naming them North (62 votes) and South (61 votes).
8. Redraw the district boundaries in Park and Manor (1.17) to include perimeter and interior lots in each district. Presently, one NVM represents all perimeter lots, and the other all interior lots. The new district would be split by the main park with NVM #1 representing Lots 1-42 and Lots 118-156 with 83 votes. NVM #2 would represent lots 43-113 and Lots 119-129 with 82 votes. See the attached map.

Pursuant to Section 102.4c of the policy for the Management and Development of policies, the following applies should the Board wish to move forward with the formal approval process. *When the Policy Committee recommends a new policy or a change to a policy and prior to the Board's formal vote, community members shall be provided with a 30-day comment period, where they are afforded an opportunity to provide input and comment on the proposed policy. The proposed policy or policies will be posted on the community's website, and notice regarding the posting will reflect in the weekly This Week on the Ranch e-mail to DC Ranch residents.*

Recommendation: Conditionally approve the policy (or an edited version) for the 30-day member comment period cited above.



Darren Shaw, Executive Director

NVM AND MEMBER COMMENTS ON PROPOSED POLICY 106

Neighborhood Voting Members

MJ Hall - NVM Market Street Villas

106.6b: As voting is the #1 responsibility as stated in 106.6a, I think further definition is required as to how an NVM is to collect and further members' "sentiments". This could be as simple as indicating that members should be contacted via email and allowed to forward their voting sentiments directly to the NVM for consolidation and voting purposes. I do believe there should be some record of the attempt to collect votes, and I also believe there should be some penalty...or at least a conversation... should an NVM fail to cast their neighborhood's votes in a timely manner or at all.

Policy Committee Response: *Language added – NVMs shall contact all members of their voting block and solicit their vote in connection with all Ranch elections.*

Your statement regarding cumulative voting is still unclear. Please elaborate and provide further clarification of policy.

Policy Committee Response: *Add new section at 106.6.c for cumulative voting and provide an example.*

106.6j: I think it is completely unreasonable to suggest that "at least annually" all NVMs will provide a written or oral update to the Board. Conversely, I think that the Executive Director should be obligated to at least annually provide a written update to the members of the neighborhood. Planning a neighborhood party in the park...while nice... does not satisfy the need in my neighborhood for open an honest communication of Association initiatives affecting us. A formal document should be prepared and forwarded to all members.

Policy Committee Response: *The Committee supports the provision, as is. It emphasizes the word "encouraged." The Committee does not support the suggestion that the Executive Director should provide a written update annually to neighborhood members.*

No mention is made of the NVM's responsibility to welcome new residents by presenting the Welcome Basket and business card etc. and offering to assist with any questions etc.

Policy Committee Response: *Welcome basket assistance will be added to the proposed policy.*

No mention is made of the NVM's responsibility to review monthly financial data and forward monthly financials to all members.

Policy Committee Response: *It is not an NVMs responsibility to review and distribute financial statements. They are available upon request.*

Tom Grace - NVM Pioneer

I do not believe that Section 106.5 needs 106.5.a: since there is not a 106.5.b:

Policy Committee Response: *Agreed. A revision has been made.*

Section 106.6.m: I agree with this if the expectation is only for the NVM to promote events, not create suchevents.

Policy Committee Response: *Agreed.*

Section 106.6.o indicates a new procedure for NMVs to follow, however I believe this procedure would be strengthened by putting in time frames for responses from the Board or management team.

Policy Committee Response: *The Committee supports the provision, as is. The provision is meant to provide general direction.*

Section 106.7 indicates that all NVMs (and Alternate NVMs I assume) are expected to attend an annual training session. I am not sure that it is reasonable to "expect" all NVMs and Alternate NVMs to rearrange their personal calendars to meet this expectation.

Policy Committee Response: *The Committee supports the provision, as is. It is the only training group training available.*

Section 106.8. indicates that " ... Each Neighborhood shall elect a Voting Member who shall be responsible for casting all votes attributable to ... ". I do not believe that our CC&Rs require the NVM to cast fill votes. Does the Board have the authority to make this requirement in light of the CC&Rs?

Policy Committee Response: *The Committee supports the provision, as is. The CC&Rs (6.4.b) provides that NMVs shall cast all votes attributable to the members in the neighborhood.*

Section 106.8.a. references a community map labeled Exhibit 1, however it was not attached to your email.

Policy Committee Response: *The map is now available.*

Section 106.8.b indicates the term of one year will run from January 1 through December 31. If next year's election does not happen before December shouldn't there be some statement about the current year NVMs can legally vote until replaced?

Policy Committee Response: *The Committee supports the provision, as is. Staff's responsibility is to ensure that NVM voting concludes prior to the end of the calendar year.*

Section 106.8.d indicates the NVM and Alternate NVM cannot be related to a member of the Association Board. This has been allowed for more than 5 years. What has occurred that indicates this is a practice which is not appropriate? Would the Association rather have a neighborhood without an NVM or Alternate NVM?

Policy Committee Response: *The Committee supports the provision as is. It is a conflict of interest for a sitting NVM to cast votes in an election where a candidate on the ballot is related to the NVM.*

Section 106.8.e indicates there is not a problem with an NVM being a member of a sub-association board. What keep this from creating the same potential conflict that could arise from an NVM on the Ranch Association Board?

Policy Committee Response: *The Association Board is responsible for managing its master association and the 15 neighborhoods under the Ranch umbrella. Sub-Associations must make their own decisions where these matters are*

concerned.

Section 106.8.m indicates elected NVMs shall be announced at DCRanch.com prior to December 31 and shall be listed in the Ranch News. Why not announce the Alternate NVMs at the same time and in the same places?

Policy Committee Response: *Agreed. Language has been added.*

Section 106.8.o I think it could be improved by inserting "Alternate NVMs" at the end of the sentence before the word "represents."

Policy Committee Response: *Agreed. The appropriate revision has been made.*

Geoff Wilner - NVM Rosewood

106.8.b I propose that the NVM term shall be for 2 years. It takes a newly elected NVM several months to educate themselves to the policies and hierarchy of DC Ranch let alone get acquainted with its neighborhood and neighbors.

Policy Committee Response: *The Committee supports the provision as is. The one-year term is prescribed in the CC&Rs. The only way to change this limit is to amend the CC&R's (75% of all members would need to approve the proposed revisions).*

106.6.0 All questions/concerns from neighborhood members shall go straight to the NVM first. Then the NVM shall relay the questions/concerns to the Board. This would require that the Board or management team to redirect members who contact the Board or association first. In other words, all neighborhood questions/concerns shall go straight through the NVM or neighborhood members should just contact the Board. Not both ways.

Policy Committee Response: *The Committee does not support this suggestion. NVMs would need to become well versed in all Association systems, practices, limitations, responsibilities and authorities.*

106.6.A When it comes to the Boards Annual election, each neighbor(household) should cast their vote directly to the Ranch Office via direct mail or electronically i.e. survey monkey. There is no purpose served in the NVM simply gathering votes just to tum them in. This would also eliminate the prospect of fraud whereas now the NVM has sole discretion of voting for households that do not participate in the election. This suggestion should also apply to all Association matters requiring a member's vote.

Policy Committee Response: *The Committee supports this provision, as is. The NVM program is established in the CC&Rs.*

New Idea. Construct a way that the NVMs themselves have a participatory vote in all major board of directors' decisions, such as: Long-term Contracts and major changes in Bylaws and CC&Rs. NVMs should also be updated to any situations and decisions that come out of the Executive meetings that is pertinent to their respective neighborhoods.

Policy Committee Response: *The Committee does not support this suggestion. Board members are elected to make business decisions, not NVMs.*

New Idea. All NVMs should be required to attend a minimum of 50% of board of directors' meetings. If they don't then the Board should notify members of their respective neighborhood of their NVMs delinquency so that this information can be taken into consideration during future NVM voting.

Policy Committee Response: *The Committee does not support this suggestion. 106.6.c provides that NVM's are encouraged to attend board meetings whenever possible.*

Elizabeth Kepuraitis - Ranch Association Board VP

106.3 Definitions: "Neighborhoods are defined as neighborhood voting blocks." But what then is a neighborhood voting block? The defined word should be bolded, consistent with the definitions section in Policy 204.

Policy Committee Response: *The word Neighborhood will be put in quotes.*

106.6 NMV Roles and Responsibilities (heading) ... typo, should be NVM.

Policy Committee Response: *Agreed.*

106.6.a: First sentence, capitalize the N in neighborhood and strike "as defined by the Board of Directors", since it is previously defined but just need to capitalize. Strike "to" as it is redundant.

Policy Committee Response: *Agreed.*

106.6.b: I still do not understand the process of how NVM's accumulate and cast votes, and this section does not provide clarification. What is the meaning of "allocated votes"?

Policy Committee Response: *Each lot represents one vote; each vote is counted in each voting block which is determined by the Board. A clarification has been added.*

What is the meaning of "fair and ethical manner"?

Policy Committee Response: *Board Policy 103 provides direction as it relates to ethics.*

How do NVM represent "sentiments"?

Policy Committee Response: *Provision 106.6.b will be revised to say that NVMs shall contact all members of their voting block and solicit their vote in connection with all Ranch elections.*

Should there be a mention of timeliness?

Policy Committee Response: *The Committee does not support the sanction of timing demands, other than what's already provided in the proposed policy.*

106.6.n: What/where is Policy 107?

Policy Committee Response: *In development (Neighborhood Committees).*

106.8.f Is this the same as 106.8.e?

Policy Committee Response: *No, it is not.*

106.8.i: I would not include the method of form submittal, as over the years, this will change with technology.

Policy Committee Response: *The Committee supports the provision, as is.*

106.8.k: same comment as 8.i ... delete method of form submittal. Instead "The due date, time and method of form submittal will be printed on the ballot."

Policy Committee Response: *The Committee supports the provision, as is.*

106.8.l: add "if applicable" to end of this sentence.

Policy Committee Response: *The Committee supports the provision, as is.*

106.8.o Is "Units" defined. It's capitalized as if it is a defined term.

Policy Committee Response: *Agreed.*

Sam Hawkins - NVM Desert Haciendas

I like the notion of 2-year terms. I also like the notion of stronger emphasis on NVM's attending board meetings.

Policy Committee Response: *The Committee supports the provision as is. The one-year term is prescribed in the CC&Rs. The only way to change this limit is to amend the CC&R's (75% of all members would need to approve the proposed revisions).*

One more time ..my computer decided to send this before I was ready. I agree it is hard to get volunteers, so don't too many restrictions... i.e. it is OK for Tom Grace to be an NVM. Also, I don't understand the comments on how votes are cast. I get 87 votes and ought to use them however I and my neighborhood prefer. BTW, in the 6 years I have been NVM, I have only received about 6 responses to my annual request for input on Board member voting. Most residents don't seem to care too much so long as things are going smoothly (at least by their measure). The boundary changes seem good to me. Also, I'm not in favor of an "annual report to the Board" by the NVM. If there is an issue at any time, the NVM brings it up at that time if all is going well then that's good.

Policy Committee Response: *The cumulative voting prohibition will be better explained.*



**DC Ranch Association
Policy 106
Policy on Neighborhood Voting Members**

Policy 106

Date of Adoption:

Effective Date:

Last Revised: 12-17-2018

Policy on Neighborhood Voting Members (NVMs)

106.1 Introduction: The Association's mission statement is as follows: To serve all DC Ranch Stakeholders through the professional management and protection of the community's fiscal and environmental assets. DC Ranch Association delivers high quality and consistent operations, landscape, maintenance and security services with an emphasis on customer care and open communication that result in sustained property values and exceptional quality of life.

106.2 Purpose: The purpose of this policy is to define the NVM program.

106.3 Definitions: Voting Member (hereinafter referred to as Neighborhood Voting Member or NVM): The representative selected by the Class "A" Members (homeowners) within each "Neighborhood," pursuant to Section 6.4(b) of the CC&Rs, who casts the Class "A" votes attributable to their units on all matters requiring a vote of the membership, except as otherwise provided by the CC&Rs.

The term "Voting Member" shall also refer to the Alternate Voting Member (Alternate NVM) acting in the absence of the Voting Member (CC&Rs 2.32). All Voting Members must reside in the neighborhood they represent and must be in good standing with the Association.

Neighborhoods, for the purposes of this policy, are defined as neighborhood voting-blocks established by the Board.

106.4 Scope: This policy provides direction regarding processes and expectations associated with the NVM program.

106.5 Responsibility/Authority/Delegation: The DC Ranch Association Board of Directors, who delegates some of its responsibilities to the Executive Director, such as the management of the NVM program.

106.6 NMV Roles and Responsibilities:

106.6.a: The primary duties of an NVM are to represent its neighborhood as defined by the Board of Directors, to 1) vote in the Board's annual elections, 2) vote in all Association matters requiring a membership vote, 3) to serve as chair of its Neighborhood Committee, should one be created under Article 5 of the Bylaws and 4) to act as a liaison between the Board and its constituents on matters of importance to the neighborhood.

106.6.b: NVMs shall contact all members of their voting block and solicit their vote in connection with all Ranch elections. NVMs cast all allocated votes for director candidates on the ballot in a fair and ethical manner that represents their neighborhood members' sentiments. Each lot represents one vote; each vote is counted in each voting block which is determined by the Board. A clarification has been added.

106.6.c: Cumulative voting is prohibited (Bylaws 3.4(b)). Cumulative voting is defined as a system of voting in an election in which each voter is allowed as many votes as there are candidates and may give all to one candidate or varying numbers to several candidates. Example:

- 30 members in voting block
- 3 director positions being elected via the ballot
- Casting 90 votes for one candidate, or 45 votes for two candidates – not permitted
- No more than a total 30 votes for each candidate selected on the ballot, not to exceed 90 total votes - permitted

106.6.d: NVMs and alternate NVMs are encouraged to attend Association Board meetings whenever possible and communicate meeting highlights to the neighborhood they represent.

106.6.e: NVMs will receive an e-mailed copy of all approved board meeting minutes and are encouraged to forward them to the neighborhood members they represent in a timely manner.

106.6.f: NVMs keep their neighborhood informed of concerns, issues and/or positive comments regarding their neighborhood.

106.6.g: NVMs communicate directly with the management team and Board with meaningful feedback and advice from their neighborhood members.

106.6.h: NVMs shall be knowledgeable about the Association's procedures, policies and processes.

106.6.i: NVMs should maintain a basic understanding of the community's governance structure, e.g. Community Council and Covenant Commission and be familiar with the Association's policies and current business.

106.6.j: NVMs make themselves available as a resource to the Community Council and to the Covenant Commission for all matters requiring communication to and from the neighborhood members they represent, e.g. surveys, special initiatives, etc.

106.6.k: At least annually, NVMs are encouraged to provide a written or oral update to the Association Board regarding the neighborhood's status.

106.6.l: NVMs participate in focus groups, when possible, organized by the Association Board, management staff, Community Council or Covenant Commission to solicit advice and recommendations on Board proposals, prior to Board action being taken.

106.6.m: NVMs are to encourage participation by members they represent, in Association and Community Council activities, meetings and programs.

106.6.n: NVMs are encouraged to promote neighborhood events, such as "neighborhood get-togethers," picnics or other neighborhood building activities and to deliver welcome baskets to new members, when available.

106.6.o: NVMs are required to form a Neighborhood Committee if an issue arises that is specific to the neighborhood it represents and requires the input and vote of the members of that neighborhood (Board Policy 107).

106.6.p: In the event a member contacts their NVM about a concern that can and should be addressed by the Association, the NVM shall communicate with the Board or management team clearly defining the situation and desired outcome and shall report back to the member on the result of communication.

106.7 Preparation and Training: All NVMs and Alternate NVMs, regardless of how many years they may have served as an NVM, are expected to attend an annual training session for NVMs, normally scheduled during the third week of January.

106.8 Term, Election and Removal of NVMs and Alternate NVMs: Pursuant to Article 6, Section 4(b) of the Association's CC&Rs the following applies. "Voting Members" – Each Neighborhood shall elect a Voting Member who shall be responsible for casting all votes attributable to Members in the Neighborhood on all Association matters requiring a membership vote, except as otherwise specified in this Declaration or the Bylaws. In addition, each Neighborhood shall elect an Alternate NVM who shall be responsible for casting such votes in the absence of the Voting Member. If the NVM position becomes vacant, the Alternate NVM will fill the NVM role for the remainder of the term.

106.8.a: There are 44 NVM neighborhood voting-blocks allocated by the Board. The 44 NVM neighborhood voting-blocks are provided on a community map labeled Exhibit 1. The Board reserves the right to adjust the total NVM voting-block count.

106.8.b: NVMs and Alternate NVMs shall serve a term of one year until the next annual election (CC&Rs 6.4.b (a)). Said term shall run from January 1 through December 31.

106.8.c: NVMs and Alternate NVMs for the same neighborhood cannot be related (spouse, life partner, mother, father, sister, brother, child, in-law) and cannot be co-owners of any property within that neighborhood.

106.8.d: NVMs and Alternate NVM shall not be related (spouse, life partner, mother father, sister, brother, child, in-law) to a member of the Association Board.

106.8.e: An NVM may not be a member of the Association Board but may be a member of a sub-association board.

106.8.f: A Ranch Association director cannot concurrently serve as an NVM (Board resolution dated May 5, 2014).

106.8.g: The NVM election timeline is approved by the Board at its October board meeting.

106.8.h: Candidate Self Nomination Forms shall be posted on DCRanch.com and available upon request at the Ranch Offices no later than October 1 (see Exhibit 2).

106.8.i: Candidate's Self Nomination Forms shall be submitted to the Ranch Office no later than 5 p.m. on the first Monday of November. Forms may be submitted by e-mail, fax, regular mail or in person.

106.8.j: NVM ballots shall be mailed to each Member with the annual assessment notice, which occurs the last week of November each year. Write-in candidates are permitted on the ballot.

106.8.k: Completed NVM ballots must be received by 5 p.m. MST at the Ranch Offices on the due date. The due date and time will be printed on the ballot. Ballots may be submitted by e-mail, fax, regular mail or in person to Ranch Offices.

106.8.l: The candidate that receives the greatest number of votes from candidate's neighborhood voting-block shall be elected as the NVM, and the candidate receiving the next greatest number of votes shall be elected as the Alternate Voting Member.

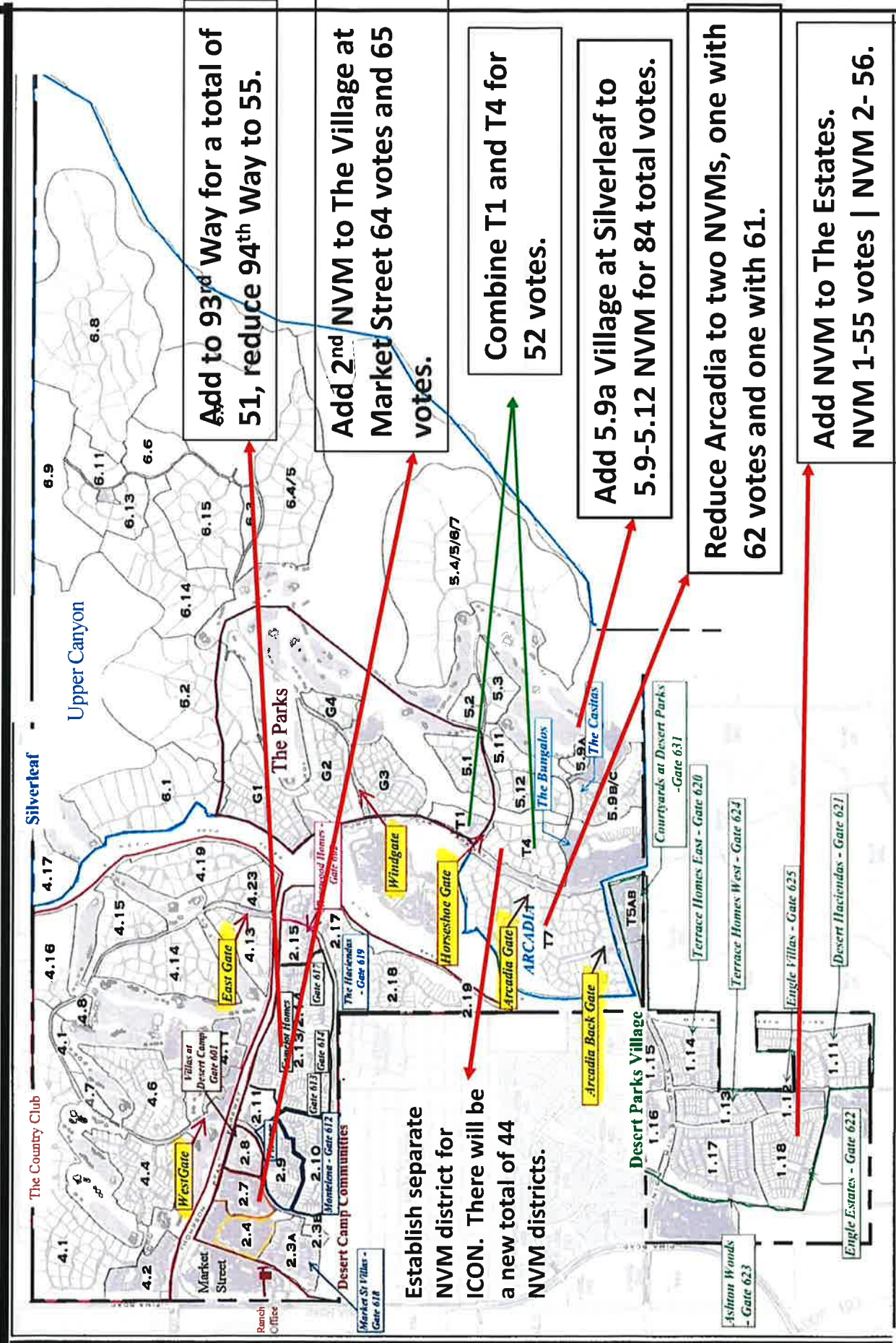
106.8.m: Elected NVMs and Alternate NVMs shall be announced at DCRanch.com prior to December 31 and shall be listed in the *Ranch News*.

106.8.n: In the event where there is no NVM or Alternate NVM in place, an NVM election can take place at any time of the year to fill the vacancy. If there is a member who volunteers to serve as an NVM, an election will take place in that neighborhood's voting-block.

106.8.o: NVMs and Alternate NVM can be removed from office, with or without cause, upon the vote or written petition of owners of a majority of the total number of units owned by Members in the Neighborhood which the NVM represents (CC&Rs 6.4.b(a)).

Approved By: _____ Date _____
Board Secretary

Effective Date: _____



Add to 93rd Way for a total of 51, reduce 94th Way to 55.

Add 2nd NVM to The Village at Market Street 64 votes and 65 votes.

Combine T1 and T4 for 52 votes.

Add 5.9a Village at Silverleaf to 5.9-5.12 NVM for 84 total votes.

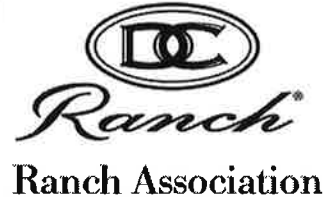
Reduce Arcadia to two NVMs, one with 62 votes and one with 61.

Add NVM to The Estates. NVM 1-55 votes | NVM 2- 56.

Establish separate NVM district for ICON. There will be a new total of 44 NVM districts.



Exhibit 1



Neighborhood Voting Member
Candidate Application/Statement Form
2018-2019

Thank you so much for your interest in serving as a Neighborhood Voting Member (NVM) for DC Ranch. Please complete and return this form with your Candidate Statement via fax at 480.513.1505 or e-mail to terri.raimondi@dcranchinc.com no later than Monday, November 5, 2018 at 5 p.m. Ballots will be mailed to residents the week of Monday, November 19.

General Information

Name: _____ Lot Number: _____

DC Ranch Property Address: _____

Telephone (Daytime): _____ Fax: _____

E-mail: _____

Candidate Statement

- **Please attach your Candidate Statement on a separate sheet and submit with this form. Your statement should include a brief paragraph about yourself, your qualifications to serve as a Neighborhood Voting Member and your commitment to cast your neighborhood votes for the Ranch Association Board Elections held in April in order to make quorum.**

The DC Ranch governing documents outline the NVM role and responsibilities. The Ranch Association recommends that NVMs communicate with their constituents to solicit input as to how their vote should be cast. Any other required voting will follow in line with these expectations. Neighborhood Voting Members are expected to stay as informed as their schedule permits with regards to the DC Ranch Community by attending monthly Board of Directors meetings, reading community communications and understanding important issues, the CC&Rs and neighborhood-specific topics.

I attest that I am a resident of DC Ranch, and an owner in the neighborhood that I wish to represent. I am current in the payment of all assessments and fees without any violations, in good standing with the DC Ranch governing documents, and understand the role and responsibilities of an NVM set forth herein.

Applicant's Signature

Date