

# BHA Board of Directors Corrects Election Misinformation

Bald Head Association (BHA) has a long-standing tradition of publishing communications based on facts and credible information. There have been recent communications from others on BHI with incorrect information about BHA's upcoming election for its Board of Directors. BHA would like to correct all misinformation so that property owners may vote their preferences based on facts, not innuendo.

A "Special Announcement" email sent out by Claude Pope on Monday, January 10, 2022, provided information about BHA's election that undermined the integrity of the nominating process and the Board's role in it. BHA would like to clarify that the Board of Directors has no role in the selection process other than to vote the proxies delivered to BHA in advance of the Annual Meeting.

**1. Quote from the email:** "It's a nuanced and time-consuming process, but two such candidates have successfully navigated these rules, and for the first time in many years, we will have a 'contested election' for the open board seats."

## **BHA:**

- The process to self-nominate for the BHA Board of Directors is a simple process and plainly outlined in the organization's Bylaws. In order to self-nominate, all property owners have to do is submit to the Association office a petition that includes the names of 15 members. The petition must be submitted to the BHA office no later than 60 days prior to the Annual Meeting, which is always held on the last Saturday in January.
- In recent years, BHA has had several contested elections where there were more candidates running for a seat on the Board than there were vacancies. One such member was elected to the BHA Board after submitting a petition with the 15 required names to BHA within the required time period and is still currently serving. That year (2020), there were five individuals on the ballot for two vacancies.
- The last two out of three Board members were elected via a contested election.
- It is significant to note that like many other BHI organizations, BHA has struggled to obtain and retain volunteers, including those for Board service, despite regular solicitations among BHA's membership. In years past, it's been a challenge to secure commitments from enough candidates to fill vacancies, so BHA is grateful when members are interested in helping govern the organization.

**2. Quote from the email:** "In 'proxy voting,' members are effectively giving the current board their proxy to vote, and if not properly executed (indicating your choice of candidates), the board will likely choose the candidates put forth by their own nominating committee."

**BHA:** This is incorrect. If there is a question regarding how the member wants to vote, staff reaches out to the member to confirm how they preferred to vote.

**3. Quote from the email:** “I do hope future boards will modify the existing election rules to make the whole nominating (and voting) process more democratic and diverse - more like the BHI Club’s nominating committee - which selects four or five candidates to stand for election of usually three open seats - giving club members a more diverse selection of nominees, backgrounds and interest.”

**BHA:**

- The Nominating Committee drives the nominating process outlined in the Bylaws. The Board has no role in the selection of candidates. The Bylaws state that the Nominating Committee simply informs the Board at its regular September meeting each year whom the Committee is recommending to the membership for consideration.
- Not only is a description of the nominating process provided in BHA’s Bylaws that are available on the web site 24/7/365, notification of the process has been mentioned a dozen times in the Association’s *Island Report* and *Compass* publications over the previous year. Within those communications, BHA explained multiple times that the self-nominating process is simple and easy. In total, BHA has published eight different requests for individuals who are interested in volunteering for the Board to contact the Nominating Committee. Five individuals responded. The Nominating Committee considered the pool of applicants and based their determination on the skill sets needed to help balance the Board. Applicants not selected still had the option to self-nominate, if they chose.
- BHA couldn’t agree more that there is a need for diversity of skill set at any one time to govern the organization, e.g., architecture/construction, business operations, legal, real estate, public service and finance. The goal is to identify individuals with complementary skill sets to round out the needs of running the organization and making decisions. BHA believes the nominating process supports that philosophy.

**4. Quote from a Village of BHI representative on social media:** “Under the HOA rules, all homeowners who do NOT return a proxy and vote relinquish their vote to the current HOA Board at their discretion to vote for the candidates they propose.”

**BHA:**

- This is simply not true. Unlike corporate shareholder voting, BHA members do not relinquish their votes to the Board if they don’t return their proxy. The Board only votes those proxies that have been returned to BHA by the published deadline.
- There are two ways that proxies are voted. One is a “directed proxy,” which obligates the Secretary to vote as the member has directed. The other is a “general proxy,” which authorizes a majority of the Board to vote at its discretion.
- When members log on to the online voting site or on the paper proxy, members are given these two options from which to choose.