

Nonprofit Transitions & Strategy

for Impact

LAKE LIMERICK COUNTRY CLUB

Preliminary ASSESSMENT OF ORGANIZATIONAL GOVERNANCE & PRIORITIES

March, 2024



1. Background & Introduction

In April 2021-May 2022 and again in May-July 2023 the LLCC Board of Directors encountered issues of significant concern that led to the resignation of multiple board members, multiple staff quitting or resigning, and unplanned redistributions of executive officer roles. In both tumultuous periods, the underlying issues were the result of confusion relative to roles, duties, interactions, and relationships among staff, members, board directors, and executive officers. In closed sessions, the Board worked to find resolution to the matters and to prevent future incidents by adopting two main goals: 1) to improve the human resources support of the HOA and staff and 2) to proactively proceed with professional board training.

Due to these problems, the Lake Limerick Country Club (LLCC) then engaged:

- Human Resources Pacific Northwest ([HRPNW](#)), which helps companies build and implement HR strategies that align with their organizational goals, to guide the organization to improve its HR practices and policies, and
- [Glick Davis & Associates](#), a nonprofit organizational development and transitions consulting firm, in January, 2024 to guide the organization to improve its governance practices.

HRPNW and GDA will be working together with LLC leadership to help address and resolve the areas identified.

Goals established at the outset of the governance improvement process included the following:

- Smoother meeting facilitation & decision making processes
- Smoother & shorter board meetings
- Clarity of board & officer roles and responsibilities
- Clarity of board vs staff roles
- Clarity of board vs committee vs member roles
- Mutual understanding among board members, and between board and community members, regarding board fiduciary responsibility versus friendship and neighborliness

In facilitating this governance assessment, these goals have been validated.

Methodology

To achieve these goals in a planful way, and to help all parties plan a collaborative path forward, GDA's assessment process has included the following elements to provide shape to the planning and change process:

- Review of organizational documents and financials,
- Interviewed 8 board members and the Water Committee Chair (see list in Appendix). Stakeholders' representative comments are included in the relevant sections herein.
- Reviewed and incorporated finding from HRPNW's assessment,
- Coordinated closely with HRPNW to share findings and recommendations, and to ensure a coordinated consulting team to support LLCC,
- Observed portions of three board meetings, and
- Convened regular meetings of the planning committee.

The intent of this report is to assure common understanding among all 1100 LLCC members of the issues, perspectives, challenges, and opportunities regarding the sustainability and stability of LLCC, with the intent of continuing to add / shape issues and iterative decisions throughout the remainder of the process, and later during implementation.

GDA Overarching Observations About the LLCC Change Process

- LLCC leadership has initiated a significant number of attempts, policies, practices and proposals to address the issues outlined in this plan, yet only limited success has been achieved toward the goals noted above to date. Specifically, in the past few years alone, LLCC initiated Strategic Planning efforts in 2017 and 2022, and has developed a number of governance and board policy document drafts as well. Current initiatives including this governance process, HR improvements and potential strategic planning efforts in the months ahead are intended to build on past efforts, in order to complete a comprehensive set of improvements in the organization's governance, operations and practices, as envisioned by years of recent board leadership.
- **LLCC has been reacting** to questions, proposals, problems etc without a proactive direction, plan or comprehensive set of policies to guide the org. Such a reactive approach is most likely due to the incomplete planning processes noted above, and without which, will likely result in continuation of the complexity and conflicts of recent years.

- ***Some combination of courage, passion and/or persistence will be required*** by the board to implement the following changes.
- ***Several plans, policies and practices are needed*** including a Strategic Plan, comprehensive policy manual, board code of conduct, bylaws revisions, board training, and extensive and ongoing communications with the membership.
- ***Will take time and patience*** ~ 1 year or more to achieve significant acceptance and success. Short term successes and partial breakthroughs are however, desired and likely.
- ***Risk Management: In the absence of resolution of the issues herein, GDA cautions LLCC that it is open to significant risk:***
 - HR risk, which has begun to be addressed by engagement of a professional HR consulting firm.
 - Contractual/business risks due to handling of contracts, agreements and relationships without sufficient care
 - Financial risk of unexpected expense(s) exceeding reserves
 - Question for committee: What is the overall level of membership satisfaction of the organization?

2. Purpose & Direction

Findings

LLCC's bylaws state its current mission as follows:

The purposes for which this Association is founded are to promote the community welfare of the members and their families, to make Lake Limerick Country Club a better place in which to live and enjoy life, for the benefit of members and their families; and to exercise any or all powers of non-profit associations and homeowners' associations pursuant to the laws of the State of Washington, including RCW chs. 24.03 and 64.38, or as amended.

While this statement is not inaccurate or wrong, GDA finds the existing mission statement insufficient to provide direction for organizational decisions, because there are no other plans or directional documents that can be used to guide board or staff in decision making.

Recommendations

Indeed, as can be seen in the chart of Board & Senior Staff Roles & Responsibilities on page 6, it is the board's role to:

- Develop and Communicate Mission and Purposes
- Determine, Monitor and Strengthen the Organization's Programs and Services

To fulfill the board's role in governance, GDA finds that a Strategic Plan is needed. Our approach to planning is that at the end of the planning process, with a comprehensive plan developed and agreed upon, the board can then consider whether it wishes to update the mission statement.

3. Board vs Staff Roles & Responsibilities

Representative Board Member Comments About the Board Fulfilling its Roles and Responsibilities

- The board has gotten too much in the weeds.
- I think we need to operate “like a board” including once a year training process where we all align (whether BOD President facilitates or a consultant) and we all sign and align and agree on policies and procedures. Part of the problem is that people cherry pick from bylaws, RCWs, etc to undermine the process.
- Volunteers older and getting older.
- Set this up to be sustainable since the younger generation won’t put in this many hours
- Annual/regular board turnover makes it more challenging.
- Minority votes have indeed held back majority opinions and votes from passing.
- This is the most difficult board I’ve seen – people who scream at each other. Communications among board members is poor.

Representative Board Member Comments About Staff Fulfilling Roles & Responsibilities

- We are running a city of 3000 people. Staff has to be enabled to run the community. Committees should provide input, but staff should be used to achieve success.
- If we hire a good GM it will be easier to do the whole shebang.
- Changed into a small city but governance has not caught up. Board doesn’t have skillsets to govern and I am leaning toward professional management. People now want all amenities of a small city.
- Missing = staff continuity to continue to implement the policies despite the turnover.

GDA Analysis & Governance Training Outline

The following chart and graphics, along with case studies of recent LLCC processes will be used as materials to support a facilitated series of approximately three board governance training sessions from the March through May, 2024 board meetings.

Best Practices in Governance: Adapted from BoardSource, the authority on nonprofit governance

Board of Directors Roles & Responsibilities	General Manager Roles & Responsibilities
<ul style="list-style-type: none"> • Develop and Communicate Mission and Purposes • Determine, Monitor and Strengthen the Organization’s Programs and Services • Select and Support the Executive Director; Assess His or Her Performance • Ensure Effective Organizational Planning • Ensure Adequate Resources • Manage Resources Effectively (Financial Oversight) • Recruit and Orient New Board Members and Assess Board Performance • Enhance the Organization’s Public Standing • Ensure Legal and Ethical Integrity and Maintain Accountability 	<ul style="list-style-type: none"> • Manage staff • Day-to-day (operations) management • Manage financial resources • Liaison to Board of Directors • Represent Organization • Ensure effective organizational planning

General Manager Role in Evolving Governance & Strategic Planning

With the new General Manager expected to be hired in the April time frame, GDA expects that their input and involvement will be helpful and in fact critical to the completion of both the governance improvement and strategic planning processes.

4. Improving Governance

WHAT DOES BOARD SERVICE ENTAIL?

How the three main roles of the board relate to the 10 basic responsibilities of nonprofit board members:



Sources: [Board Fundamentals](#), [Ten Basic Responsibilities of Nonprofit Boards](#), [Leading with Intent](#), [Legal Responsibilities of Nonprofit Boards](#)

BoardSource

The three legal duties of a nonprofit board member:

Care

Pay attention to the organization's activities and operations

Loyalty

Put the interests of the organization before personal and professional interests.

Obedience

Comply with applicable federal, state, and local laws; adhere to the organization's bylaws; and remain the guardians of the mission.

How current boards rate themselves on the ten basic responsibilities:

Responsibility	CEO	Chair
Mission	A-	A-
Financial Oversight	B+	B+
Legal/Ethical Oversight	B+	B+
CEO Support	B	B+
Strategy	B-	B
CEO Evaluation	B-	B
Monitors Performance	B-	B
Community Relations	C+	C+
Board Composition	C	C
Fundraising	C	C

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Courtesy of Third Sector Company SPC

Effective Committee Functioning

Governance vs Operating Committees

Many nonprofit organizations don't differentiate between different levels of responsibility of different committees. Not all committees function at the same level within an organizational structure. Looking at the chart on page 6, committees that address the functions in the left hand column are indeed governance committees, and report to the board. Examples of governance committees include:

- Executive Committee
- Finance Committee
- Governance Committee

Note that organizations that don't have a governance committee may have a board development committee, or at a minimum, a nominating committee. As a nonprofit organization develops greater capacity, it is common for nominating committees to develop into board development and later, governance committees as they recognize and take on roles beyond nominations such as board orientation and training, board self-evaluation, and a host of other board governance functions. [BoardSource](#) has scores of training courses and hundreds of books that can be tapped to develop these enhanced capacities.

However, many of LLCC's committees (as in other nonprofits) are not truly governance committees but rather, serve in an "operating committee" capacity. Operating committees in general are launched in the early phases of a nonprofits lifetime, when the organization cannot afford to hire enough professional staff and they rely on volunteers to perform what would, in a larger organization, be staff roles. It is extraordinarily common that as the nonprofit develops, these committees get entrenched, staff are not hired to fulfill more senior, decision making roles, and nonprofits find themselves in situations similar to LLCC, where members expect to take on these roles. When Board members act in certain staff roles, they may create unintended liability if there are compliance issues that they are not aware of, and because they are board members, feel they don't need to comply with the regulations that staff leaders normally enforce among staff members.

In addition, at LLCC, such roles also offer social setting for neighbors to connect with each other.

Yet operating committees should ideally report to senior staff members, as non-governance volunteers. The process of shifting from operating committees "directing" staff and the board, to providing feedback and membership perspective to staff can indeed be complicated, and relies in part on having sufficiently seasoned staff to be able to work

with committee and community members in a collegial manner regardless of the exact reporting relationship. Examples of operating committees include:

- Greens Committee
- Youth Committee
- Inn Committee

With sufficiently professional staff, such operating committees may shift to being advisory to staff, or in some cases if staff is strong, may not be needed.

Board Culture, Facilitation & Decision Making

Findings

- Lack of discretion and/or understanding about the boundary between board governance and operational (staff) roles** demonstrated by a number of board members
- Passive or passive-aggression**
 - Active issues are sometimes brought up as jokes
 - Board members sometime undermine Board consensus, undermine the authority of the President, or disclose confidential information
- Need to clarify and differentiate between closed and open sessions of the board** (see Duties of Care, Loyalty and Obedience in BoardSource graphic, page 7). In a similar vein, the board is not adequately differentiating what should be documented and can be shared vs matters such as HR and certain contractual/legal matters which need to be kept as confidential to minimize organizational risk.
- Communication and transparency with membership**, which is covered in the bylaws, is in general a good practice. Yet not every single document can be shared in order to minimize organizational risk. Some may not be sharable at all, while others may need significant context conveyed to the requestor, whether verbally and/or including other related or background information. Even former board members, who sometimes expect the same visibility as current board members, unfortunately no longer have the fiduciary responsibility of current board members, nor are bound to the same legal duties as current board members, and therefore, unfortunately, should not have any different level of access to documents or information as any other non-current board member.
- Frozen by friendships:** There are a significant number of issues/times when board members have been “frozen by friendships” and therefore unwilling to vote on an issue on behalf of the entire membership, or perhaps vote contrary to a best friend or good neighbor’s interests.

Conclusion

In general, the LLCC board is regularly **reacting** to inquiries, questions, proposals, etc. rather than working with any sort of strategic set of priorities as a **proactive roadmap** for what issues to address, priorities for issue selection, and rationale for which committee-identified issues are appropriate to prioritize. Once a strategic plan for the organization is completed, the board will also be in a better position to guide committees and staff in issue prioritization and selection.

GDA Recommendations

Based on this assessment and GDA's overall observations, following are recommendations to improve board meeting facilitation, functionality and decision making:

Better framing of issues is required for:

- Board meeting agenda items,
- From board to committees, and
- From committees to board.

Better framing requires a leader such as the Board Chair, General Manager, or Committee Chair, devoting sufficient time in advance of the meeting to ensure that the presenter of the topic, as well as the members of the body participating in the meeting, are both sufficiently briefed and prepared for the discussion. Examples of the elements of good issue-framing include:

- Clarifying in advance with the presenter and for the body, what is the exact purpose of the discussion
- Committee Chairs have a particular responsibility to frame issues both for their committee and for the subsequent board discussion/deliberation. In this way, both the committee and the board would be best served as both entities would be proactively considering the greatest range of perspectives, and expectations of both bodies would be best managed.
- Insuring that any written materials are clear and concise. This may mean having a second set of eyes on any handouts to make sure they are well-crafted for the issues at hand
- Clarifying time (# of minutes) devoted to the a) presentation and b) discussion
- Defining desired outcomes from the discussion
- Planning in advance for what to do if the discussion takes longer than expected. For example, the discussion:
 - Can be allowed to run over the allocated time, but that means that participants will need to be at the meeting longer than planned,
 - Can be tabled for additional analysis, discussion etc, for the next meeting, or

- Can be delegated to a staff member,
- Etc.

As the staff's responsibilities grow, it will be easier, and it is most common in better-developed nonprofits, for staff members to have a significant role in framing issues. Staff framing issues has the added benefit of providing some continuity as regards compliance with organizational policies, and priorities.

Training Elements for Issue Framing

- An LLCC case study to describe and analyze improved issue framing will be discussed at the March 16 board meeting.
- Martha's Rules of Order also provide a clear roadmap to improved issues framing and preparation for effective meetings.

Improved Facilitation, More Respectful Meetings

In addition to improving its framing of issues and preparing for and facilitating meetings, LLCC needs to ensure that board members are respectful of each other, and the organization's structure, policies and procedures. To achieve this, every board member should be oriented and indeed trained on their roles, responsibilities and legal duties, as outlined in the charts and graphics above. Because such training may not be sufficient to change ingrained individual behaviors, beyond training, the board should have identified someone other than the Chair to ensure that board members are acting professionally and respectfully in meetings. While any board member can fulfill this role, it is common for other members of the executive or governance committees to serve in this capacity.

Orientation & Training

The training elements of this report, and GDA's contract, should be implemented and given to all new LLCC board members as new board members come on each year. This is a key role of the governance committee.

Note taking has come up frequently as a request and staff has been solicited to perform this function. For some committees such as Water, such staff support is a good idea. On the other hand, some committees need coaching on what good, organized notes entail.

5. Board & Staff Succession

Board Succession

While many board members come from management roles in the corporate, nonprofit or governmental arenas, and therefore have relevant and applicable skills to apply to LLCC governance, the complexity and indeed confusion in roles and responsibilities of board members, and the resultant conflicts and extraordinary time commitment, makes the LLCC board an unattractive volunteer role. This presents a significant and ongoing risk for the organization, especially as younger community members are likely to represent future generations of board members, and 40- and 50- somethings are far less likely to be willing to deal with the conflicts that have characterized much of LLCC's board history.

By undertaking the governance training herein, and fulfilling the LLCC's legal responsibilities as board members, the organization puts itself in a much better position to sustain an effective and productive board of directors in the future, which can more easily identify, recruit and retain strong, capable board members.

Staff Succession

LLCC is taking a fundamental positive step toward sustainability of its professional staff by implementing its current search for a new Chief Professional Officer, a General Manager. Once the position is filled, the organization should turn its attention to building out a management team consisting of 3-4 senior staff who in total are responsible for LLCC's operational success in implementing this plan.

6. Financial Sustainability

This assessment showed significant questions and issues regarding LLCC's financial condition and financial sustainability. While GDA has begun deeper fact-finding about LLCC's financial situation, a full analysis and recommendations will be completed as part of the Strategic Planning process.

7. Membership Participation

Membership Participation in Board Meetings

Bylaws Article IX, Section B provides a very good basis to guide Membership Participation. Following are a few proposed practices intended to help enforce this bylaws provision:

- Current LLCC Board Policy provides a portion of the board meeting for non-board members to speak for up to two minutes (please insert time length for response). However, GDA has also observed non-board members speaking outside of this membership participation period. We recommend that the policy of non-board members speaking only during the time allocated should be enforced, including tactfully and judiciously telling members who just show up to a meeting about the policy when they arrive, in order to avoid, to the maximum extent possible, any negative feelings.
- Strategic Plan presentation to and discussion with the community could be annual, perhaps in month prior to budget approval, and when community is ready, at same meeting as budget approval, or at a separate time as per the town meeting provision in Bylaws Article IX, Section B.
- How to address members' (board, committee, general members) interest and desire for entertainment or activity that has been met in the past with real or perceived involvement in LLCC's governance and/or management, when from a best-practice perspective, there are "too many cooks in the kitchen" for optimally functional governance or management.

Open Meetings & Open Records Policies

LLCC's open meetings and open records policies per Bylaws Article XII, Sections B & C are honorable values for any organization. However, in well-governed organizations, there are some limits on such openness, to protect the organization when deliberating HR, legal/contractual and occasionally other issues. By opening the meetings and/or records in which such issues are discussed to non-board members, or in some cases, even non-Executive Committee members, who do not have the fiduciary responsibilities of these board officers, LLCC could be exposing itself to unnecessary risks. This is a bylaws revision that GDA recommends for LLCC, which should be undertaken by consultation with a qualified non-profit attorney.

Contracts should not be instantly available to the membership because the member may not be familiar with the bylaws, policies, governance roles & responsibilities, strategic plan or other background/framing of the issue. Ideally, such members who ask for contracts would demonstrate a deep knowledge of the issue background and context, and not be using a single document out of context to undermine the organization. Such a policy would be a way of insuring that no individual member violates the bylaws provision to "avoid allowing any one member to exercise a disproportionate role in the process."

This assessment and the subsequent strategic plan intend to find a middle ground where indeed LLCC retains its emphasis on openness and transparency, but manages member involvement better, to become a more efficient and effective organization, with less HR and contractual/legal risk.

8. Board/Governance Policies

As GDA works with the board, it will note which existing, emerging and/or new policies belong in the LLCC bylaws, and which policies should be documented in a Policy Manual, which can more easily be updated and revised as needed. Examples of the type of information that belong in the policy manual include:

- Permit approval process
- Project approval request
- CCR Duties of Directors
- Access to Lake Limerick amenities
- Boat usage policies
- Meetings 101

GDA will work with the board and the bylaws committee to strive for a set of bylaws revisions that are consistent with the best governance practices described herein, and the organization's emerging Strategic Plan.

9. Preliminary Strategies for Sustainability

Clarify & Shift Board, Staff, Committee and Member Roles & Responsibilities Toward a Best Practice Structure & Policies for a Nonprofit Association of LLCC's Size

Financial and Property Sustainability

Better Manage LLCC Risks

Board and Staff Development & Retention

Communicate the Need for the Changes Openly and Transparently with the LL Community

Establish Appropriate Equity Among Members and Member Interests

10. Timeline for Planning & Training Process

	Governance	Strategic Planning	Other
March	Preliminary Assessment to board Training session 3/16	Launch Data gathering	First coordination of bylaws comm & SP
April	Training session 4/20	Data gathering Possible first discussion of strategies with board	First possible primary communications with community members. Perhaps combined with introduction of new GM
May	Training session 5/18	First or second discussion of strategies with board	
June	Observation & feedback on board meeting & governance	Board review of first draft SP	Communications with community members
July	Observation & feedback on board meeting & governance		
August	Observation & feedback on board meeting & governance		
September			
October			

Appendix A: Stakeholders Interviewed

Board Members

1. Tamra Ingwaldson, [President](#)
2. Mike Berni, Vice President
3. Esther Springer-Johannesen [Treasurer](#)
4. Pat Paradise, [Secretary](#)
5. Dean Dyson
6. Mandy Paradise
7. Mitch Robinson
8. Stevan Saylor

Water Committee Chair

9. Kelly Evans

HRPNW

10. Diane St. John
11. Karen Vanetta