

# Shelter Bay Community, Inc.

## Chapter 40 – Code of Conduct and Rules of Order

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### 40.010 Definitions (*Res. 16-10, 6/15/16*)

- A. “*Abuse*” means the use of aggressive behavior intended to offend, hurt, or gain benefit. Such behavior may be verbal, written, or physical.
- B. “*Bully*” means to the use of force, threat, or coercion to abuse, intimidate or aggressively dominate others. Such behavior may be verbal, written, or physical.
- C. “*Claimant*” means the person or persons who file a Complaint of Misconduct regarding the actions of a board member or committee member.
- D. “*Discriminate*” means to consider or make a distinction in favor of or against a person based on a group, class, or category to which that person belongs rather than on individual merit.
- E. “*Harass*” means to persistently subject another to hostile or prejudicial remarks or actions.
- F. “*Immediate Family*” means a spouse, child (natural, step, adopted, or foster), parent, grandparent, sibling, or in-law.
- G. “*Interview*” means an interview before the Ethics Committee and/or Board of Directors to give testimony and provide evidence regarding a Complaint of Misconduct in order to make a judgment regarding the complaint.
- H. “*Profit or Gain*” means that a benefit is realized. The benefit can be monetary or some other form of advantage gained.
- I. “*Respondent*” means the Director or committee member cited in a Complaint of Misconduct who shall have the right to defend themselves regarding the actions alleged by the Claimant.
- J. “*Sanction*” means a penalty imposed by the Board of Directors for board member or committee member misconduct and meant to ensure compliance. Sanctions may range from a written letter of reprimand, suspension of duties, or removal. The Board does not have the authority to remove a board member, but may suspend the board member pending a meeting of the membership to remove the board member.

(*Res. 16-10, 6/15/16*)

## **Shelter Bay Community, Inc.**

### **40.020 Code of Conduct - Duty of Care, Loyalty and Obedience**

Board and Committee members shall, in writing, affirm adherence to this code of conduct while carrying out their community responsibilities. When working on behalf of the community, members shall:

- 1) Use the care that an ordinarily prudent person would exercise in making decisions,
- 2) Exercise loyalty by placing the interests of the Community ahead of their own interests, and
- 3) Demonstrate obedience through adherence to Washington State law and the Shelter Bay Community, Inc. governing documents.

The provisions of this chapter are not meant to be all-inclusive. The Board of Directors reserves the right to remove a committee member or sanction a board member for any violations of this chapter or any other serious misconduct not specified. Unless the Board determines that immediate action is required, violations of this chapter shall be dealt with as provided at 40.030, Violations of the Code of Conduct.

#### 40.020.010 Code of Conduct

- A. In the performance of their duties on behalf of the Community, Board and Committee members shall:
- 1) Use sound judgment in making fair and reasonable decisions on behalf of the community.
  - 2) Serve the interests of the community as a whole regardless of personal interests.
  - 3) Perform without bias for or against an individual or group of individuals.
  - 4) Support the decisions of the Board or Committee.
  - 5) Act within the boundaries of their authority as defined by Washington State law and Shelter Bay Community's governing documents.
- B. In the performance of their duties on behalf of the Community, Board and Committee members shall not:
- 1) Harass, bully, or abuse anyone in any form.
  - 2) Discriminate or show bias against anyone in any form.
  - 3) Use their position or decision-making authority for personal gain or to seek an advantage.
  - 4) Make promises to or accept gifts exceeding \$50.00 from a resident, potential resident, contractor, or bidder.
  - 5) Advocate, support, or engage in any action or activity that violates a law or regulatory requirement.
  - 6) Be under the influence of drugs or alcohol.
  - 7) Endanger the safety of community or staff members.
  - 8) Carry a weapon.

#### 40.020.020 Dissemination and Confidentiality of Information

- A. Board or Committee members shall not misrepresent known facts involving the community's business.
- B. Each Board or Committee member who has access to confidential information discussed or disclosed in executive session or in the course of their work with the Office, has the responsibility to safeguard all such information, including all records and documents. This includes personal information about any association member or community employee which may be obtained in the performance of the board member's or committee member's duties. This policy extends to the dissemination of information either verbally or in writing, including email.
- C. Information discussed in executive session shall be disclosed and/or discussed with individuals only on a 'need to know' basis. Conversations of a confidential nature must never be held within earshot of other community members or the general public.

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- D. No Board or Committee member shall willfully manipulate documents, computer records, or other community information for personal gain; nor misappropriate community monies, property, or services of any kind.

### 40.020.030 Conflicts of Interest

- A. No Board or Committee member shall, at any time, except with a Board approved waiver for special circumstances, represent other than themselves or members of their immediate family in any matter before the Board or Committee.
- B. No Board or Committee member shall derive a personal profit or gain, directly or indirectly, by virtue of their association or participation within the community. Should a member believe they, or a member of their immediate family, will derive a personal profit or gain from a decision, they shall disclose to either the board or the committee that personal interest in any matter pending before the Board or Committee. The nature of the personal profit or gain shall be disclosed in sufficient detail to permit the other Board or Committee members to determine if the interest is substantial or the personal involvement is prejudicial.
- C. After disclosure, the Board or Committee shall determine by a recorded vote of its members whether a conflict of interest exists and the disclosing member is disqualified from participating as a board or committee member in any discussion and/or decision on that matter. In reaching its decision, the Board or Committee will consider whether: 1) The member would derive, or could foreseeably derive, a personal profit or gain from the decision and 2) The personal interest or involvement of the member in the matter to be decided would prevent the remaining members from fairly evaluating the evidence or, that, based on all of the surrounding circumstances, whether participation would create an appearance of unfairness or impropriety in the proceedings.
- D. Board or Committee members shall not be disqualified from participating solely on the basis of a personal familiarity with the case or the parties involved.
- E. If the Board or Committee finds that a conflict of interest does exist, that member shall remove him/herself from being seated with the Board or Committee during discussion of the matter and shall take a seat themselves within the audience. Should the Board or Committee need to conduct an Executive Session in its consideration of the matter, the disqualified member shall not attend.

*(Res. 16-10, 6/15/16)*

## **40.030 Violations of the Code of Conduct**

### 40.030.010 Filing of a Complaint

- A. Any member in good standing may file a Code of Conduct Complaint if they perceive that a Board or Committee member has violated any section of this Code of Conduct chapter, within 60 days of the alleged violation, or discovery of the alleged violation. The Board of Directors may waive the 60-day requirement for good cause.
- B. The Code of Conduct Complaint must clearly state the violation, the grounds for the complaint, and provide any documentation to support the complaint.
- C. Within 10 business days of receipt of the Code of Conduct Complaint, the Executive Secretary of the Board shall determine whether the complaint is complete. If it is deemed incomplete, it shall be returned to the claimant stating the area of deficiency and requesting that the properly completed form be resubmitted within 10 business days. After the final filing, the claimant may provide additional documentation as necessary during the process. Such documentation must be relevant to the complaint filed.

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- D. Within 10 business days of receiving a complete Code of Conduct Complaint, the Executive Secretary will notify the Board President or Vice President that the Complaint has been received.
- E. The Board President or Vice President, with the concurrence of the board, may immediately suspend the board or committee member if the violation is of such a serious nature as to potentially create a liability for the Community. If not a cause for immediate suspension, the following investigation process shall commence.

### 40.030.020 Investigation

- A. Once a Code of Conduct Complaint is properly filed, within 15 days the board president will appoint, and the board shall confirm, an Ethics Committee to investigate the matter. The Ethics Committee will be comprised of five members, none of whom is a seated board member or member serving with the claimant or respondent on any committee. Members of the Ethics Committee must sign a Disclosure of Interest statement and a Good Faith Conduct statement prior to their first meeting.
- B. Phase I – Informal Review Process: Within 15 business days of appointment, the Ethics Committee will begin to determine whether the complaint has merit. Should the Ethics Committee determine the complaint has the potential for a lawsuit to be filed (criminal or civil), the Ethics Committee may recommend that the Board of Directors hire an outside investigator to review the matter and prepare a written report to the Board.
- C. If the Ethics Committee determines it will proceed with the matter, both the claimant and respondent will be notified by the Ethics Committee that a complaint has been filed and the next steps in the review schedule. The investigation of misconduct by any board or committee member will be treated as a personnel issue with all meetings and materials handled confidentially.
- D. Upon notification of the Complaint, the respondent may provide documentation relevant to the Complaint.
- E. The Ethics Committee will hold private, informal discussions with both parties in order to establish the scope of the complaint. The Ethics Committee will investigate the claim using whatever testimony is given or materials made available to it by either party in order to determine its merit.
- F. The investigation shall consist of:
  - 1) Separate interviews with the claimant and the respondent.
  - 2) Interviews with any other witnesses to the complaint.
  - 3) Review of any and all evidence provided by the claimant or the respondent.
  - 4) Follow-up interviews with the claimant, respondent and other witnesses, as needed.
- G. If it finds there is merit to the complaint, the Ethics Committee will offer both parties access to a mutually agreed upon mediation opportunity to resolve the issue. If both parties agree, mediation will proceed until resolution is achieved or it is deemed by either party or the mediator that mediation will not resolve the issue.
- H. If the Ethics Committee determines there is insufficient merit to pursue the claim, the Ethics Committee will provide both claimant and respondent with notice of this determination. This decision is appealable to the Board of Directors within 10 business days of the date of the notice.
- I. Phase II Formal Review Process: If mediation is not successful or is not an option for resolving the issue, then the Ethics Committee will establish a schedule to perform a formal investigation and hold interviews regarding the complaint within 15 days. Both parties will be notified of the schedule. During the interview process, both parties, or their designees, will present their respective cases, with or without documentation and/or witnesses.

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Interviews before the Ethics Committee will be private and confidential, however, recorded, for future use by the Board of Directors or by either party should subsequent legal action be pursued.

### 40.030.030 Findings of Investigation / Judgment

- A. The Ethics Committee will produce a report of its findings and provide the report to both parties and the Board of Directors. The findings of the Ethics Committee will be appealable to the Board of Directors within 10 business days of the date of the report.
- B. The Board of Directors will either confirm the findings of the Ethics Committee or, if not in agreement, schedule its own investigation to begin within 30 days of the Ethics Committee's report. If the Ethics Committee's findings include a recommendation for sanctions, the Board will conduct its own investigation into the matter in the same manner and upon a similar schedule as that provided for the Ethics Committee.
- C. No Board member, who has a fiduciary interest in the conclusion of this complaint may serve in a decision making capacity on this case.
- D. The Board will notify both the claimant and respondent of its decision. The Board's decision is final for the Community.
- E. If subsequent legal action by the parties should be pursued, all Community records kept with regard to the case will be made available upon the request of either party.
- F. If deemed warranted, the Board of Directors may suspend a Board member and immediately call for a Special Meeting/Election of the membership to remove the board member.

*(Res. 16-10, 6/15/16)*

## **40.040. Rules of order**

### 40.040.010 Robert's Rules

Other than the rules of order set forth in this chapter, Robert's Rules of Order (Latest Edition) shall govern the conduct of all meetings of the board of directors and its committees.

### 40.040.020 Board member voting

- A. Each board member present shall vote on every question, unless required to abstain due to having a board approved conflict of interest in the question before the board.
- B. The president may ask for a voice vote, if he/she feels that the question is not extremely controversial, or otherwise for a vote by show of hands. Any member may ask for a roll-call vote if he/she feels that the outcome of a voice vote is not clear.
- C. The president shall not allow a board member to explain his vote or discuss the question while the "yeses" and "noes" are being called.
- D. On completion of the roll call, the president shall ask if any board member desires to change his/her vote and if a board member does change his/her vote then the changed vote will be the board member's final vote on the question and the vote used to determine the results of the roll call. A board member may only change his vote once on any given question. The final vote of each named board member on votes to adopt resolutions or substantive motions shall be recorded as "yes" or "no," except that if the vote is unanimous it may be recorded "unanimous."
- E. The president shall then announce the number of "yes" votes, the number of "no" votes and whether the question has carried or has failed. No vote may be changed after the president commences the announcement.
- F. A quorum, no less than five members, shall be present in order to conduct business. A majority vote of those members present shall be required to carry any question.

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### 40.040.030 Conduct of debate and discussion

- A. When desiring to speak at a board meeting, a board member or member of the audience, shall respectfully address the chair, and shall refrain from speaking until recognized.
- B. The president shall determine who shall speak first when two (2) or more persons request recognition at the same time.
- C. Each board member shall have at least one (1) opportunity to speak before the board on each item under consideration for a vote.
- D. The president shall preserve order and decorum at all times and shall make such rulings as may be necessary to preserve order and decorum. The president shall instruct the members of the audience that the time available for audience comment will be limited as provided in Section 30.090.
- E. The president's ruling on any matter shall stand unless a board member challenges the ruling and the challenge is approved by a majority vote.
- F. A board member shall limit himself/herself to speaking on the subject under debate and shall not refer to any other board member except in a respectful manner. A board member shall not impugn the motive of another board member's vote or argument.
- G. The board shall be at order and shall not carry on private conversations when a board member is speaking.
- H. If a board member transgresses the rules of the board, the president shall call him/her to order or another board member may rise to a point of order. The board member called to order shall immediately cease the action for which he/she was called to order. The president or board member rising to a point of order shall state the offense committed and the board member called to order shall then explain or justify his actions. The president shall then rule on the point of order.
- I. The board member making a motion on a subject before the board, shall be given the opportunity to begin debate on the motion, but if the board member making the motion does not begin debate then any board member may do so.
- J. The board may amend, rescind or reconsider a resolution by enacting another resolution.
- K. A motion to reconsider may be applied to any resolution, or action of the board. A motion to reconsider has precedence over all motions except the motion to adjourn. A board member may make a motion to reconsider only if:
  - 1. Something has been done, as a result of the vote on the main motion, that is impossible to undo or persons have otherwise reasonably relied on the vote to their detriment. The unexecuted part of an action, however, can be reconsidered, and if
  - 2. The board member voted with the prevailing side on the question to be reconsidered. If a resolution, or other action which is the subject of a motion to reconsider, was not adopted on initial consideration because it did not receive the required number of yes votes, then those board members voting no shall constitute the prevailing side, regardless of the relative number of yes and no votes cast on the question. A board member who changes his vote in accordance with these rules shall be a member of the side on which his vote is finally recorded by the secretary, and if
  - 3. The board member makes the motion to reconsider on the same day and at the same meeting at which the vote to be reconsidered was taken. Such a motion for reconsideration requires a two-thirds (2/3) vote to carry. A board meeting which is recessed and reconvened on a different day shall constitute one (1) meeting. The reconvened session of such a meeting shall not constitute the next regular board meeting as that term is used in this subsection, or

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4. The board member files with the secretary not later than five p.m. on the first business day following the day on which the vote was taken, a notice of intent to reconsider and then makes the motion to reconsider at the next regular board meeting. The board member can file by telephone provided that the notice of intent to reconsider is signed before the motion is considered. Such a motion for reconsideration requires a majority vote to carry. Only one (1) motion to reconsider shall be entertained on any resolution or other action even if the board overturns the original action. If a motion to reconsider a particular resolution or other action fails, a second motion to reconsider the same action shall not be in order.
- L. A motion to rescind may be applied to any previously adopted resolution, or action of the board except:
1. When the question could be reached by a motion to reconsider; or
  2. When something has been done, as a result of the vote on the main motion, that is impossible to undo or persons have otherwise reasonably relied on the vote to their detriment. The unexecuted part of an action, however, can be rescinded; or
  3. When the matter is in the nature of a contract, and the other party has been informed of the vote; or
  4. When a resignation has been acted upon, or a person has been elected to or expelled from membership or office, and the person was present or has been officially notified of the action.
- M. A motion to rescind may be made at any subsequent board meeting and there is no time limit on when the motion can be made. A pending motion to rescind shall affect the validity of a resolution, or other action. A motion to rescind shall not be renewed during the same meeting at which it was made, but it may be reconsidered in the same manner as any other main motion.
- N. A motion to rescind yields to all privileged, subsidiary and incidental motions and it requires the same vote as that required to pass the previously adopted action. There shall be no more than one motion to rescind on a question. If the motion to rescind passes, the question on the main motion is automatically before the board for further action, including amendment.

*(Res. 05-04 am, 4/20/05)*

# Shelter Bay Community, Inc.

## Code of Conduct Complaint Process Flow Chart

Code of Conduct Complaint is filed with the Executive Secretary. Board President may immediately suspend the member if the violation is of a serious nature.



5 Member Ethics Committee appointed.



**Phase I - Informal Investigation** Ethics Committee determines if the complaint has merit and warrants further investigation. If complaint is serious, may recommend an outside investigator be hired. Mediation is offered.



**Phase II - Formal Investigation** Ethics Committee has determined the Complaint has merit and that mediation will not be successful in resolving the issue. Move forward with a formal investigation.



**Board Action**  
Confirm the findings of the Ethics Committee or Conduct its own investigation or Hear an appeal of either party. Make final determination on any sanctions.

**Time Frame and Steps:**

- 1 Complaint must be filed with Executive Secretary within 60 days of alleged violation, or discovery of the alleged violation. Board may waive this requirement for good cause.
- 2 Within 10 business days of filing, the Executive Secretary checks for the completeness of the Complaint and notifies the Claimant of any deficiencies.
- 3 Claimant has 10 business days to correct any deficiency.
- 4 Within 10 business days of receiving a complete Code of Conduct Complaint, the Executive Secretary will notify the Board President or Vice President that the Complaint
- 5 The Board President or Vice President may immediately suspend the member if determined the violation is of a serious nature and could create a liability.

**Time Frame and Steps:**

- 1 Within 15 business days of notification that a valid Code of Conduct Complaint has been received, the Board President appoints a 5 member Ethics Committee.
- 2 Ethics Committee members will be in Good Standing, and shall not be a present Board Member or serve on a Committee with the Claimant or Respondent.
- 3 Members of the Ethics Committee will sign a Disclosure of Interest Statement and a Good Faith Conduct Statement.

**Time Frame and Steps:**

**Phase I - Informal Investigation**

- 1 Within 15 business days of appointment, the Ethics Committee meets to begin Phase 1 and determine whether the claim has merit. Should complaint have potential for a lawsuit, Committee may recommend the hiring of an outside investigator.
- 2 Ethics Committee notifies both parties of the complaint being filed and the next steps.
- 3 Ethics Committee holds private, informal discussions with both parties in order to establish the scope of the complaint.
- 4 Ethics Committee investigates the claim hearing testimony and reviewing all documentation provided.
- 5 If the Ethics Committee determines there is potential merit to the Complaint, mediation will be offered.
- 6 If both parties agree, mediation will proceed until resolution is reached or it is deemed by either party or the mediator that mediation will not resolve the issue.
- 7 If the Ethics Committee determines there is merit to the Complaint, it will notify the parties and move on to Phase II - Formal Investigation.
- 8 If the Ethics Committee determines there is insufficient merit to pursue the Complaint, it will notify the parties. This decision is appealable to the Board within 30 days.

**Phase II - Formal Investigation**

- 1 Ethics Committee will establish an investigation schedule and notify both parties.
- 2 The Committee will interview both parties, or their designees, who will present their respective cases and provide any documentation as appropriate.
- 3 The interviews will be private, however, recorded for future record.
- 4 The Ethics Committee will issue findings and, if warranted, a recommendation to the Board for sanction. These findings are appealable to the Board within 10 business days.

**Board Appeal and/or Sanctions: Time Frame and Steps**

- 1 Within 30 days of receipt of the Ethics Committee's report, the Board will either confirm the findings of the Ethics Committee or schedule its own investigation.
- 2 If the Ethics Committee recommends sanctions, the Board will conduct its own investigation in the same manner and similar schedule as the Ethics Committee.
- 3 No member of the Board with a fiduciary interest in the conclusion may serve in a decision making capacity on the issue.
- 4 Interviews will be recorded and exhibits preserved.
- 5 The Board will notify both parties of its decision. Board decision is final for the Community.
- 6 If warranted, the Board may suspend a Board Member and immediately call for a Special Meeting of the Membership to remove the Board Member.





# shelter bay community, inc.

1000 Shoshone Drive • La Conner, WA 98257 • 360-466-3805

<b>For Office Use Only</b>	
Member is in good standing	
Initials _____	Date _____

## Code of Conduct Complaint

The purpose of this form is to file a complaint against a Board or Committee Member for a violation(s) of Shelter Bay Community's Code of Conduct. Add additional pages or other documentation if desired.

Filed by: \_\_\_\_\_ Date: \_\_\_\_\_

Lot # \_\_\_\_\_ Address: \_\_\_\_\_

Email Address: \_\_\_\_\_ Phone: \_\_\_\_\_

Name of alleged violator: \_\_\_\_\_

Date(s) of Alleged Violation: \_\_\_\_\_

Describe Violation citing the Code of Conduct Section: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Names of Witnesses: \_\_\_\_\_ Phone: \_\_\_\_\_

\_\_\_\_\_ Phone: \_\_\_\_\_

\_\_\_\_\_ Phone: \_\_\_\_\_

Documentation, if available (may attach additional sheets as necessary):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Do you believe the violation may have or could influence a decision of a Committee or the Board? \_\_\_\_\_

If yes, what decision? \_\_\_\_\_

\_\_\_\_\_

Signature: \_\_\_\_\_

\_\_\_\_\_

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

Accepted by: \_\_\_\_\_