

*The Essentials of
Community Association
Management*

(M-100)

Excerpt

Bylaws

Bylaws are formally adopted governing regulations for the administration and management of a community association. Planned communities, condominiums, and cooperatives all have bylaws. Sometimes bylaws are developed as part of the declaration. At other times, they are adopted as soon as a corporation is established.

Bylaws address such topics as:

- Requirements for membership in the community association
- Requirements for membership meetings
- Voting rights of member owners
- Procedures for electing the board of directors; qualification of directors
- Procedures for the board of directors to elect officers (In some associations, the association members elect the officers.)
- General powers and duties of the board
- Provision for indemnification of officers and directors—except in cases of gross negligence or willful misconduct

To indemnify and hold harmless means:

- To exempt an individual or entity from responsibility for claims made against the organization and
- To reimburse the individual or entity for damages or expenses incurred as a result of such claims

Resolutions

Rules and regulations for all three types of community associations are also established by means of board resolutions. A **resolution** is a motion that follows a set format and is formally adopted by the board of directors. Resolutions may enact rules and regulations or formalize other types of board decisions. (See pages 51–53 for an explanation of the resolution format and the benefits of using the resolution process to adopt rules for a community association.)

There are four types of resolutions for a common interest community:

1. **Policy Resolutions:** These are resolutions that affect owners' rights and obligations. (For example—rules for the use of common areas and recreational facilities, architectural guidelines, and enforcement procedures.)
2. **Administrative Resolutions:** These are resolutions that address the internal operations of the community association. (For example—operating procedures, collection procedures, and where board meetings will be held.)

3. **Special Resolutions:** These are resolutions stating board decisions that apply a policy or rule to an individual situation. (For example—a decision about an alleged rule violation or authorization of a lawsuit.)
4. **General Resolutions:** These are resolutions which involve routine events. (For example—adoption of the annual budget or approval of a contract.)

The power of the board to enact rules and regulations is generally defined in the declaration and/or the bylaws. Sometimes, the board's right to enact rules is limited by the requirement that the members approve the rules.

Resolutions should be kept in a **Book of Resolutions**. This is an orderly, indexed record of the resolutions adopted by the board. In some communities, it includes the resolutions adopted by the architectural guidelines committee as approved by the board.

If your community association doesn't already do so, consider creating a Book of Resolutions by dividing a three-ring binder into sections by type of resolution. Enter resolutions under their designated category in the order of their adoption. This system makes the use and updating of a Book of Resolutions as simple as possible.

If someone in your office is handy with computer software, you could create a chronological list of numbered resolutions with a topical index.

Note: A resolution cannot conflict with or override requirements in a statute or document higher in the hierarchy of governing documents.

Public Offering Statement

Because it is often accompanied by copies of the governing documents, some people think of the public offering statement itself as a governing document. However, this is a misconception; the public offering statement is *not* a governing document. Instead, it is simply a disclosure statement that provides information on the community association to prospective buyers. It is also mandated by state statute.

- Create rules and regulations
- Enter into litigation
- Fund various replacement reserves
- Invest funds
- Employ professional advisors
- Comply with federal, state, and local government requirements, including filing tax returns
- Obtain insurance coverage
- Adopt and approve operating budgets
- Conduct periodic review or audit of community association financial records by independent professionals

Because the community operates as an association and/or corporation, its legal sources also specify procedures in such areas as:

- Elections
- Meetings
- Basic operations (for example—budget preparation, hiring of employees)
- Record maintenance
- Composition of the board and officers

INTRODUCTION TO ROLES AND RESPONSIBILITIES

In this section of the chapter, we will discuss the roles and responsibilities of a community association's:

- Owners
- Board of directors
- Committees

Role and Responsibilities of Owners

The basic authority in a community association lies with the owners. In order for the association to govern effectively, the owners elect a board of directors to act on their behalf. The governing documents delegate most of the association's decision-making powers to a board.

This leaves the owners with very few *direct* powers. Typically, they have only the *voting* power to:

- Elect and remove directors
- Amend any of the governing documents, except board resolutions
- Approve special assessments or capital improvements

Occasionally, owners will vote to approve the association's annual budget. Generally, other daily operating and policy decisions are left to the board.

As a result of the authority placed with the board, it may be necessary for you, as the manager, to educate and remind your owners of their role in the association. If they do not like a board decision, they should attend a board meeting or otherwise communicate their position to the board, although they usually do not have any authority to "veto" or "undo" the board's action. Under such conditions, their only remedy is to elect a new board to represent them at their annual meeting.

At the same time, the board has an obligation to establish communication and to listen to the owners' concerns as well as take those concerns into consideration in making its decisions.

Formal means for obtaining owner input include the:

- Resident/owner forum at board meetings
- Participation of owners on committees
- Annual membership meeting
- Newsletters and surveys
- Internet access/online surveys

Just as a board has the responsibility to encourage owner input via these means, owners have the responsibility to use these means to make their views known.

Owners have the responsibility to:

1. Read and comply with the governing documents of the community.
2. Maintain their property according to established standards.
3. Treat association leaders honestly and with respect.
4. Vote in community elections and on other issues.
5. Pay association assessments and charges on time.
6. Contact association leaders or managers, if necessary, to discuss financial obligations and alternate payment arrangements.
7. Request reconsideration of material decisions that personally affect them.

8. Provide current contact information to association leaders or managers to help ensure they receive information from the community.
9. Ensure that those who reside on their property (e.g., tenants, relatives, friends) adhere to all rules and regulations.

Owners have the right to:

1. A responsive and competent community association.
2. Honest, fair, and respectful treatment by community leaders and managers.
3. Participate in governing the community association by attending meetings, serving on committees, and standing for election.
4. Access appropriate association books and records.
5. Prudent expenditure of fees and other assessments.
6. Live in a community where the property is maintained according to established standards.
7. Fair treatment regarding financial and other association obligations, including the opportunity to discuss payment plans and options with the association before foreclosure is initiated.
8. Receive all documents that address rules and regulations governing the community association—if not prior to purchase and settlement by a real estate agent or attorney, then upon moving into the community.
9. Appeal to appropriate community leaders those decisions affecting non-routine financial responsibilities or property rights.

Role and Responsibilities of Board of Directors

As we said above, the board of directors is charged with the ultimate responsibility and authority for operating the community association on behalf of its owners.

The board's legal authority to act on the owners' behalf typically is found in:

- Specific state statutes establishing condominiums, cooperatives, or planned communities. These specific statutes may set broad guidelines within which a board may act *or* may list specific responsibilities that it must meet.

- General state statutes that provide for the general authority and responsibilities of all *corporate* boards of directors.
- Community association governing documents which give the board authority to act on the owners' behalf. Typically, this authority is found in the declaration, articles of incorporation, or bylaws.

A board of directors cannot delegate its responsibility to supervise implementation of its decisions. While the board can delegate authority, it can never delegate its responsibility.

Role

It is the role of a board to set the policies, standards, procedures, programs, and budgets for the community association. A board may implement its own decisions—or delegate implementation to a manager, committees, or an independent contractor.

A board has a fiduciary relationship to the community association. Its **fiduciary duty** requires directors to act in the best interests and for the benefit of the corporation, thus the community as a whole. This fiduciary duty has two components. The members are required to avoid conflicts of interest and acting out of self-interest. They are also required to act as reasonable people in managing the association's affairs. Although they may delegate some of their responsibilities to others, they cannot delegate their legal obligation to protect the asset that is the total community. It is the board that is ultimately responsible for the management of the association. The board can direct or empower the manager to take certain actions on behalf of the community association. However, the board is still responsible to the owners.

Through judicial decision, a substantial body of law has developed concerning the standards to which directors must conform while conducting a community association's affairs. Many courts apply the **business judgment rule** to a board's actions. That is, if a board has exercised reasonable business judgment in making a decision, the court will generally not consider the board negligent in its fiduciary duty. Nor will the court substitute its judgment for that of the board. However, the board must demonstrate how it has taken care in reaching a decision. It is up to the court to decide if the board has exercised reasonable business judgment.

Responsibilities

Legal sources typically assign a board of directors the responsibility to maintain, protect, preserve, and enhance the common areas and the unit values of the total community.

Areas of responsibility include:

- Care, maintenance, and enhancement of the physical property, common areas, and facilities
- Management of community finances and developing reserve funds
- Risk management, including obtaining insurance
- Establishment, enforcement, and interpretation of rules and regulations
- Human resources management of employees and volunteers
- Preservation and promotion of community harmony

The board of directors is also responsible for establishing and revising, whenever necessary, the community association's mission statement, short-range plans, and long-range plans. This helps to provide consistency between the passage of boards and bonds the community in a common goal.

Additionally, board members have the responsibility to:

1. Fulfill their fiduciary duties to the community and exercise discretion in a manner they reasonably believe to be in the best interests of the community.
2. Exercise sound business judgment and follow established management practices.
3. Balance the needs and obligations of the community as a whole with those of individual owners and non-owner residents.
4. Understand the association's governing documents and become educated with respect to applicable state and local laws, and to manage the community association accordingly.
5. Establish committees or use other methods to obtain input from owners and non-owner residents.
6. Conduct open, fair, and well-publicized elections.
7. Welcome and educate new members of the community—owners and non-owner residents alike.
8. Encourage input from residents on issues affecting them personally and the community as a whole.
9. Encourage events that foster neighborliness and a sense of community.

10. Conduct business in a transparent manner when feasible and appropriate.
11. Allow owners access to appropriate community records, when requested.
12. Collect all monies due from owners and non-owner residents.
13. Devise appropriate and reasonable arrangements, when needed and feasible, to facilitate the ability of individual residents to meet their financial obligations to the community.
14. Provide a process residents can use to appeal decisions affecting their non-routine financial responsibilities or property rights—where permitted by law and the association's governing documents.
15. Initiate foreclosure proceedings only as a measure of last resort.
16. Make covenants, conditions, and restrictions as understandable as possible, adding clarifying "lay" language or supplementary materials when drafting or revising the documents.
17. Provide complete and timely disclosure of personal and financial conflicts of interest related to actions of community leaders, e.g., officers, the board, and committees.

Rights

Board members have the right to:

1. Expect owners and non-owner residents to meet their financial obligations to the community.
2. Expect residents to know and comply with the rules and regulations of the community and to stay informed by reading materials provided by the association.
3. Respectful and honest treatment from residents.
4. Conduct meetings in a positive and constructive atmosphere.
5. Receive support and constructive input from owners and non-owner residents.
6. Personal privacy at home and during leisure time in the community.

7. Take advantage of educational opportunities (e.g. publications, training workshops) that are directly related to their responsibilities, and as approved by the association.

Role and Responsibilities of Committees

Usually a community association's bylaws—and sometimes its declaration—will:

- Name certain committees that are required
- Allow for the appointment of other committees that may be required from time to time

Role

Community association committees typically consist of owners appointed by the board of directors.

The role of these committees is to:

- Assist the board in meeting its responsibilities
- Broaden the community's input on decisions by serving as a:
 - Means of gathering owners' opinions and attitudes
 - Training ground for future leaders
 - Means of explaining board actions to the community
- Perform research and prepare recommendations for the board

The number and type of committees will depend on the size of the community and the complexity of its activities. The more activities a community is involved in, the more a board may need additional groups to collect information, develop recommendations, and carry out activities.

Responsibilities

A **mandatory committee** is one that is required by the governing documents. Mandatory committees typically are assigned responsibilities related to:

- Elections
- Nominations
- Architectural standards

If the bylaws do not name certain committees that the board has determined it needs, an administrative resolution should be used to create **standing committees**. These are ongoing committees that meet a basic community association need.

Examples of typical standing committees that are not mandated include:

- Budget/finance
- Grounds
- Social/welcome
- Newsletter
- Recreation, pool, or swim team
- Public relations
- Rules/dispute resolution

In addition, a board has the authority to appoint ad hoc committees to explore single issues. (For example—parking regulations, development of investment guidelines, or renovation of a common room.)

The purpose of an **ad hoc committee** is to take a charge from the board to deal with a one-time issue and make recommendations to the board within a specific time frame. The board should use a resolution to establish an ad hoc committee to clearly state the charge and expected outcome to the committee.

A board and its committees must communicate effectively with one another. For example, committees should prepare written reports with any recommendations in time for their reports to go out with a board packet (see page 74) prior to the board's meeting.

Some boards use a **board liaison system**. Directors are assigned to certain committees to oversee and report back to the board on activities. Associations that use the board liaison system occasionally have directors that need help distinguishing their oversight role from their role as a committee chairperson. The committee chairperson generally runs the committee while the director acts as a non-voting advisor and observer.

Guidelines for Successful Committees

Successful committees tend to operate within the following guidelines:

1. The committees serve at the pleasure and direction of the board in an *advisory* capacity.
2. Any committee with *independent* authority—such as an architectural guidelines committee—has an established appeals process to permit access to the board as the ultimate authority and decision body for the community.
3. The committees have specific job descriptions which outline their roles and responsibilities.

4. The committees keep minutes of their meetings and submit their recommendations to the board in written form to ensure that the recommendations are included in any report to the board.
5. The committees are given:
 - Meaningful tasks
 - Adequate authority to complete the tasks
 - Serious consideration of their recommendations
 - Public recognition for their performance
6. The committee meetings should be open to all members with date, time, and location published in accordance with notice provisions of the governing documents.

INTRODUCTION TO MANAGER'S ROLE AND RESPONSIBILITIES

This final section of the chapter discusses:

- Role and responsibilities of the manager
- Three management options and their comparative advantages and disadvantages
- Management contract and employment agreement
- Management plan
- Management evaluation
- Management ethics

Role and Responsibilities of the Manager

The role of a professional community association manager is to:

Provide information, training, and leadership on community association living to the board, committees, and the community at large; foster a sense of community awareness within the residents; develop a body of leadership through the committee structure; and provide the necessary administrative tools to the board to enable it to create lasting policies and make decisions in accordance with the communities' short-range plans, long-range plans, and mission statements.

In fulfilling the terms of his or her management contract and employment agreement, the professional community association manager is charged with assisting the board of directors' decision making process by means of providing information-gathering and fact-finding support; *implementing* the decisions of the board; and *administering* the services, programs, and operations of the community association *within the policies and guidelines set by the board*.

A manager's authority and responsibility are defined and limited by:

- Governing documents which define the authority of the board to enter into a contract. Some governing documents also require the board to retain a professional manager.
- The manager's management contract or employment agreement with the board. (See pages 31-32 for typical management contract and employment agreement provisions.)
- Actions of the board which delegate specific authority and duties to the manager (The board is ultimately the decision maker for the community association.)

Agency Relationship Between the Board and the Manager

The manager, as an agent, is required to represent the best interest of the community association (client). This is different from an independent contractor who is responsible for providing the services, but is generally not working as an extension of the community association, as is the case with a manager.

Three Forms of Management

There are three forms of community association management:

1. **Volunteer or self-management**—The community association is managed by the board itself or by committees under the direction of the board.
2. **Association-employed manager**—The manager is directly employed by the community.
3. **Management company**—The community association engages a management company to provide specific management services. The community manager and staff are employees of the management firm.

Each community association must decide for itself which form of management best meets its current needs. Occasionally, a community association may decide to combine more than one form of management. Following you will find a comparison of the advantages and disadvantages of each of the three forms—in terms of cost, continuity, and professionalism. As a manager, use this information to advise your board.

Management Plan

A **management plan** is a statement of goals and objectives approved by the board. It includes the yearly cycle of tasks that management should perform on the community association's behalf. Whether you are a manager who is employed by your community or by a management company, you should have a management plan so you and your board are clear on what is expected of you.

In most instances, it will be up to you to propose a plan to your board for approval. Set your goals for the year in relation to your community association's budget.

Typically, a management plan includes tasks that address the community association's governance, business, and community aspects:

- **Rules enforcement** (for example—violations of the association documents or rules)
- **Property maintenance** (for example—inspections, repairs, preventive maintenance, bidding, scheduling replacements)
- **Services** (for example—grounds, trash or snow removal, security systems, opening the pool)
- **Communications** (for example—flyers, newsletters, Web sites)
- **Finances** (for example—budgets, collections, payables, financial reports)
- **Administration** (for example—prepare correspondence and meeting notices, conduct annual meetings and elections, maintain records and personnel files)
- **Asset protection** (for example—insurance, audits, security)
- **Policy development** (for example—assist board to award contracts, select professional assistance [such as attorney and accountant], and develop standard operating procedures)

The regular board meeting should periodically be used to monitor, adjust, and review the annual management plan.

include, but not to be limited to..." It is important to keep the language of a rule simple and the rule itself flexible.

5. **Apply an "enforceability test."** Check to be sure the proposed rule has the eight characteristics of a valid and enforceable rule listed on pages 49–50.
6. **Give notice of any *proposed* rule.** Build consensus and support for the rule before it is adopted in order to gain acceptance and compliance. For example, make owners aware that the board is considering a particular rule. Invite written comments. Schedule a hearing on a proposed rule if it is a major matter.
7. **Act promptly on a proposed rule.** Once a proposed rule has been published and input received, the board should act on it at its next regularly scheduled meeting. The board's options are to either approve or reject the proposed rule—as it is, or as amended. Failure to act will cause the board and the rule to lose credibility.
8. **Give notice of an *adopted* rule.** Actual notice of an adopted rule is necessary if people are to voluntarily obey it. Send a notice to the owner's last known address in the community's records. Send a notice to the unit or lot address, too, in case the occupant is a non-owner. Use a first-class mailing, either with a billing notice or separately, to maximize the likelihood of people receiving the notice and reading it. Publish the rule in the community newsletter, and/or post it in the common area, if any. Provide copies of the revised rules to local real estate professionals and to all new owners and residents. Whatever notice you give, use a positive "tone of voice." Avoid sounding demanding or condescending.

Benefits of Using a Resolution Process to Adopt Rules

As we said in Chapter 1, a **resolution** is a motion that follows a set format and is formally adopted. (See pages 14-15 for an explanation of the different types of resolutions and the use of a Book of Resolutions.)

There are several benefits to using the resolution process to adopt rules as opposed to using the simpler process of making motions.

The resolution process:

- Provides a thorough, deliberate approach to making rules
- Provides for consistency in making and wording rules
- Provides a formal record of all rules made

As a result, the process:

- Protects owners from arbitrary board actions
- Protects the community from charges that could result in inoperable rules

Resolution Format

A resolution contains four sections:

1. **Authority**—This section cites the primary source(s) of a board's authority to make a rule on the topic. Possible sources include statutes, declaration, articles of incorporation, and bylaws.

For example:

WHEREAS, the board of directors of _____ Homeowners Association, Inc. is empowered to govern the affairs of the homeowners association pursuant to Article IX of the bylaws...

2. **Purpose**—This section states why a rule is being adopted.

For example:

WHEREAS, there is a need to adopt specific rules on parking...

3. **Scope and Intent**—This section states:
 - Who will be affected
 - For what period of time
 - The reach or range and extent of the rule

For example:

WHEREAS, it is the intent that this rule shall be applicable to all owners, tenants, guests, invitees, or any others who have vehicles entering upon the common areas and this resolution shall remain in effect until otherwise rescinded, modified, or amended by a majority of the board of directors...

4. **Specifications**—This section states clearly and completely what those bound by the rule will be expected to do.

For example:

NOW, THEREFORE, BE IT RESOLVED THAT the following rules on parking are hereby adopted by the board of directors:

Revised Article IV, Section D of the parking rules will read:

Parking spaces which are not marked reserved shall be available on a "first-come-first-served" basis for visitors, guests, second cars, etc. Continuous parking of an undriven vehicle in one or more unreserved spaces for more than fourteen (14) consecutive days is prohibited unless prior arrangements have been made with the community manager. Vehicles in violation of this rule will be considered "stored" vehicles and the owner of the unit responsible for this vehicle will be subject to sanctions as imposed by the board of directors.

Development of Architectural Guidelines

Development of architectural guidelines should begin with a review of the governing documents to determine in what areas the board can allow a change. Usually a community association's declaration, CC&Rs, or master deed provides for architectural changes.

It is in the community's best interests for a board to establish *written* architectural guidelines for two reasons:

1. Written guidelines indicate to owners what types of changes will be allowed under normal circumstances.
2. Written guidelines are a way to avoid claims of arbitrary or selective treatment of owners.

Follow the steps for developing rules on pages 50–51 when developing architectural guidelines.

It is in the *board's* best interests to establish an architectural guidelines committee. A committee can concentrate its effort and attention on this major task alone. It can also act as a buffer between the requesting owner and the board.



CHAPTER 4

BOARD MEETINGS AND DECISION MAKING

KEY TERMS

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At the center of the management of any community association are board of directors meetings. These meetings are the source of policy decisions that:

- Impact the quality of life in the community
- Enhance the overall value of the assets commonly held and individually owned
- Set the boundaries within which management will function

The emphasis of board meetings should be on timely attention to policy matters—leaving the day-to-day administration of the community association to the manager.

Authorizations of specific actions and approval of contracts and committee recommendations allow the governance, business, and community life of the community association to function smoothly. For this to happen, the manager must play an integral role in the preparation, organization, and proper conduct of meetings.

This chapter explains four aspects of board meetings that contribute to effective decision making:

- Focus
- Preparation
- Conduct
- Manager's role

What You Will Learn

After reading and reviewing this chapter, you should be able to explain and understand:

- Three areas of board decision making
- Importance of focusing meetings
- Legal requirements for board meetings
- How to prepare for decision making at meetings
- Notice of meeting, agenda, and supporting materials
- Management report
- Site selection and preparation
- Basic principles of parliamentary procedure
- Establishing a quorum
- Use of motions
- Role of the presiding officer
- Proper behavior during debate
- Executive sessions
- Recording minutes for meetings
- Action item list
- Owner meetings
- Dual role of a manager
- How to facilitate a meeting
- Role of personalities in meetings

Board meetings are a means of effective decision making when they focus on:

- The areas in which a board is authorized to make decisions
- The decision-making process itself

Areas of Board Decision Making

There are three areas of board decision making. They are related to the three functions of a community association board of directors:

- **Business**—As volunteer leaders responsible for a community association's business affairs, a board must monitor administrative, financial, and property maintenance matters for the purpose of preserving and enhancing the community.
- **Governance**—As volunteer leaders responsible for governing an organization, a board must:
 - Enforce the community's governing documents
 - Adopt and enforce rules for governing the community
 - Decide issues of policy for the owners in the community

- **Community**—As volunteer leaders of a community, a board must:
 - Promote harmony through service programs and regular communication with owners
 - Attempt to settle conflicts
 - Hear appeals of committee and management decisions that are protested by individuals or groups of owners

The Importance of Focusing Meetings

A manager must use the board of directors meeting as a critical date for decision making and implementation.

Board meetings should always focus on:

- The decisions to be made during the meeting
- The presentation of possible solutions
- The setting of new priorities that become the next meeting's agenda items

When you and your leaders approach meetings in this manner, the community association will progress from decision to decision in an orderly and progressive manner that will achieve the community's goals. When meetings are neglected, irregular, or poorly planned, the results will be confusion and paralysis.

PREPARATION

Adequate preparation for a board of directors meeting includes:

- Conforming to legal requirements for board meetings
- Preparing for decision making
- Distributing a notice of meeting, agenda, and supporting materials
- Selecting and preparing a meeting site

Conforming to Legal Requirements for Board Meetings

State statutes and governing documents establish requirements for board of directors meetings. Be sure to check your community's legal documents.

Legal requirements most commonly address such issues as:

- Frequency of meetings
- When meetings should be open or closed
- Notice of meetings
- Voting

Preparing for Decision Making at Meetings

Think of a board meeting as the end of a decision making process, not the beginning.

- **Set up an annual calendar of board meetings at a fixed time and place.**
Consult with your board of directors when you set up the calendar.
- **Schedule meetings often enough to allow for timely attention to matters requiring action or decision by the board.** Meetings can be monthly, bimonthly, or quarterly—depending on the community's needs as well as legal requirements, such as governing documents and state law.
- **Involve key players in the meeting preparations.** Before you finalize an agenda for a meeting, consult with the presiding officer—usually your board president—and relevant committee chairpersons.

Once an agenda is established, check to:

- Be sure everyone responsible for an agenda item understands what is to be accomplished
 - Verify that people are prepared for the agenda items for which they are responsible
 - Offer assistance, as needed
- **Prepare your board members to make decisions.** A board of directors has the responsibility to come to a meeting prepared to make decisions.

A manager has the responsibility to see that information necessary for decisions is gathered, disseminated, and adequately presented. Therefore, be sure to provide information to the board early enough so directors can read and absorb it *before* the meeting.

There are three things a manager should provide to board members before each meeting—a notice of meeting, an agenda, and supporting materials.

Notice of Board Meeting

A **notice of meeting** should be sent in writing to board members at least a week before a meeting. Exactly how far in advance you send a notice of meeting may be set by your community association's governing documents or state statutes.

- A meeting agenda and any supporting materials should accompany the notice.
- All owners should receive a board meeting schedule at least once a year.

Agenda

Meeting agendas follow a standard format, based on parliamentary procedure. (See below.) The various agenda items are discussed in the pages that follow.

An **agenda** is more than an announcement of the order of business for a meeting. It is a meeting management tool. For example, by specifying the duration of a meeting in the agenda or allotting agenda items specific amounts of time, you are helping the board to proceed with its business in a timely manner. Note that meetings that run more than two hours often degenerate into an unproductive effort.

Where the agenda allows discretion in the order in which items are considered, give some thought to the order in which you list them. Should some decisions precede others? Will the board feel a sense of accomplishment if it makes a number of small decisions before tackling a complicated one?

When an item requires discussion, but a decision is inappropriate or premature, label the item "for discussion only" on the agenda. This allows for the free flow of ideas. But the discussion must be restricted to the specific topic listed.

During a meeting, a presiding officer can appeal to the agenda as a way to keep a group moving and focused on decision making.

If possible, post a meeting agenda in a central common area *before* each meeting. Any owner who attends a board meeting should be given an agenda.

The **residents forum**, typically held at the beginning of a board meeting, is an open forum for owners and residents to speak. This gives them the opportunity to raise items for *future* board consideration.

SAMPLE AGENDA FORMAT

Call to order 7 P.M.

Establishment of quorum

Residents forum

Review/acceptance of minutes

Treasurer's report

Management report

Committee reports

Unfinished business

[List items which were previously discussed or reviewed, but did not receive final action.]

New business

[List new items not previously discussed, including committee or management requests.]

Review of action items

Set the date of next meeting

Adjournment 9 P.M.

Supporting Materials

In addition to a meeting agenda, board members should receive such supporting materials as:

- **Minutes from the last meeting**—(See page 82 for a discussion of minute taking.)
- **Financial report**—This is a report on the community's financial condition and activities.
- **Committee reports**—These reports should be in writing and highlight matters to be decided and recommendations by the committee. Supporting research should be included in the reports. Committees need to clearly state the actions they are asking the board to take. Provide your committees with a suggested format for their reports and a sample.
- **Management report**—This is the manager's report on the association's current management and administrative activities. It is the manager's opportunity to update the board on action items of interest or concern. (See the sample on the next two pages.)
- **Special reports, memos, or correspondence on issues to be discussed**

In a properly prepared board meeting, all members should have had the information needed for discussion *before* the meeting.

Site Selection for Meetings

If your community association does not have a meeting room, schedule board meetings in public meeting rooms that usually do not require a rental fee. Possibilities include a local church, school, or library. Be sure to give board members and owners plenty of advance notice if a meeting is off-site.

Avoid meetings in homes of board members. The space will not always be adequate. Nor is a board member's home a public and neutral site that will encourage owners' attendance.

Site Preparation

Here are some tips on site preparation from experienced managers.

- Make arrangements in advance for a well-lighted, comfortably warm or cool environment.
- Serve any refreshments *after* the meeting.

October 1, 20XX

7:00 PM — Executive Session

ACTION 1: Decision on employee year-end bonuses. The budget allowed \$2,000.00 for bonuses to staff members. If a bonus is to be given, the amount is the board's decision. The vote needs to be for each employee who is to receive a bonus.

7:15 PM — Regular session

Old Business

ACTION 1: Discussion and decision on fence between XYZ and ABC Condominium. ABC will pay for half of the cost (approximately \$1,000.00) to raise the fence height by two (2') feet. Board needs to vote if you want to pursue.

ACTION 2: Update on community center renovations.

ACTION 3: Update on hallway renovations at 3648. Carpet, paint, and tile work were authorized at the September meeting.

New Business

ACTION 1: Discussion and decision on the purchase of new radios for the maintenance staff. Prices quoted from Radio USA ranged from \$1,300 - \$2,800. Refer to our memorandum of September 17, 20XX for the details. No money has been budgeted for these radios. Current radios are over 12 years old and require an annual maintenance service.

ACTION 2: Letter received from Joyce Brannon of 3648 regarding the \$50.00 furnace rebate. Refer to her letter of September 4, 20XX. We need to provide a written response to Ms. Brannon about why she is not entitled to the rebate.

ACTION 3: Decision needed on the renewal of the trash removal agreement. No change in the price until July 1, 20XX, at which time the trash contractor would like to present a fee increase based on the dump fee. We budgeted \$5,150.00 per month. His current price remains at \$5,000.00. Recommend approval.

continued on next page

SAMPLE: Management Report, continued

Information items for board review. These items will not be discussed unless specifically requested by a director.

- 1. Extra decals stating "Aluminum Cans Only" were received and installed on the recycling containers.
- 2. Jones Carpentry installed the larger mailboxes at 3952.
- 3. The agreement with Jones Carpentry for the construction of the disabled access ramp and miscellaneous repairs has been fully signed. Work in the community center commenced on September 15, 20XX. Smith Architects prepared all the drawings for the ramp and submitted all papers to Humboldt County for the permit.
- 4. Correspondence summary:
 - A. Board, RE: Patrol activity report, September 20XX.
 - B. Board, RE: In-house maintenance, September 20XX.
 - C. Board, RE: Maintenance log, September 20XX
 - D. Residents, September/October 20XX newsletter.
 - E. Residents, building 3950, RE: Items in hallways, under steps, 8/26/xx. **Removed, 9/04/xx.**
- 5. Violations:
 - A. Powell, 3854, RE: Dog not on leash.
- 6. Hearing scheduled for Tuesday, October 15, 20XX:
 - A. Pirson, 3880, RE: Leak damages.
- 7. Fine Updates:
 - A. Savage, 3884, fine due to leak damages, balance due of \$85.00. Has not been making any fine payments. Charge remains on account. Lien filed for nonpayment of fine.

8. New sales:

DATE	ADDRESS	FEE	AMOUNT
08/17/XX	3886	\$276.00	\$66,000

- Avoid alcoholic beverages. This is an official meeting.
- Provide adequate seating for all the owners who attend. Inadequate seating may make people feel like unwanted or unexpected intruders.
- Arrange for a table for the board that allows board members to sit facing each other close enough to conduct the business of the meeting. This type of seating arrangement encourages board members to interact and emphasizes that they are working together to make decisions. If possible, avoid having the board members sit with their backs to the owners in attendance.
- The presiding officer should sit at the head of the table with the manager beside him or her. This will make it possible for the manager to give your presiding officer immediate assistance—if needed.

CONDUCT OF BOARD MEETINGS

Adequate preparation is necessary, but not sufficient, for effective decision making at board meetings. Unless a meeting is conducted in a manner that supports decision making, your preparations will be wasted.

This section of the chapter discusses the elements of a meeting that contribute to effective decision making:

- Basic principles of parliamentary procedure
- Establishing a quorum
- The use of motions
- The role of the presiding officer
- Proper behavior during debate
- Executive sessions
- Recording minutes for meetings
- Action item lists

Basic Principles of Parliamentary Procedure

Parliamentary procedure is a set of rules for conduct at meetings. Experience demonstrates that this can be a very effective decision making method in a group setting. Be sure to introduce new board members to parliamentary procedure as they take their places on the board.

The most popular version of parliamentary procedure is *Robert's Rules of Order*. There are many sources available that present these rules in a simple, straightforward way (see the

list of resources at the end of this chapter). Make the effort to train your board to use them effectively.

Parliamentary procedure recognizes a few basic principles of conduct for *every* meeting:

- **Order:** A board should consider one item of business at a time.
- **Courtesy:** The rights of the individual should be respected and protected.
- **Majority rule:** The will of the majority should decide issues. (Technically, it may be a plurality that decides an issue, not a majority. See page 79 for the difference.)
- **Protection of rights:** The rights of the minority should be protected.
- **Justice:** Everyone is entitled to a fair hearing of his or her position. A board should not act on an issue during the same meeting in which it was raised—unless it is an emergency or a very minor matter. The principle of justice requires that all sides be heard before a decision is made.

Establishing a Quorum

The basic requirement for effective decision making that parliamentary procedure establishes is the need for a quorum. A **quorum** is the number of members required to be present for the board to legally conduct the business of the association.

In the absence of a quorum, the only formal actions a board may take are to recess, adjourn, or take measures to obtain a quorum. Your community's bylaws set the quorum for a board meeting.

The Use of Motions

A **motion** is a proposal that the board take a stand or take action on a specific matter. A board of directors can consider ideas from committees, board members, or owners. However, only board members can actually make a motion. Motions should be made only for items listed on the agenda.

Making a Motion

Here are some basic terms you will need to know in order to understand the process of making a motion.

Majority—more than half of the votes cast

Plurality—more votes than any other option receives

Second a motion—required support from one other member before a motion can be considered by the group

Amend a motion—to change a motion by inserting, adding, striking out, striking out and inserting, or substituting words; only the maker of the motion can amend it

Table a motion—to put aside a motion for future consideration at a specific time

Take a motion from the table—to reconsider a motion previously put aside

The sample on the next page provides a brief summary of the basic steps in making motions.

All motions passed during a community association board meeting are recorded in the minutes with the:

1. Exact wording of the motion
2. Name of the person making the motion
3. Result of the vote (According to *Robert's Rules of Order*, when a motion is defeated, it doesn't have to be recorded.)
4. Dissenting minority vote—if those dissenting ask that it be recorded

In addition, any recommendations from committees should be in writing and given to the secretary to place in the minutes of the meeting.

Abstentions

To **abstain** is to not cast a vote. Board members should abstain from voting only for clearly stated reasons such as conflict of interest or ignorance of the matter at hand.

In small groups like boards of directors, abstentions should be discouraged. A board has the fiduciary duty to act on matters brought before the community association.

The abstentions should be recorded in the minutes. A majority of the votes *cast* decides the issue.

SAMPLE: Parliamentary Procedure

To Make a Motion:

- Maker must be recognized by chairperson
- Maker then states, "I move..."
- A second to the motion is required
- The maker of the motion has the right to speak first
- The maker also has the privilege of speaking last before the vote
- The chairperson recognizes each person before he or she speaks

To Amend a Motion:

- Requires a second
- Amendment can be debated and can be amended
- Majority vote is needed to approve the amendment
- Vote on the amendment before voting on the original motion

To Table a Motion:

- Requires a second
- No debate is allowed
- No amendments to the tabling motion can be made
- Majority vote is required to pass the tabling motion
- Can set a definite date for reconsideration

To Adjourn a Meeting:

- Requires a second
- Not debatable
- Cannot be amended
- Majority vote is needed pass

To Take a Motion from the Table:

- Requires a second
- Not debatable
- Cannot be amended
- Majority vote is needed to pass

Role of the Presiding Officer

The presiding officer or person who runs a board meeting is the president of the board—and in that person's absence, usually the vice president. The presiding officer contributes to effective decision making by fulfilling the following duties:

- **Opens the meeting on time, announces the presence of a quorum, and establishes the agenda of the meeting**
- **Sees to it that the meeting follows the agenda**
- **Keeps discussions focused on the matter at hand**

The presiding officer sees to it that all major issues are brought to the floor in the form of a motion. This focuses the discussion. He or she allows discussion to begin only after a motion is seconded. If no one seconds a motion made during a meeting, it dies for lack of support.

If discussion wanders or becomes confused, the presiding officer calls people's attention to the motion on the floor as a way of refocusing discussion. If it is clear from the discussion that a decision will not be made within a reasonable period of time during the meeting, the presiding officer asks for a motion to table the issue to a later meeting.

- **Keeps meetings from becoming unreasonably long**

If meetings always run longer than one-and-a-half to two hours, consider recommending the use of a timed agenda to your presiding officer. A **timed agenda** is a list of meeting items with a period of time assigned to each. Once the time limit is reached, the group moves on to the next agenda item—even if the item under discussion is not completed. Timed agendas must be approved at the beginning of the meeting once time limits for each item on the agenda are announced.

For a timed agenda to be effective, the presiding officer must politely insist that time limits be obeyed and incomplete items tabled for another meeting. Regardless of whether or not a timed agenda is used, someone should keep time for the presiding officer, so he or she can concentrate on running the meeting.

Behavior During Debate

Debate is the term used in parliamentary procedure for discussing a motion or issue.

Parliamentary procedure calls for the following rules to keep the discussion focused and to avoid disagreements turning personal:

- Direct all remarks to the presiding officer
- Stop speaking when the presiding officer finds it necessary to speak
- Confine remarks to the issue being discussed
- Avoid using members' names when you refer to their positions
- Avoid attacking members' motives
- The presiding officer should warn a member about a serious offense the first time it happens (For example—personal attacks, use of obscene language, etc.)

Executive Sessions

There are times when a board must hold a discussion or make decisions of a sensitive nature. Many states have so-called "sunshine laws" which limit the reasons why a governing board may go into a closed or **executive session**.

The topics that commonly require an executive session and are allowable by law usually include:

- Personnel issues
- Contract negotiations and discussions
- Lawsuits and other legal matters
- Governing document violations

While discussions in executive sessions are secret and separate privileged minutes are kept, any decisions made must be brought to an open session and voted on there. Privileged means that access to and use of the minutes by others is restricted.

Recording Minutes for Meetings

The **minutes** of a meeting document the decisions made during the meeting. This provides a permanent public record of positions and actions taken by a board. The secretary of the board is responsible for maintaining all official records, including the minute book of all board meetings.

Minutes should reflect what was done at a meeting, not what was said. The minutes may list the name and topic for any speaker, but not a summary of the person's remarks. Minutes should state:

- The type of meeting—such as, regular or special
- Name of the group
- Date and time of the meeting—and the place, if it is not always the same

- Presence of the president and secretary or their substitutes
- Presence of a quorum and the names of the people present
- Action taken on the minutes of the previous meeting and corrections, if any
- Exact wording of a motion as it is adopted, including the name of the person making the motion
- Hour of adjournment

As a community manager, you should NOT take the minutes at a board meeting. Your responsibility is to concentrate on the dynamics of the meeting in order to assist when needed. You cannot do that and take minutes at the same time.

To free the secretary and the manager to concentrate on the board's discussion, many community associations use a tape recorder to back up note-taking or hire a stenographer to come in and take notes. If a meeting is taped to assist in preparation of the minutes, the tape should be erased when the minutes are approved.

Action Item Lists

An **action item list** is a list of actions to be taken before the next meeting as a result of decisions made at the current one. An action item list contains the decisions to be implemented together with the names of those assigned implementing responsibility. A sample action item list appears on the next page.

Notice how the decision-making cycle is completed and begins again as you review a set of minutes and an action item list to prepare for the next board meeting.

Owner Meetings

Although the focus of this chapter is on board of directors meetings, we would like to end this section with some basic information on owners' meetings for your use.

Owners' meetings can be annual or special. Special meetings are devoted to a specific issue. Usually a special meeting is called when the bylaws require the vote of all owners on some action the board would like to take.

Your bylaws will state the quorum needed for an owners' meeting. Whether a motion requires a plurality, a majority, or two-thirds approval will depend on your governing documents and the issue.

Owners' meetings often require the use of ballots. A **ballot** is a written means of voting when secrecy is desired. Your governing documents will also tell you when proxies are permissible. A **proxy** is a written statement authorizing another person to cast a vote on the signer's behalf.

THE MANAGER'S ROLE

As a manager, you are also a key element in effective board meetings. This final section of the chapter will discuss:

- The dual role of a manager
- How to facilitate a meeting
- The role of personalities in meetings

The Dual Role of a Manager

A manager plays two roles at a board of directors meeting—support staff and professional advisor:

- **The manager as support staff**—As staff, a manager has the responsibility to see to it that meetings are well-prepared and board members have the necessary information ahead of time. Here are some suggestions from successful community managers:
 - Stay informed about committee activity and provide assistance when needed.
 - Handle all matters relating to a board meeting well in advance.
 - Try to create the most pleasant working atmosphere for meetings as possible.
 - Develop a clear understanding as to exactly what type of support volunteer leaders expect and how much. (For example—number of meetings, reports typed, phone calls.)
 - Work closely enough with your presiding officer to enable the two of you to evaluate and adjust the support provided—as necessary.
- **The manager as professional advisor**—As a professional advisor, a manager must provide a board with guidance and perspective on the matters at hand.

Suggestions from successful community managers:

- Alert your board to community issues that need to be resolved.
- Demonstrate professional competence in answering questions.
- Be careful to state your opinions only within your field of management expertise. (NEVER give a legal opinion. Rely on professionals when it is deemed necessary.)

- If you don't have an answer, promise to get back with one within a specific time. Don't fake it!
- Keep your board informed on matters of interest in the field of common interest real estate as they develop.
- Provide training sessions as part of board meetings and encourage board members to take advantage of outside educational opportunities. For example—local or national training sessions for volunteer community leaders offered by Community Associations Institute.
- Be prepared to make adjustments for the fact that board members' participation is a voluntary activity that must compete with their other obligations and interests.
- Be a source of history and continuity for your board during its deliberations.

How to Facilitate a Meeting

As a professional advisor, a community manager is expected to facilitate board meetings in a low-key manner. To facilitate is to help a process or action move forward. The challenge for a manager is to do this without taking charge of a meeting.

Here are some things to do to keep a meeting moving. The challenge is to do them with a simple question or appeal to parliamentary procedure so you won't appear heavy-handed.

- **Help keep discussions on target.** For example—"Could the secretary repeat the motion that's on the floor?"
- **Offer alternatives when discussions stall.** For example—"Would it help if we tabled that motion until the next meeting to enable the Recreation Committee to get some answers to those questions from the bidders?"
- **Call attention to past board actions when they are relevant to the current matter and overlooked.** For example—"Some of you will recall that the board considered that issue last spring and decided to wait until after the parking lots were repaved."

- **Be a timekeeper.** For example—Unobtrusively keep an eye on your watch. If time starts to slip away during a discussion, quietly let your presiding officer know with a prearranged signal.
- **Be alert to proposed actions that might be in conflict with your community's bylaws.** For example—Always bring a set of your community's governing documents to board meetings.
- **Urge consistency in actions of the board.** For example—If a board imposes a late fee in one case, it should impose a late fee in all similar cases.
- **Support the principle of fairness.** For example—If a board replaces a dead tree on a common area in front of one owner's home, it should be prepared to replace other dead trees as the issue arises.
- **Elaborate on your management report.** For example—Highlight the key points in your report at the meeting. Respond to questions and offer additional explanations as needed.

The Role of Personalities in Meetings

Part of being a good meeting facilitator is to recognize the role personalities play in meetings. Personalities are the element that make meetings interesting—and unpredictable!

Learn to recognize different personality types. Think about how to use people's strengths to get things done. At the same time, anticipate how to compensate for their limitations.

Here are some final tips from experienced community managers:

- Do not make personal judgments about people. This type of judgment about others will hamper your effectiveness.
- Identify the decision makers in a group early and work through them.
- Don't immediately dismiss a complainer. Consider a complaint. It may be legitimate! On the other hand, don't change your efforts in response to every complaint you receive. Recognize that chronic complainers are bothered by something other than the issue they are complaining about.

- When people are angry, try to understand why. Ask for an explanation. Sometimes the opportunity to be heard calms people down.
- When someone gets too hot under the collar to calm down, call for a break. In severe situations, reschedule your meeting.
- Finally, remember that you are but one element in an effective meeting. When a meeting goes well, take pride in your contribution to its effectiveness. But when things beyond your control go wrong, don't blame yourself. You're going to participate in a lot of meetings over the course of your career in community management. Some will go smoother than others.

FOCUS QUESTIONS

Use the following questions to help you identify and review the core concepts in this chapter. (*Hint:* Once you look up the answer to a question, you may want to jot down the page number next to the question for future reference.)

1. What should the focus of board of directors meetings be?
- 2a. What are the three functions of a board of directors?
 - b. For each function, list at least one corresponding board responsibility.
3. What does adequate preparation for a board of directors meeting include?
4. What are some things a manager can do to prepare for decision making at meetings?
- 5a. Who should receive a notice of a board meeting?
 - b. What items should be included with the notice?
- 6a. What is the standard order of items on a meeting agenda?
 - b. What are the various uses of an agenda?
7. What are some considerations when selecting and preparing a site for a board of directors meeting?
8. What are the five basic principles of parliamentary procedure that apply to every meeting?
9. Why is a quorum for a meeting important?
10. Describe some things a presiding officer can do during a meeting to facilitate decision making.
11. What are some rules that apply to debate at meetings that help to keep discussion focused and disagreements impersonal?
- 12a. What is the purpose of an executive session?
 - b. What are some topics for an executive session that the law usually allows?
- 13a. Who is responsible for taking minutes at a board meeting?
 - b. What items of information should be included in the minutes of a meeting?
14. Explain the dual role of a community manager.

15. List some of the things a manager can do to facilitate an effective board meeting.
16. Explain the role of personalities in meetings and how a good facilitator should take them into account.

THOUGHT/DISCUSSION QUESTIONS

Use the following questions to help you apply the information in this chapter to your own situation.

- 1a. Are there any improvements that can be made in the focus of your board meetings that would lead to more effective decision making?
- b. How can you work with others to make those improvements?
- 2a. Are there any improvements that can be made in the preparations for your board meetings that would lead to more effective decision making?
- b. How can you work with others to make those improvements?
- 3a. Are there any improvements that can be made in the conduct of your board meetings that would lead to more effective decision making?
- b. How can you work with others to make those improvements?
- 4a. Are there any improvements that can be made in your role at board meetings that would lead to more effective decision making?
- b. How can you work with others to make those improvements?

RESOURCES

For further information on board meetings and decision making, we suggest the following:

The A-B-Cs of Parliamentary Procedure. A brief, illustrated booklet that outlines the basic process involved in running a meeting according to *Robert's Rules of Order*. (Channing L. Bete, 2003.)

The Art of Successful Meetings, by William Dixon Southworth. Comprehensive treatment in one useful resource. Covers basics like chairing a meeting, motions, committees, voting and membership, what to do about conflicting motions, and how to handle unusual procedures like correcting minutes or rescinding. Contains valuable tips for ensuring that your meetings are positive and productive. (McGraw-Hill, 2000.)

Basic Parliamentary Procedure Workbook, Sixth Edition, by Joyce L. Stephens. How-to manual on conforming to basic parliamentary procedure. Covers decorum, how to write a resolution, meeting minutes, proper language for presiding officers, completing action on motions, and common errors to avoid. (Frederick Publishers, 2001.)

Community Association Leadership: A Guide for Volunteers, Anne M. Calmes, Editor. Covers how to attract more residents to association volunteer work and how to enable them to perform better by gaining a thorough understanding of committee work and the volunteer's role. (Community Associations Institute, 1997.)

Conducting Meetings: A Guide to Running Productive Community Association Board Meetings, M.J. Keatts, Editor. Helps community association directors and managers run effective, efficient board meetings. Discusses how to prepare for a meeting, how to take proper meeting minutes, the potential benefits and drawbacks of recording meetings, and appropriate agenda items for executive sessions. Includes an outline of *Robert's Rules of Order* that's perfectly tailored for association meetings. (Community Associations Institute, 1998.)

Decision Making in Communities: Why Groups of Smart People Sometimes Make Bad Decisions, by Jasmine Martirosian. Presents a fascinating look at the unseen forces that affect groups of people in community associations—including boards, management teams, and committees—and the decisions they make. (Community Associations Press, 2001.)

Guide to Annual Meetings, Special Meetings, and Elections (Guide for Association Practitioners Series, Report #21), by P. Michael Nagle, ESQ. Addresses all aspects of meeting procedures from giving notice of a meeting to conducting and controlling the meeting. Topics include quorums, ballots, voting, elections, nominations, and proxies. (Community Associations Institute, 1998.)

Guide for the Presiding Officer: A Functional Guide for Presidents and Chairmen, Third Edition, by Joyce L. Stephens. Will help readers chair meetings with confidence in spite of disagreements, diverse opinions, and even outright conflict. Contains detailed descriptions of key rules, tips on communicating more effectively, and advice on body language. (Frederick Publishers, 1997.)

Robert's Rules of Order—A number of inexpensive paperback versions are available. The League of Women Voters publishes an excellent flyer that summarizes the basic points.

The Role of the Association President (Guide for Association Practitioners Series, Report #23), Second Edition, by Robert T. Dennistoun. Offers tips and advice on how presidents can improve the overall quality of life in their communities. (Community Associations Institute, 1996.)

The Role of the Association Secretary (Guide for Association Practitioners Series, Report #18), Second Edition, by Anita Hagerty Schenk, PCAM and P. Michael Nagel, ESQ. Explains the secretary's duty to record the history of the association, handle correspondence, and maintain the filing system. Includes examples of agendas, minutes, and other forms needed. (Community Associations Institute, 1999.)

*Association
Communications*

(M-202)

Excerpt



PART 4

COMMUNICATION WITH RESIDENTS AND MANAGERS

IN THIS SECTION, YOU WILL LEARN:

- Process for identifying and responding to owner/tenant needs
- How to observe a manager's behavior and give feedback
- Criteria for annual meeting notices, management reports, and rule violation letters
- Process for responding to an upset owner or tenant
- How to deal with difficult people through the problem solving method
- Criteria for owner/tenant surveys
- Tips for developing a successful resident survey

SKILL

Identifying and appropriately responding to an owner's or tenant's need

NEED TO KNOW

In order to identify an owner's or tenant's need and appropriately respond to it, and to complete Activity #4, you need to know the following:

Process for Identifying and Responding to Owner/Tenant Needs

- Listen for the tenant/owner's service need and/or related personal needs.
- Ask enough questions to clarify the needs and to determine whether the solution to the service need is an association responsibility.
- Check the other person's understanding of the situation—as well as your own.

continued on next page

- **Respond** to the related personal needs, as appropriate.

If the solution to the service need is *not* within the association's responsibility or ability, you should:

- Explain why the association cannot meet the person's service need. Examples of such include: document provision, board policy, schedule, lack of funds
- Suggest alternative solutions to help the person where appropriate and possible.

If the solution to the service need *is* an association responsibility, you should:

- Decide whether or not board approval and/or bidding and contracting are required.
- Offer a solution that will meet the person's service need.

- **Get agreement** on what will be done, where it will be done,
 - By whom
 - When
 - How
- **Deliver** the service agreed upon.
- **Follow up** to be sure you've satisfied the person's needs.

How to Observe a Manager's Behavior and Give Feedback

Use the following checklist when you observe a manager's behavior:

- 1. Have you noted what was said and done?
- 2. Have you noted what was not said and done that the manager could have used to achieve his or her goal?
- 3. Have you noted what statements and actions worked? ...and why?
- 4. Have you noted what statements and actions did not seem to work? ...and why?

- 5. Have you noted the effect of the manager's verbal and nonverbal communication on the purpose of the interaction?
 - Voice
 - Pace
 - Tone
 - Volume
 - Pitch
 - Choice of words
 - Facial expressions
 - Eye contact
 - Hand movements and gestures
 - Postures
 - Physical appearance
 - Physical setting
- 6. Have you given the manager both encouraging *and* developmental feedback?

Encouraging—reinforces effective performance.

Developmental—suggests ways to improve performance.

Process for Responding to an Upset Owner or Tenant

To respond to an owner or tenant who is upset or complaining:

- **Stay calm and friendly**—This will help you to control the situation.
- **Hear the person out**—Give the person a chance to say what is upsetting, but don't allow people to keep repeating themselves. This only makes them more upset.

- **Restate the person's concern as you understand it and get the person to confirm that you've heard it correctly**—Always check to be sure you understand what the person wants you to know or do. Sometimes people complain about one thing and really are upset about another. Or they just want you to hear them out.
- **Offer an appropriate apology**—You don't have to accept responsibility for something you are not responsible for. But you can always say you are sorry about a situation—and mean it.
- **Recognize the person's feelings**—Even if you address the issue, people often will continue to be upset if they think you are ignoring how they feel about it. Put the person's feelings into words. For example: "This must be frustrating."
- **Explain what you will be able to do**—An upset person wants "answers" and "action." Those answers and actions may be an explanation of how the association can respond to the concern or they may be an explanation of why the association cannot respond and some suggested alternatives.
- **Thank the person for bringing the situation to your attention**—If something is wrong or not working, we want to know about it, so we can respond in an appropriate manner. That's what quality service is all about.

NEED TO KNOW

In order to deal with difficult people through the problem-solving method, and complete Activity #4, you need to know:

Problem-Solving Method

1. Obtain adequate information to identify the specific problem and its scope in a timely manner
2. Determine who has authority and obligation to address the problem.
3. Consider different approaches to solving the problem.
4. Evaluate the human and financial resources required to solve the problem.
5. Formulate a solution.
6. Communicate the solution to owners and tenants, as appropriate.
7. Implement the solution.
8. Monitor and evaluate the solution.



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