



TIPS FOR EFFECTIVE BOARD MEETINGS

BY: AMANDA A. BARRETO, ESQ.

As volunteers to your community associations, you know that while board meetings are essential for conducting association business, they can be tedious if poorly run. Many of our board members complain about attending board meetings and ask us how they can be run more effectively. Here are a few tips we have compiled over the years:

1. Prepare an agenda

Creating an agenda well in advance of the meeting can help organize what will be discussed at the meeting and provide a roadmap of how the meeting will go. An orderly agenda will specify exactly what will be discussed and when. Following the agenda will help the meeting go quickly and address all required items.

2. Review materials in advance

If you have a management company, most managers will prepare a packet in advance of the board meeting with all relevant materials needed to go through the agenda. Make sure you review the packet before the meeting so that discussion can be on point, limited and voting can be done quickly.

3. Meet regularly

Each association will have different requirements regarding how often a Board must meet. Follow those guidelines, but remember that you can always meet more often, particularly if special issues arise. The more regularly boards meet, the more smoothly the meetings will go.

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HOW TO REMOVE PROBLEM BOARD MEMBERS AND OFFICERS

BY: LINDSEY A. WRUBEL, ESQ.

We are often asked the question of how to handle a rogue or absentee board member or officer of the association. If relations amongst the board members get to a breaking point, the board may decide it is time to attempt to remove the “problem child.”

First, remember to consult our office before removing an officer or board member. This process is often very confusing due to the seeming fusion of board member and officer roles, and is often the subject of litigation. It only takes us a few minutes to review your documents and advise accordingly.

Second, look to your governing documents. Most documents provide specific procedures to remove a person from office.

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Quick Quiz

1. If the owner of the property is a corporation or LLC, is said entity allowed to run for a board position?

2. How many meetings are absolutely necessary to have in one year?

Community Association **NEWS**

HOW TO REMOVE PROBLEM BOARD MEMBERS AND OFFICERS (CONT'D)

Sometimes a member can be removed due to a certain number of consecutive absences; other times, a vote of the entire association must be taken to remove the board member. Follow these provisions exactly.

Third, read all parts of the governing documents — don't hang your hat on a single provision. Many governing documents provide that an officer may be removed by a majority vote of the board members, but that an elected board member may only be removed with a vote of the association membership. Because many of your board members are also officers, this creates a lot of confusion.

Fourth, treat officer removal as an entirely separate issue from board member removal. If the documents state that an officer may be removed by a majority vote of the board, take that vote, and notify the person in writing that they have been removed from their post as President, Secretary, etc., or whatever their position may be, and make sure they cease those duties.

If they are not an elected or appointed member of the board, only an officer voted upon by the board, then this is the end of the story. If they are an elected or appointed member of the board of directors, look to the bylaws/code of regulations about what is required to remove them. **AT THIS POINT, THEY ARE STILL BOARD MEMBERS!** Usually, the membership must take a vote (majority or 75% often required).

Example:

Annual meeting is held. Association elects three board members: Larry, Curly and Moe. The board decides that Larry should be President; Moe is VP; and Curly is Treasurer. In addition, the documents allow a non-board member officer to be elected by the board. The board votes that Joe be Secretary, since he has good handwriting and takes good notes.

Issues arise at the association and Joe is a huge problem. He discloses improper information to his neighbors that should be confidential. The board decides to remove him. In this scenario, the board may vote amongst themselves to remove him.

Let's now pretend that Larry, the president, becomes a problem. The other two board members, Curly and Moe must agree to vote to remove him. Joe does not get a vote because he is not a board member. At this point, Larry is removed as President. However, he is still a voting member of the Board. To remove him from the board, the association must vote to remove Larry altogether.

Quick Quiz – ANSWERS

1. YES. If the owner is a corporation or limited liability company, the entity may appoint any of its principal officers, members, partners, directors or employees to run for the association board. That person may have to provide the association with proof that the entity has appointed that person as its designated corporate representative.

2. At least five. One annual meeting and at least four board meetings. Boards should meet formally four times a year at minimum. If board meetings must be open, then you must also provide adequate notice to the unit owners of the time and place for those meetings so that owners can plan to attend if they wish to do so.

Q: We have a delinquent owner who is trying to buy up more properties in the association instead of paying back the delinquent maintenance fees already owed. Can we stop the owner from purchasing any other units?

ANSWER: Maybe. The first question to ask is whether the association has a right of first refusal in your governing documents. If so, this might be one of the rare occasions where we might advise the association

to exercise the right, which would provide that the association would have to buy the property from the current owner on the same terms as the new owner. Depending on how your governing documents are written, this may require a vote of the membership rather than just the board, and require that the association have the funds available.

Otherwise, keep in mind that if the owner is delinquent on one unit, we may obtain a judgment against them

which would eventually attach to all units the person owns. While this situation may become more complex if the owner has placed the units in title to an LLC or trust, there are still means available in certain circumstances to pierce the corporate veil to reach other assets of the owner.

Overall, it is best to follow a strict collection policy and let the owner know that they are not going to get away without paying on yet another unit.

TIPS FOR EFFECTIVE BOARD MEETINGS (CONT'D)

Additionally, remember that boards have the obligation to vote on relevant requests and matters as they come up and not wait months until the next meeting to make a decision that an owner is patiently waiting for.

Other board members are giving up valuable family, work and social time to help the association. Try to keep the meetings based on the agenda and save social talk for before or after the meeting.

Hopefully, your board meetings are already effective and well run; however, if you ever find that your meetings are getting out of control, come back and review these tips to try and get back on track.

4. Stay on track.

Remember that board meetings are called to conduct business. Having social conversations is certainly encouraged in order to facilitate good relationships with your fellow volunteers and your vendors. Just remember to be courteous of others' time. Most management contracts have caps on the length of a board meeting. Even if your management company does not charge for additional time, remember that property managers generally have meetings multiple nights during the week and their time is precious.

5. Limit owner participation.

If your governing documents and/or the law requires you to have open board meetings, keep in mind that while owners are permitted to attend, they are not allowed to participate in the meeting. If a non-board member attempts to enter the conversation, gently remind them that the purpose of the meeting is to conduct board business and that their inquiries may be addressed after the meeting or at a later time.



Mark Your Calendars – Fall 2017 Seminar!

Fall topics will include:

**WHAT TO DO WHEN AN OWNER FILES FOR BANKRUPTCY
 &
 GUN REGULATION IN OHIO – WHAT THE ASSOCIATION CAN
 AND CANNOT ENFORCE**

Seminar 1 – Willoughby (NE)

Date: Wednesday, October 18, 2017
 Time: 6:00PM
 (Doors open at 5:30PM)
 Location: Willoughby Hills
 Community Center
 35400 Chardon Rd.,
 Willoughby, OH 44094

Seminar 2 – Broadview Heights (SW)

Date: Wednesday, October 25, 2017
 Time: 6:00PM
 (Doors open at 5:30PM)
 Location: Briarwood Golf Course
 2737 W. Edgerton Rd.,
 Broadview Hts., OH 44147

Please RSVP at (216) 771-2600 or receptionist@ottesq.com.

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