

# **SUCCESSFUL BOARDS**

## **THE CHARACTERISTICS OF SUCCESSFUL BOARDS IN COMMUNITY LEADERSHIP**



**June 2011**

## WHY SERVE ON A BOARD?

Knowing you will be criticized,  
become the enemy as soon as you  
enforce a rule, and be stopped by a  
complaining neighbor every time you  
go out for a walk, why would anyone  
run for the board?

# DUTY

The primary responsibility of each and every board member is to come together to act as one leadership voice for the community, recognizing that their fiduciary duty is to preserve, maintain and enhance the value of the assets of the community and corporation.

## ...AS SERVANT LEADERS

- Board members see their role as one of serving the members of the community, not feeding their own personal agendas
- Board members see their role as temporary stewardship of the community business
- Board members act as process facilitators, finding out the best way to do things in their community
- Board members emphasize empowering others in the community to build strong relationships

## ...AS STAFF FACILITATORS

- Board members see staff members as part of the team, not as opponents
- Board members are respectful of staff inquiries, rather than demanding a response
- Board members establish and follow proper protocols in working with staff
- Board members rely on staff to implement board decisions and policies
- Board members differentiate between policy making decisions and managerial task managing

## ...AS COMMUNITY BUILDERS

- Board members reach out to and collaborate with other organizations
- Board members engage in developing and implementing a sound visioning process
- Board members seek positive resolution to community and member issues
- Board members emphasize reasonableness in living and respect for each other
- Board members regularly and publicly recognize and promote volunteers

# SUCCESSFUL CHARACTERISTICS

- Listening first is a priority
- Strive for unanimity and community harmony
- Separate business from social matters
- Time efficient and conscientious
- Support board decisions – regardless of their own opinion
- They come prepared to meetings
- Understand they are responsible for other's castles

# HOA BASICS

- Board Duties and Responsibilities for Board Meetings
- Plan and Prepare for Board Meetings – Board Packet
- Conduct Board Meetings in a Business Environment
- Provide Notice to Members of Meetings Pursuant to OMA
- Follow the Texas Open Meetings Act

# HOA BASICS

- Conduct Brief Homeowner Forum at the Beginning of Meetings
- Use Agenda and Stick To It
- Follow Robert's Rules of Order
- Keep Meetings Moving
- Dealing with Conflicts During Meetings
- Taking Proper Meeting Minutes

# HOA BASICS

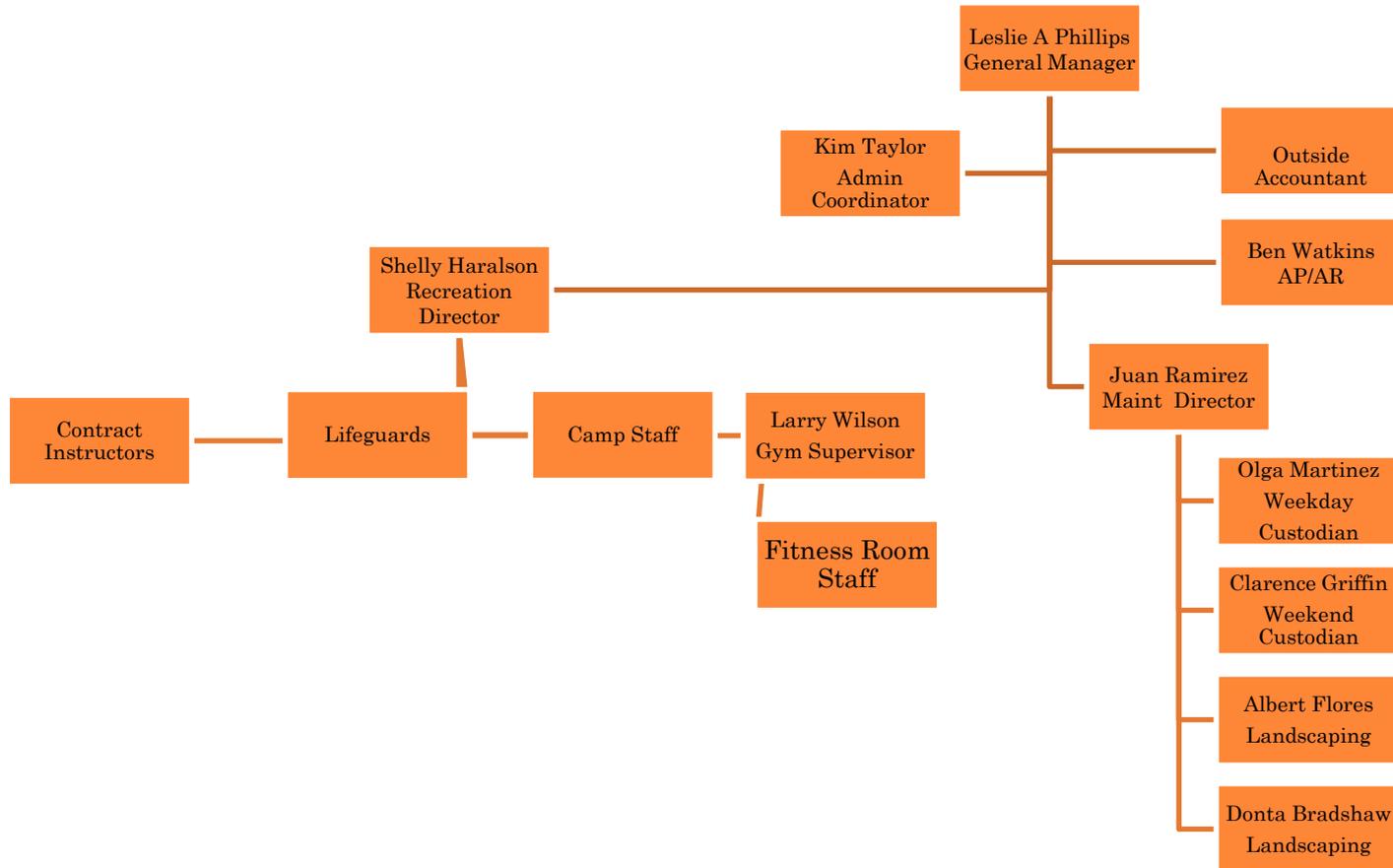
- Other Issues to Be Aware of
  - Conflicts of Interest
  - Removal and Replacement of Directors
  - Associations Required to Ensure Homeowner Compliance with Rules and Regulations
  - Why Does the Board Do What They Do?
  - Understanding the Duty of the Board vs. Members

# HOA BASICS

- Legal Documents for Association (in order of hierarchy)
  - Plat
  - Declaration of Covenants, Conditions & Restrictions (aka Deed Restrictions)
  - Articles of Incorporation
  - Bylaws
  - Rules and Regulations
  - Resolutions

# STAFF FUNCTIONS

# MANAGEMENT STRUCTURE



# HALF A DAY IN THE LIFE OF YOUR GM

- 8am - Arrive with 50 emails in in box...Deal with employees who are absent, be sure those present have assignments clear
  - 815am - First homeowner call – homeowner repeats themselves 10 times about a neighbor issue.
  - 900am – Board member “pops” in for a quick visit
  - 945am – Start reading / responding to emails
  - 10am – Employee “pops” in with a question
  - 1015am – Homeowner stops in and demands personal visit to scream about the neighbor’s house that is in legal already.
  - 1030am – Start reading/ responding to emails again
  - 1045am – Start preparing agenda for next meeting
  - 11am – Employee in office go to lunch / help pick up phone and assist walk in traffic
  - 1215pm –Start reading/ responding to emails again / working on agenda / Approve invoices / Sign checks
  - 1230pm – Board member stops by to sign checks that require second signature
  - 100pm – Lunch time
- ALL BEFORE LUNCH*

# EXPECTATIONS AND BOUNDARIES

## ***For Board Members of Employees:***

- ✓ Staff works for the community
- ✓ Staff works when others recreate
- ✓ Staff is paid to do a job, and not just a mediocre job – an exemplary job
- ✓ Untold number of hours spent by salaried employees....be respectful of their time off
- ✓ When you leave your job and go home, how do you expect to be treated?

# EXPECTATIONS AND BOUNDARIES

## *For Employees of Board Members:*

✓ Board Members have volunteered and have lives...this is our job, not theirs.

✓ Board Members have a Fiduciary Duty to act in the best interest of the Association as a WHOLE, not just their Core or their own personal political agenda. It's a temporary "Stewardship."

✓ Board Members will support board decisions regardless of how they voted as an individual.

✓ Board Members have the right to ask questions. IN FACT ITS AN OBLIGATION. But the manner in which they ask will be a respectful inquiry.

✓ Board Members will be respectful of staff member's time, especially at night meetings when the staff member has already worked a full day.

✓ When you leave your job and go home, how do you expect to be treated?

# BOARD MEETINGS

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- This is a business meeting of the Board of Trustees, where directors make decisions concerning the operation of the association
- Two types – open meetings and closed meetings (As described in OMA)

# CONDUCT AT BOARD MEETINGS

- Act in the best interests of the community as a whole
- Comply with governing documents and relevant law
- Work within the association's framework (documents) and refrain from unilateral action
- Hold themselves to high standards – Fiduciary Duty
  - A fiduciary duty is the highest standard of care at either equity or law. A fiduciary is expected to be extremely loyal to the person to whom he owes the duty.

# CONDUCT AT BOARD MEETINGS

- Seek Professional Advice
- Don't Debate
- Behave Professionally at meetings
- Maintain confidentiality when appropriate
- Disclose conflicts of interests
- Refrain from defaming or harassing others
- If the association has a normally unruly type attending the meetings the chair of the meeting should have a gavel to restore order when needed.
- Come prepared to conduct business

# CONDUCT AT BOARD MEETINGS

- Come prepared
- Separate business from social
- Review the packet in advance of the meeting and raise questions with management **PRIOR** to the meeting so the manager can have responses for the meeting.

# TYPES OF BOARD MEETINGS

- Regular – Held on the 3<sup>rd</sup> Tuesday of Every Month
- Special – Called for any purpose by the President or two Trustees acting together with ten (10) days notice to all board members – or if eight (8) board members waive their notice to ten (10) days – it may be called sooner but not less than three (3) days notice to the public in compliance with OMA

# TYPES OF BOARD MEETINGS

- Emergency – Called regarding an unexpected situation (no pre-existing conditions). Generally an emergency is such that without immediate action the Association would be exposed to new legal liability, severe loss to capital equipment or condition of land, or loss of normal operations. President may call alone – or two Trustees acting together

# BOARD MEETING AGENDA

- The most important part of a Board Meeting. This is the plan of action for the Board to follow. Board meetings should last no more than two (2) hours with a homeowner forum included.
- Draft agenda is emailed out two Friday's before the regular meeting date.
- Submissions to be placed on the agenda are due (along with all attachments) the Tuesday of the week prior to the meeting at Noon. (Policy 401-1)
- Vague items like: "Discuss Maintenance and Possible Motion" will NOT be included (Violates Policy and OMA); A proper item would be: "Discuss Maintenance Frequency of Bathrooms at Rec Center and Motion to increase frequency."

# BOARD MEETING AGENDA

- If an item is raised during Homeowner Comments – it may not be responded to unless it is an item already on the agenda. It may be placed on a future agenda for discussion.

# USING AGENDA = SUCCESSFUL MEETING

## Stick to the Agenda!

If you are reviewing the financials and the landscaper's invoice comes up, don't start talking about the landscaper's performance, or how bad the grass looks. Wait until committee reports. Finish the agenda before starting another subject.

# AGENDA

- When making decisions ensure that a motion is made (with a second) PRIOR to beginning discussion.

## *The motion should be specific!*

- You don't want to start a discussion on "the landscaper is doing a bad job." That discussion will go on for hours. A suggested motion would be "I move that we go out for 3 landscaping proposals because of the poor performance of the present company." If you get a second, you can start discussions, if you don't then the issue is over and done with. This method gives all board members an opportunity to be heard both for and against.

# MEDIA RELATIONS

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Know who you are dealing with.....and talk to them.

Build a relationship with the reporter –  
the reporters are key, not the editor.

Declining to Comment

# MEDIA RELATIONS

## Terms of Engagement:

***On-the-record*** – Automatically assumed once the reporter identifies him/herself.

***Off-the-record*** – Has different meanings to different reporters – YOU MUST CLARIFY MEANING. If you don't want to be "Quoted" then make the reporter put his pen down, this reduces the chance that an off-the-record comment will be published accidentally, and serves as a signal that the reporter acknowledges the off-the-record status of the comment.

Background Information – Information you provide that is simply meant to educate the reporter. You should clarify to what extent the source will be revealed.

Off-the-record is NOT recommended! If you don't want to see it on tv or in print, DON'T SAY IT!

# MEDIA RELATIONS

## Tips In Dealing

- Ask reporter to read back any quotes/comments to avoid being misquoted.
- You can manage the process to minimize errors and show organization in best light – but do not attempt to control the process. Reporters hate to feel pushed or manipulated.
- Published out of context??? ALWAYS be thoughtful about what you say.
- Don't joke!!! It might become a headline.
- There is no shame in saying "I Don't Know."
- If it's a difficult question – you MAY ask to think about it for a minute.
- Press the POSITIVE side of what you do.
- Off-the-record is NOT recommended! *If you don't want to see it on tv or in print, DON'T SAY IT!*
- If at all possible, utilize ONE spokesperson.

# OPEN MEETINGS

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Committee Meetings – Is committee “advisory”?

If recommendations of committee are generally “rubber-stamped” they are not “advisory” and ARE subject to Open Meetings.

Notice Requirements

72 hrs – regular meeting 2 hrs – emergency meeting

\*MUST have date, hour and place of meeting AND a description of each subject to be discussed.

i.e. “Personnel” – NOT SUFFICIENT to discuss firing the police chief

\*Closed Session – Items for discussion is NOT required to be listed

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# OPEN MEETINGS

*What do I do if an un-posted issue is raised at an open meeting?*

## Four OPTIONS

- a. Official may respond with a statement of specific factual information or recite the governmental body's existing policy on that issue.
- b. An official may direct the person making the inquiry to visit with staff about the issue.
- c. The governing body may offer to place the item on the agenda for discussion at a future meeting.
- d. The governing body may offer to post the matter as an emergency item, but **ONLY IF** the item meets the criteria for an emergency posting.

# OPEN MEETINGS

*Quorum* – a simple majority of the members of the governmental body.

What about if a quorum is present to discuss topics – but no vote is taken?

Telephone / Email Polls – Physical presence in one place is not necessary to violate the Act. Making individual phone calls to poll members on an issue is a criminal violation. = Meeting in numbers less than a quorum to circumvent the Act.

# OPEN MEETINGS

## *Allowed Executive Session Subjects:*

1. Consideration of specific personnel matters;
2. Attorney consultations;
3. Discussions about the value or transfer of real property;
4. Discussions about security personnel, security devices, or a security audit;
5. Discussions about a prospective gift or donation to the city;
6. Discussions by a governing body of potential items on tests that the governing body conducts for purposes of licensing individuals to engage in an activity;
7. Discussions of certain economic development matters;
8. Discussions of certain competitive matters – utility and city related
9. Certain information relating to the subject of emergencies and disasters.

# OPEN MEETINGS

## *Executive Session - Personnel*

- ❖ Appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee
- ❖ Complaints or charges against such officer or employee – UNLESS the employee or officer requests that it be heard in open session
- ❖ Employee does not necessarily have the right to attend.
- ❖ The public can NOT be invited selectively to give feedback on employee.

# OPEN MEETINGS

## *Executive Session - Attorney Consultations*

- ❖ Legal advice about pending or contemplated litigation or about settlement offers
- ❖ Does NOT include discussions about general policy matters.
- ❖ Telephone conferences are allowed – if in open session, entire room must be able to hear the conference.
- ❖ Potential contracts may be discussed ONLY in closed to receive advice on legal issues raised by contract. Merits of the contract MUST be reviewed in open session.

# OPEN MEETINGS

## *Executive Session – Who May Attend?*

Attorney – If discussion involves litigation, opposing party may not be present.

### *Consider:*

1. whether the person's interests are adverse to the governmental body's;
2. whether the person's presence is necessary to the issues to be discussed; and
3. whether the governmental body may waive the attorney-client privilege by including the non-member.

Staff attendance is not required – they may be excluded or included based on above.

# OPEN MEETINGS

## *Executive Session - Records of Meeting*

- Certified Agenda OR Tape Recording
  - ❖ You may turn the recording off when consulting with the attorney.
  - ❖ Records (Agenda/Tape) must be kept for 2 yrs!
  
- Records of meeting may **ONLY** be released to the public under **COURT ORDER. - CRIMINAL PENALTIES APPLY**
  
- Texas Courts have held that a member of a governmental body has **NO RIGHT** to tape an executive session over the objection of a majority of the governmental body's members.
  
- There is a **CHANCE** that an individual's notes taken during an executive session **COULD** be subject to TPIA.

# OPEN MEETINGS

## *Penalties*

Civil Penalties and potential jail time exist for the following violations:

- a. Unauthorized Executive Sessions
- b. Meeting in Numbers Less than a Quorum with intent to Circumvent the Act
- c. Failure to keep a Certified Agenda
- d. Disclosure of a Copy of a Certified Agenda

# QUESTIONS & ANSWERS