

December 2012

“Meeting” Expectations: Understanding Board Meetings

By: Peter S. Philbin and Kathleen N. Machado

While many board members in their professional lives are used to participating in and even leading formal meetings, the recommended (and in some cases required) protocol for a community association board of directors meeting may be a bit unfamiliar. While there are many practices that are probably intuitive to running an efficient board meeting, there are also some nuanced aspects of a community association board meeting that board members can familiarize themselves with to ensure compliance with the law, as well as a productive meeting.

Preparation

First, advance preparation is certainly key to streamlining any meeting. We all procrastinate but devoting some advance time (especially if you are chairing a meeting) to meeting preparation will pay off in many ways.

Many studies of human performance and attentiveness suggests that group meetings which regularly go on more than two hours lead to a decline in productivity. A board meeting should in theory last only so long as necessary to complete the business stated on its agenda. We consistently hear from experienced management professionals and board members that if the typical board meeting takes longer than an hour or two at the most, something is wrong. Longer meetings wear on all and erode enthusiasm of volunteers and management alike.

Board Packages/Agendas

Advance preparation and review of meeting packages, which include the agenda, management and committee reports, enable the board to more quickly move to the business of accepting reports, making motions and voting. It goes without saying, but all board members should be expected to have read and have a grasp of the materials before the meeting (opening the board package at the meeting should be the exception and not the rule).

If you find that one-two hours is not a realistic time frame for conducting a regular board meeting, you may need to ask whether too many items are being placed on the agenda, or whether some items may be delegated to management and/or other committees for action.

The following agenda is fairly typical:

1. Call to Order
2. Reading of (or waiver of reading) Minutes of previous meeting
3. Member Open Forum
4. Reports of Management, Listing of Action and Informational items
5. Special Reports of President or other Officers
6. Reports of Committees
7. Unfinished business
8. New business
9. Adjournment

We generally recommend that the board adopt a parliamentary authority, such as Robert's Rules of Order, to order and structure the meeting. Please note, some associations may be required to use of Robert's Rules of Order, per the terms of their Governing Documents. The purpose of implementing such authority is that the board has a clearly delineated method of bringing discussion from inception to closure, for making final formal decisions, and for resolving any parliamentary disputes which might arise. When there is a clearly adopted authority in place, it can be much easier to control an otherwise unruly discussion by citing back to those agreed procedures. All that being said, implementation of such authority should not be overly cumbersome and technical so as to complicate the meeting and result in unnecessary delay.

In order to clearly document exactly what action the board has taken at a meeting, all board action should be recorded in the meeting minutes as a motion, seconded, and then voted on. If a matter is complicated, it is often best to draft and distribute motions to board members in advance of the meeting and your management agent and/or legal counsel may be helpful in streamlining the meeting by drafting the proposed motions up for consideration by the board.

The Chairperson is key to efficient meetings. He or she needs to keep the agenda moving, to gently (or firmly if necessary) keep side-discussions at bay and to remind the members to stay on course. Reminding all that the meeting is scheduled to adjourn by time certain is often a help. Often management firms have a 1-2 hour limit before they start to charge associations, so reminding members of that fact can sometimes

help move things along. Moving controversial issues to later in the agenda so that more routine business can be completed is also a way to maximize efficiencies.

Open Meetings

A fairly unique characteristics of a community association board meetings is that members have a limited right to speak at such meetings (even though the board votes). Such right to speak can certainly encourage effective communication between the executive body and the association's membership but if left unchecked can in some cases lead to uncontrolled and disorderly conduct (and lengthy meetings!).

As such, we suggest that the board adopt a policy which sets forth the procedures for a member "forum" at board meetings. The procedures could provide, for example, that owners' forum take place at a specific point (e.g., the beginning or end of the meeting) and specify the amount of time each member is permitted to speak. Such procedures (even if exceptions are occasionally granted) should get everyone on the same page in terms of forum expectations and avoid interruptions and other confusion as the board works its way through the board's business. Whether, and how, members may record meetings should also be addressed in such procedures and whether there are any statutory requirements (Virginia, for example, expressly allows for owner's recordation of meetings subject to rules adopted by board regarding placement, etc.).

Closed Sessions

Another trait of community association board meetings relates to “executive” or “closed” sessions. Generally, all board meeting must be “open” to members even if the members do not actively participate in the discussions, votes, etc. However, open meetings may be closed and non-board members excluded to consider certain privileged matters as dictated by statute. In Virginia, for example, topics that are appropriate for executive session include personnel matters, consultation with legal counsel, discussion and consideration of contracts, probable or pending litigation and matters involving violations of the condominium instruments or rules and regulations promulgated pursuant thereto for which an owner, his family members, tenants, guests or other invitees are responsible, or the personal liability of owners to the association.

In Maryland, “closed” sessions are also allowed to consider matters pertaining to employees and personnel, consultation with legal counsel, discussion over pending or potential litigation or other legal matters, investigation of possible or actual criminal misconduct, and discussion of individual owners’ assessment accounts.

The procedure for entering and memorializing closed session action varies by jurisdiction. Understanding the “closed” meeting provisions (and potential topics for possible discussion therein) will allow the board to make efficient use of meeting time by being prepared to move into closed session where appropriate and legally.

Ultimately, the board is responsible and best-suited to keep its meetings on track. The board

is empowered to formulate its own set of procedures which comply with the terms of its Governing Documents and applicable law, and which best suit the needs of the board and its association. Once those rules are adopted, the board should stand firm in the enforcement of those procedures.

We would be happy to share our experiences with board meeting procedures (good and bad) and help you keep your meetings on schedule and productive. If you have any questions regarding this subject matter, please contact any of our Community Association attorneys and we would be glad to help.