

BEVEN & BROCK NEWS AND VIEWS

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Email Versus Meeting

The new law about meetings and email has not made very many fans. Many board members are bemoaning the fact that now more meetings will be necessary and that association business will take more time. But, perhaps there is a bright side to this new law.

I don't know if anyone has studied the time spent on emails compared to time actually spent in a meeting. But I suspect that if one added up all the time spent with emails they might be surprised as to how much time email takes.

We all love email. It is a rapid-fire approach to communication. But is it really the best way for five board members to make important decisions that affect the value

See "Association" on Page Four

Special Rules Might Be in Order

Renters: Restrictions and Relationships

A recently enacted law regarding rental restrictions has caused many associations to discuss the problems created by too many renters in the association. Most everyone is familiar with lending requirements that do not allow loans to be made for associations with too many rental units. Currently, that limit is 50 percent.

Renters who occupy condominium units often are linked with violations of the association's rules and regulations. Addressing violations with the owners can prove to be challenging as absentee owners may not care as much as the association members who live on site.

Some associations have adopted and approved a policy that places a cap on the number of rentals. Many associations have attempted to approve a policy of rental restrictions and have not been able to get sufficient votes to pass it. The recently adopted law still provides for associations to adopt a policy, however it can only be applied to owners who purchase after the policy is put into effect. Those who were owners prior to the law are "grandfathered."

In the current atmosphere of high foreclosures and a depressed market, the number of investors looking to buy condos as an investment won't go away anytime soon. Even in a healthy market, there will always be renters in any association. Every association board should consider adopting rules that owners who rent must adhere to. Such rules should be included with other rules the association may already have in place. The issue of how to legally adopt rules is the subject of another article, but be aware that there are spe-

cific legal requirements as to how to adopt rules.

Whether or not a rental cap is in place, renters are here to stay. There are some steps that association boards can take to help mitigate the problems created by renters.

Consider the following:

- Establish in your rules that all tenants must be screened with at least a credit check. Proper screening of tenants is something that every owner should do, but some owners are so happy to get any tenant they don't properly screen their applicants.

Require that all tenants receive a copy of the Rules & Regulations, and that the owner provides the board with a receipt signed by the tenant that they have received and reviewed them. Don't bother requiring the tenants to receive the CC&Rs. They will be overwhelming and apply only to owners.

Require that an absentee owner has a local contact to address problems with tenants as they arise. It is possible that the owner could be out of the area, and dealing with an owner that is far away can be very challenging.

Don't treat renters as "second-class citizens". If you have social events at your association, invite all the residents, including tenants. There is no reason why tenants can't be made to feel that they are a part of the community. It may encourage them to be more compliant, if they feel welcome.

See "Owners" on Page Two

A Few Tips on Addressing Non-owner Residents

The Role of the Board

Association Leadership: Strategies for Success

The role of the board is to protect and increase property value. This is accomplished by operating the association, maintaining the common property and enforcing the governing documents.

According to the Community Association Institute, in their publication "The Board Member Tool Kit," the qualities of a good board member are: good character, strong integrity, calm judgment, willingness to serve, commitment to the best interests of the community as a whole, relevant experience or background, previous volunteer service, and strong people skills.

A weak board member is unable to put the welfare of the community first, works behind the board to run things his or her way, is impulsive or quick tempered, has a

personal or hidden agenda, puts individual interests first, has little or no experience in management, leadership or service, is unable to work with others for the common good, and is ineffective with others.

How do board members succeed with their role as board members?

When you make decisions as a board member, you have an obligation to work in the best interest of the entire community, regardless of how the decisions affect you personally.

A part of learning how to be a good board member will come from trial and error; but you can reduce the errors and the time it takes to get up to speed by attending seminars, reading books, and networking

with other association board members.

Knowing your role as a board member means that you distinguish your role from the role of the manager. Boards set policy and make policy decisions. Managers implement the board's directives and take care of operations. Things tend to get complicated when board members also manage the property.

Once the board makes a decision, stand behind it and make every effort to see it succeed, even if you voted against it.

Personality differences exist in every organization, but don't allow them to interfere with the work of the board.

Be cooperative, positive and make every effort to stay focused on the needs of the community.

Owners Are Responsible for Their Tenants

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Similarly, getting to know new residents is a great way to get started on the right foot. If you have a welcoming committee for new owners, include tenants in this as well. If you don't have a welcoming committee, consider starting one.

- Be sure that owners know that they will be responsible for the actions of their tenants. Your rules should

indicate the fine policy for violations. The owner, not the tenant, will be charged for the fines incurred by their tenants.

An association with adequate rules in place for the challenging issues caused by renters and absentee owners will likely experience greater harmony and satisfaction within the community.

Although boards have a big responsibility, the members should not be over zealous or inflexible in their role. Avoid snap decisions, act rather than react, and deal with real problems, not nuisance situations.

Finally, realize that as a single board member you have no power. There is only power in the majority of the board. All decisions are made by the board as a group, not by individuals or by officers.



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Board Secretary: Minutes Don't Have to be a Chore

The job of secretary is perhaps the least desired position on the board, as few people want to take minutes. But in this age of lap tops and i-pads, the role of secretary is greatly simplified. Beven & Brock is implementing a new web-based program in early summer that will make taking minutes a very simple process.

The secretary is responsible for writing the minutes and preparing them for board approval. The minutes are only a record of decisions made by the board of directors, not a recitation of the discussions and opinions that are expressed.

It can be helpful to record a summary of the reasons why the board of directors made a particular decision, especially if that decision may be controversial. The summary of the board's reasoning can later be a basis for supporting the reasonableness of the board's decision.

Minutes should state:

- The type of meeting - regular, special, executive
- Name of the association
- Date, time and location of the meeting.
- Who was present, including guests and vendors, but not owners by name.
- Action taken on the minutes of the previous meeting and corrections, if any
- Motions: exact wording of each motion, the name of the person making the motion, and whether the motion was adopted, failed to pass, or was withdrawn
- Date of the next meeting
- Time of adjournment

It is always good for the secretary to read back the minutes prior to adjournment to make sure that they present the important facts accurately. If the minutes are taken

on a laptop at the meeting, they can be emailed to all of the board members as soon as the treasurer is on-line.

The minutes should be marked as "Draft" until they are fully approved. Once a draft has been prepared, the secretary can distribute the minutes to the board for review and feedback on any corrections that need to be made. It is believed that this does not violate the Open Meeting Act because it's not an email discussion. Instead, it is feedback from individual directors to the secretary on corrections and revisions. The draft minutes then go to the board as part of its packet for the next meeting for discussion and approval.

While it is not a legal requirement, many associations distribute or post the minutes as they are available. At a minimum, the minutes should be available to owners on request.

Social Events Can Be a Bonding Opportunity for Owners – and the Board

The summer is a great time to get owners together in a relaxed and informal way to meet each other without any business being conducted.

Why might this be a good idea? So much of what happens between people in any HOA is about disagreement and conflict. The process of having a couple of events during the year that are purely social will go a long way toward helping build com-

munity spirit. If owners can relate to each other in a fun and casual setting, they will be more likely to understand each other when challenging issues come along.

If you want to try this, ask several owners to serve on a planning committee. The board doesn't need more to do, so broaden the base of involvement and ask someone who isn't already involved. The greatest challenge will be in getting people to

show up as many people are naturally shy. Don't let that stop the party planners from pursuing the involvement of everyone.

It is not hard to roll out a BBQ and ask everyone to bring a potluck dish. Everyone can bring their favorite beverage to share. Having some games out for people to play will help break the ice. Some associations have shown a movie in the driveway after dark.

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Association Business: Meetings are About Decisions

Continued from Page One
of millions of dollars of real estate?

Communication by email can be consuming. We are constantly bombarded by email from the moment we check our phones when we get up, to when we put them down at night. It seems that the job of a board member can become a 24-7 job, since emails continue to pour in and out. However, all board members are volunteers, and why should this job be calling out to you every time you check your email or look at your phone? Wouldn't it be better to spend time enjoying life, family and friends, or pursuing work that produces income, and not be engaged in an ongoing discussion of your association's issues?

It is not unrealistic to think that spending a minimum of 15 minutes a day on association email business is the reality for most board members. Fifteen minutes a day, 30 days a month is seven and a half hours a month. Even if you spend 10 minutes a day, five days a week that is almost four hours a month. If all of the non-emergency issues that could be addressed could be handled inside of a 60-75 minute board meeting once a month that would be less time consuming for the board.

Email can be inefficient, and easily divisive. Communication experts will generally tell you that having all parties in a room

where verbal and non-verbal messages are a part of the process is far better than written communication where misunderstandings easily occur. I have found that people are more amicable when they meet in person than they tend to be by email. It is likely that the board will work together better as a team when meeting in person.

This will take a concerted effort, but as a board, agree that you will only discuss the business of the association at a board meeting. Unless of course, there is an emergency, in which case email meetings are necessary if all board members agree.

The majority of the association business can be handled in the following manner. The President establishes a deadline for agenda items to be submitted, usually a week before the meeting. Likely this could be done by email, as no business is being discussed. The agenda is set, and posted. During the same period of time, the association manager, (or president, if there is no management company) can provide a board packet with the agenda and all of the back up material necessary to make decisions. If there is no back up material as to the pros and cons of such a decision, the item should not be on the agenda. Don't waste valuable meeting time discussing something that board members have not had a chance to review. Defer the item to a future meeting and delegate someone on

the board, or the management company, to provide material on this topic prior to the next meeting.

Meetings are about decisions. If meetings are handled in this manner, you won't have long meetings, and you will likely spend less time than if you had email discussions throughout the month. And most importantly, you will be compliant with the law as well.

As volunteer board members, don't take on more responsibility than you need to. The law does not require you to conduct association business except by meetings. Conducting business outside of meetings is more work and also is a violation of the law.

NEWS & VIEWS

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