

2010

WVHOA Newsletter

FEBRUARY 2010

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February's Luncheon Meeting: Annual Legal Seminar

Attorney Curtis Ekmark, WVHOA's Vice President, will discuss important legal issues facing homeowners associations. Most importantly, he will address your questions at WVHOA's annual legal seminar on Thursday, February 18 at 11:45 a.m.

Curtis Ekmark has practiced in the area of homeowners association law for over 16 years. He frequently lectures on association issues and has won several significant cases in this area. Mr. Ekmark writes articles for local publications, and has appeared on various radio and television newscasts and programs.

We'll be meeting on February 18 at 11:45 a.m. in the Hopi Room, Chaparral Center in Sun City Grand, 19781 N. Remington Drive in Surprise. Cost for the luncheon is \$10. Lunch will be served from 11:45 to noon and the program will start promptly at noon.

Please make your reservations as soon as possible by contacting Colleen Lombard at calombard@cox.net or 602-795-2363. Reservations must be received by 5:00 p.m. on Friday, February 12.

In Memory of Jeff Kanig

Earlier this month, WVHOA Founder and President Jeff Kanig passed away. Jeff dedicated a great deal of his time and knowledge to help homeowners associations make their communities better. He will certainly be missed.



www.wvhoa.org

West Valley Homeowner Associations - Announcements

January's Meeting

The West Valley HOA January 2010 luncheon meeting "Be A Better Board Member" set an attendance record for the first meeting of a New Year. Many thanks to all of the guests who braved the cold, wet rain-storm to attend.

For those members who were unable to join the January luncheon group, the article "Top Traits of Great and Effective Boards of Directors" by Julie Adamen, and distributed at the luncheon has been included as part of this newsletter.

Membershp Renewals

Membership renewal statements will be mailed the end of February. We appreciate your support of our goal, to educate board members on topics that affect the day-to-day operation of community associations. Please feel free to contact any West Valley HOA Board Member with suggestions for topics that pertain specifically to homeowner association issues. Together we can make a difference for all associations and homeowners.

The Top Traits of Great and Effective Boards of Directors

By Julie Adamen

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Over the past 22 years, I have worked with many, many Boards of Directors: As a manager, as a consultant, and as a member of the Board. And as we all – managers and Board members alike – know, some Boards are just better than others at administrating their community and effectively achieving their goals and objectives (their agenda) with grace, dignity, professionalism and humor. These Boards are a pleasure with which to work or on which to serve.

So, what differentiates a Great Board from just an ok Board? Great Boards develop, maintain and value their credibility and their integrity. And they continually display, individually and as a group, the following traits:

Great Boards focus on macro-issues.

It's the Big Picture that counts for Boards. Boards should be spending their time continually reviewing and refining the Big Picture (Vision Statement) for the community. To do that effectively, the Board must have a Mission Statement and then set clear policy for all aspects of community administration – and stand back and observe if that policy is being carried out through management and on down to the vendors and the community at large. For example, the Board may set a policy of "continual esthetically pleasing landscape conditions within budgeted figures." This is a broad statement which gives management direction and authority to carry out that policy administratively and financially. The Board who adopts this type of stance does not worry itself with the exact number of flats of flowers, or their color, nor how they are planted. Esthetically pleasing? Within budget? THAT is what a macro-focused Board thinks about.

Most Board members come in to their "jobs" by accident or through coercion by an existing Board member, and they really have no idea what they got themselves in to. The Great Board brings the new Board members up to speed through corporate memory, helping them recognize what Vision Statement, Mission Statement and Policy has been set in place. This gives the new Board Member a foothold on established process so they may embrace the Big Picture rather than minutia.

Great Boards hold productive meetings.

Great Boards always read relevant materials before the meeting. Great Boards come to meetings having read the agenda and Board packet beforehand, ready to make decisions based on solid information. These Board members are not wasting their time or that of other Board members or staff. They know being prepared develops the community's trust in them as leaders, and gives them the ability to make decisions on the community's behalf in a timely manner. These prepared Board Members have their questions on the packet information answered by staff, vendors or each other before the meeting so the business of the community can be conducted with expedience, efficiency and thus productively.

Great Boards focus on matters at hand and don't enable philosophers or pontificators. Unfortunately, many people become Board members because they need to feed their ego. The ego-driven, though often well-intentioned, are usually the pontificators and philosophers who drag meetings out in to space for hour after unproductive hour, completely

unaware of the eye-rolling and under-the-table-kicking going on around them.

Great Boards don't enable this destructive behavior by suffering in a silent torpor while that ego-driven "Starship Steve" Board member goes off to explore strange, new worlds holding everyone hostage. Great Board members assist the Chair in keeping control of the pontificator/philosopher by calling for a "point of order" when he starts moving in to the Crab Nebula.

Great Boards don't wander off the agenda by bringing up new business that isn't on that agenda. They stay focused on the matters at hand, carefully considering the information and moving forward as they are trusted to do by the membership. Focus, enforced through adopted parliamentary procedures, brings clarity of thought and purpose and the result is credibility in the eyes of the membership.

Great Boards protect against liabilities.

... **By keep rogue Board members in check.** Great Boards don't allow a single Board member to put the community in jeopardy by making racial, ethnic or sexual comments at a meeting. Too many times I have heard Board members say something they would never think to say in a "regular" business situation, without anyone – including the Chair - calling them on this improper and risky behavior. Failing to reign in these types of situations can be a serious liability for the Board and the community.

...**By using insured vendors and subcontractors.** Great Boards never, ever use their unlicensed or uninsured brother-in-law who once did a drywall project in his house to remodel the clubhouse. Great Boards know they have a duty and responsibility to the community to not only utilize someone who knows their stuff, but to make sure they are protecting the community from liability by utilizing only licensed and insured contractors.

... **And they don't deny the existence of liabilities.** See no evil? Hear no evil? Great Boards never wear blinders when it comes to the existence of liabilities. They don't turn their backs, nor look the other way, hoping that the liability will go away. Great Boards have set a policy on dealing with potential and evident liabilities, and they deal with them quickly and surely. Great Boards don't wander off in to the weeds when examining their liabilities, either: They obtain information and direction from insurance, legal and management experts to guide them on this path. Great Boards understand, and never shy away from, risk management.

Great Boards, acting as fiduciaries, base decisions on logic and reason.

Fiduciary - A person who occupies a position of special trust and confidence (for example, in handling or supervising the affairs or funds of another).

Great Boards know and understand they are making decisions as fiduciaries for the community, not as buddies, friends or neighbors. To make decisions as fiduciaries, Board must base their decision on logic and reason, not on emotion or fear, giving the Board and the community credibility and integrity for the long-term as they occupy that place of special trust and confidence.

Great Boards never allow themselves to be bullied in to making a decision. A Board of Directors for a community association is a deliberative body which makes decisions based on solid input. That solid input should include but not be limited to, their own experience, facts, data, standard of care and standard of the industry, precedents set before them, and expert opinion. Using these information gathering tools, Great Boards make informed decisions that are best for the community, even when those decisions may be unpopular with certain community members.

Great Boards Acknowledge Staff and Volunteers.

Publicly, privately, in the newsletter and on the website. Great Boards continually acknowledge all contributors to the administration of the community. Boards members, committee members, management staff, what have you. "Spin the halo," as one of my old Board members used to say. This crucial aspect of leadership is often overlooked by Boards because they simply don't realize that this positive form of communication to the membership about one of their own fosters a positive and successful image of the community administration. And people want to be a part of things that are positive and successful. This means new volunteers for the Board and its committees and an easier job for paid staff.

Great Boards know they can't do it alone. They know they need more folks who will volunteer, so they create an atmosphere that fosters volunteerism. One of the ways to create that atmosphere is to publicly and regularly sing the praises of those volunteers and staff Why? Because even Great Boards don't want to be Board members forever.

Great Boards know they get what they pay for.

Great Boards suffer no illusions. They know that if they receive three bids for a particular service (this assumes an appropriate Request for Proposal was sent out) and one of the three bids is substantially lower than the two, it is reasonable and logical to assume that there is something to question within that bid. Maybe the contractor read the RFP wrong. Or, maybe s/he simply low-balled the bid because they think they can get the job that way. But Great Boards are seldom fooled by this tactic. They know that if they want a Mercedes, they don't get it for the price of a Focus. Reliable, quality and insured services cost money.

...**And know that if they do accept the low bid, there is a cost to managing that low bid.** Sometimes even Great Boards accept the lowest bid. How can they still be a Great Board, you ask? Because accepting the lowest of qualified bidders can be a legitimate strategy when the Board acknowledges there will be a cost to managing that low bid – be it in their own time, staff time or having to have another contractor come in and finish the job or clean up the mess. This can actually work – the Board can get the job done as save money overall. I don't personally recommend it, but it has legitimacy as a business decision under certain conditions.

Great Boards speak with one voice.

They stick together. Picture yourself as a parent. Your child comes to you wanting something. You say no. Surreptitiously, the child goes to your spouse to ask the same question. The spouse says "Sure, why not?" Mission accomplished: The child has divided and conquered the authority in the family – and will either get what s/he wants, and/or create tremendous disharmony between the parents who have failed to discuss beforehand and understand the value of a united front. The same is very, very true as it applies to Boards of Directors and the membership they serve.

Boards are like a family: Disparate personalities thrown together by an act of God (or a freak of nature), trying to accomplish something, maintain sanity and still speak to each other in a civil tone. This is normal. But what sets Great Boards apart is that they know there will be disagreements, they know they don't each think alike – yet, once the votes are cast they move forward together – speaking with one voice to the membership. This is crucial for any Board, but particularly those who have seriously disgruntled folks in their midst. Any chink in the armor of the Board will be exploited by those with agendas that are not within the current Board's policies, goals and objectives. Great Boards stick together and show a united front to their members, creating credibility and integrity.

Great Board Members release personal agenda and move on for the betterment of the community.

The agenda vacuum. Many Board members get elected on a narrow, and many times emotional, platform – "Lower dues by 20%!" "Fire the management company!" *ad nauseum*. After the election, that Board member often finds out the platform, or agenda, on which they ran is based upon misinformation. A Great Board member realizes quickly things were not as s/he thought, releases his/her personal agenda and moves on to become a functioning and contributing member of the Board. The Board is now able to move forward as a group to the issues facing the community. This ability to release agendas when presented with new, credible, logical information that supports issues contrary to the former agenda is a key element of a potentially Great Board member. To present the new Board member with this information Great Boards do the following

Great Boards bring new Board members with contrary agendas in to the process - fast and furious. Despite the fact that the new Board member may be a total turn off to the rest of the Board and staff due to their contrary agenda, the only potential remedy is for the Great Board and staff to immerse this person in the process as soon as possible: An office or project with much responsibility. If that person is open-minded, nothing fills the agenda vacuum, focuses the new Board member's energy faster or gives them a look at what it's really like to be a Board member than be given a position of importance and responsibility. It allows them to save face, become a part of something larger and to release their personal agenda and move forward.

Great Boards are proactive about information.

Just like any corporate trustee, Great Boards knows they cannot operate in an information vacuum. They do not hunker down in the Cone of Silence until their term is over. Great Boards seek out information on all aspects of community administration and maintenance as it applies to their community. Sometimes, its information they don't want to hear, such as learning the latest legislation calls for all Boards to hold their meetings when the moon is full on Tuesdays and all members must receive written (engraved) invitations to attend. But Great Board members listen anyway as they know as a Board member you must always gather information as it is part of their duty. Sometimes they learn valuable information on ways to run their meetings, paint the decks, or collect dues in a more efficient manner.

Whether by reading websites, industry publications, or by attending workshops, forums and networking with other Board members, Great Boards know they do their jobs best by being informed, and they strive to stay that way.

Great Boards communicate regularly and positively with their residents.

Great Boards don't portray themselves or their community as the "NO! police." We all know that much of the job as a Board member entails having to tell members "no," as the Board is trusted with enforcing the CC&R's for the continuity of the community. "No parking in that spot", "No leaving pool towels on the balcony", "No dogs without a leash". Great Boards know there are ways to still say no, but in a positive fashion. For example: "No walking dogs in the park from 8am to 12noon," can be couched as "Dog walkers and encouraged to take their pets to the park from 12noon to 6pm for sunshine and fresh air seven days a week." Or, "No parking on Snowy Palms Dr. during Easter Break," can be turned in to "Owners are encouraged to park their vehicles on Warm Alaska Dr. during the Easter Break so as to create less congestion for all residents when entering the community."

The importance of regular (monthly or bi-monthly), upbeat, professional-looking newsletters, updated websites and other forms of communication is never lost on Great Boards. These forms of communication create a sense of openness and allow for the outflow of positive communication about the community. They also create Board credibility, and they

do so by fostering a positive attitude while still giving the membership needed information and reminders. Because people want to be a part of something successful, upbeat and positive, a community with this image is one which fosters volunteerism.

Great Boards have a sense of humor.

We can be a very negative industry. I believe that is born from an overall lack of appropriate communication on matters at hand, very poor advocacy and communication skills on the part of individuals, and virtually no consequences for obstructionists. Add ego, frustration, plain bad manners, and certain psychological disorders, and you have all the ingredients for a negative experience for well-intentioned volunteers. Where's the humor in that?

Great Boards see the all the problems and challenges as something with which to be dealt with a healthy sense of reality and a big dose of humor. Why? Great Boards know three things: 1) It's not IBM, it's an HOA, and 2) The smaller the stakes, the pettier the politics and 3) It's not personal. Great Boards have a sense of humor because they maintain perspective, giving much of what we do a very humorous aspect.

Great Boards Value Integrity and Credibility above all else.

Integrity and Credibility is what we all look for and respect in friends, family, school, church, work, business and what we want to see in Board members and in any Board as a whole. Boards that don't get mired in minutia, that are consistent in their decisions, assist new members in adjusting to their roles and create a polite atmosphere in which to volunteer and to be serious but not take themselves or the situations at hand too seriously, demonstrate they are mature and responsible in their actions. These Board members are Credible. They have Integrity. And they are the best of the best. They are what make Great Boards.

Is your Board Great?

It is my experience that most Board members serve as part of their civic duty and all they really want is to know how to meet that end with intelligence and grace and be appreciated for the difficult job they perform as volunteers. All Boards are potentially Great Boards. By determining which of the Top Traits can be incorporated in to your Board, you can achieve outstanding service for the community and a satisfying experience for each Board member. Taking your good Board to Great takes true Vision, and the will to serve yourselves and the community at the highest level.

Julie Adamen has been in the Common Interest Development industry since 1987. In 1997 she formed Adamen Inc., a consulting and employment firm specializing in the community management industry. Ms. Adamen is a nationally known author, speaker and trainer in community management. She is also the publisher of The HOA Manager NewsLine, an industry newsletter featuring forward-looking articles and job opportunities with a monthly circulation of over 8500+. She can be reached through her website, www.adamen-inc.com.

Upcoming Meetings

We hope you'll be able to attend the meetings and take advantage of these educational opportunities.

We look forward to seeing you soon!

Lunch is served at 11:45 and the meeting begins promptly at noon. Our meeting location is in the Hopi Room of the Chaparral Center, 19781 N. Remington Drive in Sun City Grand.

Sun City Grand is located on the west side of Grand Avenue, about five miles past the Bell Road intersection. Turn west onto Sunrise and take it to the second intersection, which is Remington. The Chaparral Center is located about .2 of a mile on the right side of Remington Drive adjacent to the Sonoran Plaza.

March 18
April 15
May 20

Fair Housing
Vendor Contracts
Legislative Update

