



WHITEFORD

Common Challenges Boards Face And How to Navigate Them

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Topics

- Common Challenges
- Leadership
- Governing Documents
- Experts
- Resolutions
- Committees

Common Challenges

- Deferred Maintenance Obligations
- Skyrocketing Insurance Rates
- Lender Concerns
- BEPS Standards
- Costs

First Steps to Addressing a Challenge

- A Strong and Effective Board
- Know what your Governing Documents say
- Seek Expert Advice when necessary
- Document Policies and Procedures
- Use Committees

Strong and Effective Board

- Make sure everyone is heard.
- Each Board member brings a unique perspective to the table – provide adequate time to make sure that they are heard – particularly on those important issues.
- A motion has been made and seconded – during discussions, the Board president should reach out to each member to elicit their views.
- Respect all voices on your board.
- After everyone has been heard, it is easier for all to support the decision made by the Board on an issue.
- Encourage active participation by Board members – there is more than enough work to go around.

Leadership

- Team Approach
- Be A Positive Force
- Listen
- Manage Expectations
- Ask For Advice; Give Feedback
- Accept Criticism
- Communicate
- Do Not Manage to the Complainer

Other Formulas for Board Success

- Commit to proactive maintenance
- Practice consistent and reasonable rule enforcement
- Approach issues with a sense of honest, openness and reasonableness
- Accept criticism
- Association leaders and residents should be reasonable, flexible and open to the possibility—and benefits— of compromise, especially when faced with divergent views

Know Governing Documents

Association leaders have a legal and ethical obligation to adhere to the Association's Governing Documents and abide by all applicable laws.

- Declaration
- Bylaws
- Rules and Regulations
- Articles of Incorporation
- Proprietary Documents
- Applicable State Laws

Know Governing Documents (cont'd)

- The documents should answer your questions regarding financing, assessments, liability for repairs.
- Some documents may not be clear. If you, as a Board Member, cannot find the answers, your management professional or legal counsel are a resource to assist with those answers.
- Get the answers before trying to make those important decisions.

Use Experts Effectively

- Management
- Attorneys
- Financial Advisors
- Engineers and Construction Professionals
- Insurance Professionals

By leveraging the expertise of professionals in various fields, the Board of Directors is better prepared to make informed decisions. This not only protects the interests of the Board, the Association or Cooperative and its members but also enhances the community's ability to meet all challenges it faces.

Formal Resolutions

A resolution is a written document adopted by a Board detailing specific Association actions and policies. Resolutions are essential for establishing the record of important decisions and policies being implemented.

- Special Assessments and Financing
- Damage Repair/Insurance
- Proactive Maintenance
- Electric Vehicle Charging
- Collections

Use of Committees

- Committees can assist the Board in the management of an Association. They enhance participation, may aid in decision-making, improve transparency, community building, and compliance.
- By leveraging the strengths and expertise of various residents, committees contribute to the overall well-being and success of the community.
- Committees are advisory only unless the Governing Documents provide otherwise.
- Committees should be limited in size and scope.
- A Board liaison should be appointed for each committee established.

Types of Committees

- Architectural Review Committee
- Finance Committee
- Building and Grounds Committee
- Safety and Security Committee
- Rules and Regulations Committee

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