

# Changing of the Guard

## *A Survival Guide for New Board Members*

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A homeowner succumbs to relentless pressure from his neighbors and steps up to become a board member of his condominium or homeowner association. Alternatively, he attends an annual meeting and after nodding off as the landscape committee chair gives her report on rhododendron reclamation efforts, an outgoing board member nominates him to run for directorship; he awakes just in time to hear the outgoing president offer congratulations for obtaining sufficient votes, notwithstanding that he ran unopposed. Or perhaps, when the homeowner fills out an entry form in the clubhouse for a free week-long timeshare in Hawaii, he fails to see the fine print stating that the card also served as a nomination form for a board director position at the next annual meeting. However he got there, this article highlights tips and potential pitfalls for new boards or board members to allow for a seamless "Changing of the Guard."

Before outlining practice tips on board changeover, it may be helpful to review general board composition. I have found there are three general types of boards: (1) "pliable infant" (2) "know-it-all-teenager" or (3) "rational adult." "Pliable infant" boards are vulnerable to overbearing homeowners or particular board members. These boards may suffer from paralysis by analysis, are reactive rather than proactive and often fail to take appropriate action. Conversely, "know-it-all-teenager" boards often disregard or dismiss advice from professionals, treat the associations as their fiefdoms and often create unnecessary conflict. Finally, "rational adult"

boards are proactive, actively engage non-board member homeowners, consult with their professional team, work to minimize conflict and take appropriate action. Assuming the new board member joins an adult actor board, there are additional factors which can minimize conflict and ease board transition.

A useful first step is to manage intra-board relationships. A new board member should identify any potential or actual personality conflicts or issues and work to resolve them openly and objectively as soon as possible. If these conflicts are especially problematic, seek outside assistance, including help from a past board member, association manager, or non-board member homeowner who may have training in conflict resolution. Lastly, if the issue persists or is serious enough, the board may wish to engage a professional facilitator or mediator. The worst thing a board can do is to continue without resolving the conflict; as such inaction often leads to board ineffectiveness, fracture, or outright dissention and battling, to the detriment of the entire association.

A new board member should review and familiarize herself with the association's governing documents (declaration, bylaws, resolutions and house rules). The board member should pay particular attention to enforcement, collections and architectural control procedures, as boards all too often deviate from the due process provisions included in these articles.



Effective boards identify primary initiatives for the following year, such as a major capital improvement project, updating the CC&Rs, increasing homeowner participation in the community, etc. Every association has room for improvement in one or more areas, and a stated board initiative or objective gives the board members something tangible to work towards.

A new board member should have a clear understanding of the role of the professional manager. Duties, roles, expectations and communication plans should be clearly set forth and agreed to. If a board is self-managed, it is vital that each board member fully understand how association management and governance will be carried out.

New board members must become knowledgeable about board governance (e.g., proper meeting conduct and notice requirements, setting and following meeting agendas, when/how to take board action, etc.). It is vital for boards to understand bases and limits of their authority. For instance, when is action taken via rulemaking, and when must a declaration or bylaws amendment be utilized? Much of this information can be gleaned from CC&Rs or state statutes,<sup>1</sup> but there are many grey areas in condominium and homeowner association law that are best answered by professionals.

In the current period of economic instability, it is vital for a new board member to thoroughly understand her association's enforcement and collections policies. As more and more delinquencies and foreclosures hit the region, collections are becoming a hot topic for association boards.

Along with collections, an association's budget process is another important element that new board members should master. Although not everyone is an accountant—or can even balance his or her checkbook—each board

member should, at a minimum, understand the legal and practical processes for adopting their association's budget.

Lastly, as part of any sound "rational adult" board, a new board member should actively engage non-board member homeowners and maximize communication within the association. The majority of association conflict arises from lack of communication—actual or perceived; thus, board members should be highly sensitive to this dynamic. Although boards cannot force homeowners to attend meetings or read newsletters, they can ensure that information is liberally disseminated.

Whether duped into board service or having volunteered with eyes wide open, a new board member can find board membership gratifying and rewarding. A modicum of preparation, education,<sup>2</sup> common sense and an open mind should help ease the transition and make for a seamless changing of the guard. ■

References

- <sup>1</sup> See Washington Condominium Act (post 7/1/90), RCW 64.34, et seq.; Horizontal Property Regimes Act (pre-7/1/90), RCW 64.32, et seq.; Washington Homeowners Act, RCW 64.38, et seq.; Washington Non-Profit Corporations Act, RCW 24.03, et seq.
- <sup>2</sup> The author highly recommends every association board member join Community Association Institute and take advantage of the many resources, educational seminars and events offered by CAI.



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