

WHY DON'T THE NEVADA CIC CORPORATIONS WORK HARDER TOWARDS INCREASING PROPERTY VALUES OR ULTIMATELY, THE VALUE OF THEIR NEVADA CORPORATIONS?

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It has always amazed me when individuals run for the board of directors of their homeowners association on the platform of lowering the assessments, getting rid of all of the “expensive” vendors and vowing to never increase them again. They even boast that they will work to decrease the assessments.

Sounds like a good idea, right? If the individual understands that they are fiduciaries for a Nevada Not For Profit corporation and that they have the duty, as any director sitting on any corporation, to protect, preserve and enhance the values in that corporation then maybe I can do along with it. Unfortunately, few do understand that responsibility, which would limit their goals.

One of the reasons we have so many older communities that are falling apart and looking like it is that individuals ran for the board with the sole purpose of keeping assessments from rising while totally forgetting that their duty is to ensure that the community is kept up and is capable of competing in the resale market in their area.

If I am looking to buy a home in a particular area of our valley and drive through the communities, what do I see? If I see weeds, dilapidated walls or signs out front, no enforcement in the community or just general neglect, I am going to keep driving as I see a huge special assessment in the future OR my neighborhood turning into a slum. I wouldn't even want my friends and family to drive through a mess to get to my home regardless of how well I keep my own home.

Why don't most of our boards schedule planning sessions to work on goals for the upcoming year? Each director should have goals for his or her community. Having an opportunity to share these goals helps everyone work towards discussion and decisions of all of these individual goals. Having a meeting where all of the director put forth their top 10 goals for the upcoming year, compiling them into a format for discussion, voting, and then adopting those goals for the next year really helps keep the board on task. They also have a feeling of accomplishment when they are able to one by one remove the goals from this listing.

The prime time to do this is shortly after the organizational meeting after an election. General board training should happen first as many of the new directors do not understand that Nevada's laws are so substantially different from other states in which they may have lived and/or worked. After the general board training then the board is prepared to set their goals and work towards increasing the value of their Nevada Corporation. Managers are key to making this happen as long as the first thing the new board has on their agenda is not to fire the manager as "they cost too much and we don't need them". Many management companies put the mandatory board training in their contracts after each election and bring in outsiders to conduct it so that the perception of being self-serving is lessened. Many conflicts and misunderstandings can proactively be addressed in this manner allowing the community to move forward in protecting, maintaining and preserving their assets along with increasing the property values for all of the owners.