

CHOOSING YOUR HOA MEETING LOCATIONS

By: Sara E. Barry, CMCA PCAM – Nevada Licensed Insurance Producer

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Those of you who have club houses within your association, thank the developer for being so long term thinking vs. just making the sales. Most association's do not have a club house and therefore finding meeting locations can be challenging.

I would first like to give you an example that I personally had when I got into this industry over 36 years ago. I managed my own community, which did not have a clubhouse. We met at my house and this was very convenient for me and all of the owners UNTIL one of the owners who came to a hearing at my home became violent. I also had owners who had received letters come banging on my door with the letter in their hands ready to take me on. I learned really quick that finding a meeting location was necessary where it was professional while having some protections for the board, the owners and management. Homes are out.....

Most management companies have conference rooms that you can use for the board meetings and this is your best alternative as the people within that company are used to meetings being conducted and act accordingly. There is no loud music, kids causing problems, drunks, gambling noises or other disruptive activities causing problems with the meeting. Cookies could be provided as treats for the owners who do attend the meetings along with water, if budgeted appropriately annually. Meals, however, are another story. Most owners won't pay attention to what the board is doing UNTIL they have a problem. Imagine that you are having trouble paying your assessments to the association, attend a board meeting that has been scheduled at a restaurant and you see the board having a full meal at your expense. "But we put the line item in this year's draft budget" the board will respond and "the owners should have objected then".

How can a board have a properly run executive session to talk about seriously confidential items when they are in a public place where they do not have their own quiet space without disruptions? How can they possibly focus on making the important decisions that directors are required to make for their Nevada Not for Profit Corporation?

Directors must consider this when scheduling their meeting places. There are libraries, schools, business meeting rooms and other locations that can be reserved. These will typically provide the kind of privacy and a quiet business atmosphere to enable the board to make those important decisions. Board and Executive Session meetings are not a recreational break for the board who often feel they may deserve some type of compensation for volunteering their time. However, meals and alcohol in a unprofessional atmosphere is not what the State of Nevada Ombudsman would be able to support if the board were to be challenged on this issue. The state expects that these Nevada corporations are run professionally like any other corporation and is expected to do so by the "shareholders" in that corporation. Unfortunately, most HOA directors do not think of their HOA as a serious corporation. It is! And HOA Board Members have the same fiduciary duty (to the owners) as other directors do to make sound decisions based on the business judgment rule vs what might be fun or "feel good" for this board.

Think very carefully when you are preparing the budget using the business judgement rule to help you make decisions for meeting locations. Appearances can be deceiving. Do you want your owners to think that the board feels they are owed a good time just because they volunteer? I don't think so. Spend time discussing this issue and look for alternative vs. busy restaurants or other public locations where there could be a noisy atmosphere that is not conducive to making good decisions.