

# AVOIDING BOARD OF DIRECTOR'S BURNOUT!

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By: Sara E. Barry - UNLV Certified Paralegal, Legal Secretary, Nevada License Insurance Producer, prior mediator for Neighborhood Justice Center a division of the Clark County Court system and former CMCA PCAM through CAI.

There is a very real phenomenon in HOA's called Burnout. Regardless of what your daytime job may be, burnout happens at an even faster rate in the association world at an even faster rate than in many other jobs because of the demanding personal nature of the work as an association volunteer or a committed Community Manager. The truth of the matter is, participation in running a homeowner association is forever on an upward sliding scale, meaning that the demand for participation is at an all-time high and increasing as society becomes more diverse and complex. In Nevada this is particularly true since we have more laws than any other state in the nation and developers are required to have an HOA to build a new community taking the cost of the enforcement and maintenance away from the City or County.

In determining whether a board member has burnout, you need to look at the many ways it can manifest itself. It is important to identify the signs. Here is an example of the consequences and loss of a very valuable board member lost to burnout.

"The director was excellent: intelligent, caring, mindful of fiscal responsibilities and the importance of objective decisions for the good of the entire community. He understood the importance of being a fiduciary as required by Nevada law. (A Fiduciary is the highest standard there is by law when dealing with others money and/or property). As President of the association for 5 years, he had stewarded the association through some very difficult times and controversial decisions advancing the community and mitigating risks. In one final heated board meeting, the hostilities, which had built up over weeks, months and possibly years, had reached the boiling point. A member of the board, disagreeing with the President, and after a heated salvo of uncomplimentary words, stomped out of a meeting. In a state of fury, the President helped him out the door by loudly unleashing a torrent of inexcusable slurs and derogatory comments. The President then resigned himself realizing that it was inappropriate behavior on his part.

The situation had stewed without release for some time and finally exploded in a barrage of personal attacks, emotions and irreconcilable feelings. The President and the board member had reached the point of no return; burnout."

How did this happen and what signs could have predicted the outcome resulting in burnout? It is important to notice the escalation of emotions during meetings. In this case, growing signs of antagonism had pushed beyond legitimate business disagreements to personal and emotional attacks. Yelling at fellow board members is certainly a sign that the situation is becoming toxic and ultimately, will result in hard feelings and an unpleasant experience on the board or worse.

Below are some solutions to this very common and troubling problem:

I. **Diffuse Conflicts by Sending all Homeowner Correspondence Through the Association Management Company.** If the association does not have a management company, then homeowner correspondence should first be reviewed by a designated board member. It is recommended, however, that the association have a Community Manager as one of the punishments that the Common Interest community and Condo Hotel Commission can levy against the board, should they violate the State laws, is to make them hire a Community Manager. Self-managed associations may utilize an officer of the corporation to do this

task, for the example the President or Secretary. The job of the intervenor is to review and relay correspondence to the rest of the board and to give them time to consider the issue, check emotions and appropriately discuss and respond to the issue presented. Doesn't it sound like something a trained Community Manager should handle? Properly explained to the Community and board members, the routing of homeowner correspondence through one member of the board can more efficiently manage correspondence and provide for the vetting and sorting of questions and concerns of members. After all, a board consists of board members working for the good of the community. If there is a process in place for the management of correspondence, the board will have created a system of efficiency, transparency and trust between the board and homeowners helping to dissipate mounting concerns and more effectively responding to individual issues. Hire a company to manager your community and save members of the board the right to make decisions, not manage the community too.

II. **Board Decisions Should Not Be Made Outside of A Board Meeting.** If a board member speaks with a neighbor in a parking lot, some might misconstrue this as making a decision outside of meetings. Caution should be practiced particularly if a homeowner asks for a decision outside of the board meetings when it should really be addressed by a majority of the board in a properly called meeting. Be aware of *apparent authority* as well, which can be a whole additional article. Owners can think they have been given authority to something when a director just quickly say that something sounds good when ask by a neighbor about an addition or alteration to their home.

Directors must be particularly mindful of homeowners who have been antagonistic to the board and attempt to separate and manipulate members of the board. It is a common tactic in attempt to get what they want. Board members must know and stay within the safe boundaries of official meetings and decision protocols as provided by the governing documents of the HOA and Nevada laws. Homeowners should be regularly advised to use proper channels to have requests heard by the entire board. Another good example of why to have a Community Manager vs. a designated member of the board.

In the case of an emergency, exceptions should be made, and procedures set up for these emergency situations. Nevada law provides for holding emergency meetings. It may be appropriate for the board to give the Manager and the President latitude to address urgent or emergency issues, setting a ceiling on the expenditures and allocating a small fund for such needs. Some boards allow the President and/or the manager to spend up to \$1,000 between board meetings for miscellaneous items (e.g., light bulbs, garage lights, sprinkler leaks, etc.) This improves operations efficiency between formal board meetings.

III. **Hire Professionals Who Are Neutral Third Parties.** It goes without saying that a common practice among associations is to utilize the wealth of knowledge within the community. For example, an attorney living in the HOA might be asked to advise on legal matters, of course, utilizing a member of the community should be carefully thought through and done very sparingly as the "expert's" Errors & Omissions insurance will not cover the advise given as a volunteer in the HOA. Also, some professionals are strong willed and may forget their place in the decision processes. This is especially true of homeowner professionals within the HOA. Nonetheless, utilization of professionals is an important component in HOA management to streamline decisions. Bringing in professionals to help the directors make decisions is an important expression of proper investigation and use of expert judgment by the board. Please limit using residents who live there as it could prove to be a nightmare when a conflict of interest arises, or a lawsuit arises based on the advice.

IV. **Create as Many Committees as Can be Managed; Share the Weight and Empower Homeowners.** Often, after a homeowner serves in any voluntary capacity in the community, they become more sensitive to the challenging role of board members and the duties of the board. Member engagement

through committees really helps quiet the noise and shows clearer appreciation for the volunteer board. It also is a training field for future directors, unless the current board expects to stay on the board for ever.

Governing documents should provide for committees, including the formation of committee, delegation of duties and leadership. Committee charter (job descriptions) should provide clear direction for the committee, but the committee should never be allowed to conduct business without oversight by the board. The rules should be set and overseen, and the board shall always remain the authority under which the committee has been formed. If you are one of those rare communities where one of the committees, say the Architectural Committee, does not report to the board, consult with legal counsel to determine what is the best solution. It is possible that the board would assume those duties too because of possible issues that could arise.

Board burnout is a common phenomenon and certainly a problem for many associations. It is important to be mindful of the signs of burnout such as an emotional attachment to issues, escalation of difference in personal affronts and heated arguments. Attempts at manipulation and political maneuvering should be stopped immediately deferring to a well-defined transparent and objective decision process within board meetings. Calling a recess of the meeting for even 5 minutes can give everyone some time to calm down while the manager talks with one of two of the heated participants. By education community members and the board about the decision processes, board members can better manager situations which might otherwise lead to destructive emotions and ultimately leadership burnout. By addressing the situation before it becomes acute, board members can enjoy longer, healthy and effective terms on the board.