

Relationship Between Community Association Board and Property Manager

“We must all hang together, or assuredly
we shall all hang separately.” Ben Franklin

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The Community Association Board and Property Manager Must Work Together for the Benefit of the Residents of the Community.

First, the Technical Stuff...

Technical Community Association Board Responsibilities

(Source: The Essentials of Community Association Volunteer Leadership)

- Responsibility—The board is responsible for managing the association. It may delegate its responsibility to others, like committee members or professionals, but the board is ultimately legally responsible for the operation of the association.
- Scope of Authority—The scope of the board's authority is usually set forth in the governing documents and the law. The documents and law affect the board's authority to act in three ways. Sometimes they:
 - Permit the board to act or give it authority to act. When the documents say a board “may” act, they are giving the board authority to act. For example, the documents or law may state the board “may” purchase insurance, or create rules consistent with the governing documents.
 - Require the board to act. If the documents or the law state that the board “shall” act, it is obligated to do so. For example, the documents may state that the board “shall” purchase insurance.
 - If the board fails to do those things it is obligated to do, the board and even the individual board members may be liable.
 - So when you get home, you should read your governing document and pay particular attention whenever those documents use the word “shall.”
 - Prohibit the board from acting. Some provisions in the governing documents and the law prohibit the board from acting.
 - For example, the governing documents may state a majority of the owners may amend the declaration. This means that the board does not have the authority to amend the governing documents on its own.
 - Another example is the federal Fair Housing Act that prohibits boards from enforcing age restrictions unless the community qualifies under the Fair Housing Act as a community for older persons.

The Technical Stuff... Continued...

Technical Community Association Board Responsibilities

(Source: The Essentials of Community Association Volunteer Leadership)

- **Duty of Loyalty**—This means that board members can't take unfair advantage of their position. For example, if a board member owns a landscape maintenance business, that board member cannot have the board enter into a contract with his or her company at a price that is unfair to the association.
 - State law or the governing documents may prohibit the board from entering into the contract at any price, but this depends on the particular facts and the state law.
- **Duty of Ordinary Care**—This requires a board member to act as a reasonable person in conducting the affairs of the association.

Role of the Community Association Board

- Establish comprehensive policies and operate under them.
 - Policies provide guidelines for the property manager and residents and give the property manager and residents a clear idea of the community's priorities and plans.
- Support the property manager's efforts to implement policies, priorities and plans.
 - Once direction is set by the board, the board must help the property manager by supporting the policies, priorities, and plans, even if some residents oppose such steps (beware of the majority of one and never try to reason with unreasonable people).
- Give the property manager the authority commensurate with responsibilities.
 - The property manager should have authority for all executive functions. The board should refrain (micromanaging) from handling any day-to-day matters (enforce chain-of-command - see last bullet).
- Keep the property manager informed about board matters at all times (no surprises)
 - The property manager should be consulted about all board plans for the community.
- Provide protection from excessive or unfair criticism.
 - The board should support the property manager and help to resolve such issues.
- Express appreciation for good work.
 - The board should state what's being done right and what could be improved.
- Establish a firm and very public chain-of-command (very important!)

The Property Manager Responsibilities as Chief Executive Officer (similar to CEO)

- Supervises the operation of the community.
 - The property manager oversees the community's operational and business matters (the property manager possesses technical, management, and human relations skills).
- Recommends policy to the board.
 - The property manager is the main source of policy suggestions (always ask for the property manager's recommendation).
- Implements board policy.
 - The property manager and staff should translate policy into administrative regulations that govern actions of staff and community members.
- Interprets the needs of the community.
 - The property manager should identify and fulfill the needs of the residents and community.
- Keeps the board fully informed about the community.
 - The property manager should provide all board members with information to facilitate board discussion, and be prepared to answer board questions.
- Maintains an effective community relations program.
 - The association must communicate effectively with all residents of the community.

The Property Manager and the Association Budget

- The property manager should develop the association's budget within the guidelines set by the board.
 - The board establishes budget goals and assumptions.
- The property manager develops a budget through a process approved by the board.
 - The board should have limited role until the preliminary budget is presented to the board.
 - Budget committees can be used, as can budget workshops.
- Make it the property manager's budget until presented either informally or formally to the board.

What You Need to Know About the Financial Condition of Your Association

- Nothing happens without money and a community's financial stability must be based on revenue that's...
 - adequate
 - sustainable
- Your budget planning process.
- Reality of your expenditures.
- Reality of your revenues.

A Word about Board Meetings

- Have an agenda.
- Stick to the agenda (no surprises).
- Attendee comments - thank people; agree to look into the matter (keep a coin in your pocket!).
 - Comments work best at the beginning of the meeting only if you do not respond; keep any response short.
 - Providing a deadline for a response is OK.

Creating a Sense of Team

Three Understandings

1. It is easy to criticize, harder to govern.
2. A board member has no power, only the board as a collective group has power.
3. You have a right to your own opinion, but not your own facts.

What FDR Teaches Us... About Leadership

1. Leadership isn't a mystery.
2. Don't be snobbish, connect with people.
3. Have a "first-class" temperament.
4. Be disciplined but not dogmatic, be flexible, it's OK. to straddle an issue and flip-flop.
5. Avoid being dictatorial – use power wisely.
6. Don't make excuses.
7. Be calming and unifying during a period of crisis.
8. Don't be afraid to keep people guessing.
9. Be loyal.
10. Hold people accountable.
11. Compromise.
12. Promote the common good.

Building a Successful Team - Three Concepts

1. Knowing your core values (be honest).
2. Positioning for a common cause (you are in it together).
3. Keeping team together in order to achieve your defined objectives (focus on objectives and cooperation – “keep the main thing, the main thing”), and, remember the “rule of holes.”

What is Teamwork?

- What goals do you have?
- Are they SMART goals?
 - Specific
 - Measurable
 - Attainable
 - Realistic
 - Timely

Why Teams Fail (Patrick Lencioni)

- Absence of trust - be ruthlessly honest.
- Fear of conflict - address differences.
- Lack of commitment - understand each other and collective goals.
- Unwillingness to hold each other accountable - people must answer the 'why' of their position.
- Inattention to results - pay attention to what works and what doesn't.

My Thoughts

- Disagree, but don't be disagreeable.
- Don't air dirty laundry in public, don't embarrass the community.
- Compromise.
- Move forward.
- Support each other.

