



Board Best Practices

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GOVERNING DOCUMENTS



Deed of Restrictions

Statutes –

Non-Stock, Non-Profit Corp.;
Horizontal Property Law;
Kentucky Condominium Law

Articles of Incorporation

By-Laws

**Rules, Regulations, Policies
and Procedures**



BOARD BEST PRACTICES

PURPOSES

- Set Policy
- Maintain Common Areas
- Budgets and Collections
- Enforcing Rules
- Keeping Books and Records
- Complying with Relevant Laws



STANDARDS OF BOARD MEMBERS

A Director shall discharge his or her duties:

1. In **Good Faith**;
2. On an **Informed Basis** (care that an ordinarily prudent person in a like position would exercise under similar circumstances, inquiry into the business and affairs of the corporations, or into a particular action to be taken or decision to be made); and
3. With a **Subjective Belief** that Action in **Best Interests** of Association.



CONFLICTS OF INTEREST



"Yes, I am employee of the month again. And yes, I'm the one who chooses the employee of the month. And no, I don't see a conflict of interest."

1. Identify Conflicts

- Financial
- Legal (Family, Indirect)
- Appearances Matter

2. Disclose Conflicts

- Keep Records

3. Recuse

4. Fairness

- Investigate and Bid

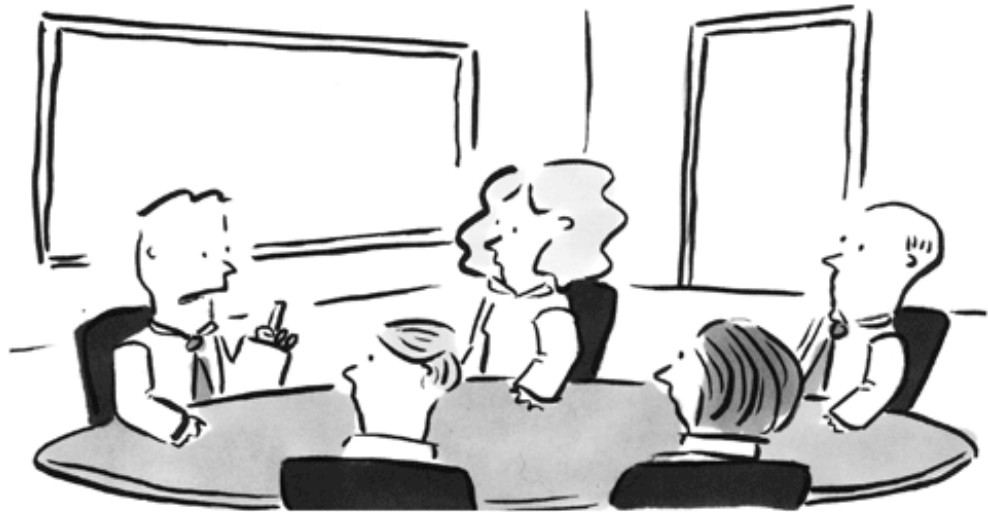
5. Policy

BOARD MEETINGS

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1. Meet **Regularly**
 - At least Quarterly
2. Ensure **Quorums**
3. Keep **Written Records**
 - Secretary
4. **Open or Closed?**
 - Executive Sessions



"If I may continue to beat this dead horse..."

TYPICAL AGENDA

1. Call to Order
2. Review/Approve Prior Minutes
3. President's Report
4. Treasurer's Report
5. Committee Reports (if any)
6. Old Business
7. New Business
8. Owner Participation
9. Executive Session
10. Adjournment



UPSIDE-DOWN AGENDA

Put important business/decision making first; routine reports/votes last

1. Call to Order
2. Old Business (Follow up/action items from last agenda)
3. New Business
4. Owner Participation
5. Executive Session
6. President's Report
7. Treasurer's Report
8. Committee Reports (if any)
9. Review/Approve Prior Minutes
10. Ratify email decisions (see below)
11. Summarize all follow up/action items from the meeting
12. Adjournment



UPSIDE-DOWN AGENDA

Potential benefits:

1. **Work expands to fit the time available (Parkinson's law)**
 2. **Focus/Energy highest at start of meeting**
 3. **Adequate time for discussion on important items**
 4. **Minimize discussion on usually un-important items**
 5. **Keep Control of the meeting**
 6. **Others?**



EFFECTIVE MEETING PRINCIPLES

1. Consider “pre-meeting” (officers meet in advance of the meeting to go through agenda)
 2. Establish a clear start and end time for the meeting
 3. Chairman make brief opening remarks regarding expected behavior/interaction/meeting timeframe
 4. Assign time need/allotted for each item
If you use the Upside-Down Agenda, you can better control how much time is spent on important items
5. If you allow public comment/participation, limit speakers to clearly set time limits
6. Don’t engage members/owners in debates – you are the board (respectful but firm)
7. Summarize all “follow up” or “action items” at end of meeting; secretary record and email them to Board within 24 hours.
8. Golden Rule – Treat others as you would like to be treated



MINUTES

Proper record keeping (i) reinforces **good practices** and (ii) **protects** the Board and Association in the event of a dispute.

1. **Secretary** keeps minutes
2. Use **Agenda** as **Template**
3. **Ratify** unrecorded actions to create written record
4. Keep “**Action Items**” and include in next Meeting’s Old Business
5. **Distribute** prior minutes to other board members before next meeting
6. **Maintain** minutes both physically and electronically
7. They don’t have to be long – just adequate
8. Template can be provided



BOARD ACTION (without meeting)

1. Resolutions

- unanimous written consent under KRS 273

2. Emails

- Risks, policy, ratification



EFFECTIVE COMMUNICATIONS WITH MEMBERS

“They may forget what you said, but they will never forget how you made them feel.” – Carl Buechner

“No one ever complains about a speed being too short!” – Ira Hayes

- 1. Open vs. Closed Meetings**
- 2. Email**
- 3. Newsletter**
- 4. Facebook (policy)**



BOARD BEST PRACTICES

1. Q & A
2. Application – so what action will YOU take?

Additional Questions?

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