

DECISIONS... DECISIONS...



In the movie, Mr. Holland's Opus, Mr. Holland was a music teacher, whose funding was cut, forcing him to retire after decades of teaching. The character, played by Richard

Dreyfuss, reflected on his career and wondered if he was a failure. He had never completed writing his symphony—his hope of leaving a legacy in the music world. Walking out of his

office for the last time, he heard noise coming from the auditorium. As he opened the doors, he saw the room filled with his students from over the years. They reminded him that they were

his symphony – their lives had been made better as a result of their time with him.

Being board members in your community, you have an awesome responsibility, as well as opportunity, as leaders to make a difference in the lives of your owners. You can increase the chance for success when you make a conscious effort to connect with them and instill the right communications, financial stability, community maintenance and consistent reserve funding for long-term repair and replacement.

ON SUCCESS

For success, like happiness; cannot be pursued; it must ensue, and it only does so as the unintended side effect of one's personal dedication to a cause greater than oneself.

– Victor Frankl

As leaders, it is incumbent of you to grasp the needs of your community and impart the correct policies that will lead and guide your decisions. There are a wealth of professionals and volunteers that you may rely upon to accomplish the required goals. Utilize committees, other owners with professional expertise, professional management, various contractors, an attorney, CPA, reserve study specialist and other consultants. You can also rely on various authorities to guide decisions for your community; Articles of Incorporation (or Articles of Association); Bylaws, CC&Rs, Operating Rules, various state, federal and even local regulations, case law and the most important guidelines – using the business judgment rule. In other words, are your decisions made in good faith and in the best interest of the association (corporation), with such care, including reasonable inquiry, as an ordinarily prudent person would make under similar circumstances? If you can answer yes – your leadership behavior and decisions will be successful.

By establishing and adopting policies, the board in effect creates a “guide”

and necessary freedom of action for initiatives and results. Without this guide, poor and/or delayed decisions can devastate the association. Conversely, good decisions can save it. This guide empowers the professionals to be responsible for getting the job done. Because they feel responsible and accountable for accomplishing this task,

they are more likely to take initiative in the future. This creates a virtuous cycle that develops the type of action-oriented results for the members in the community. It also helps create a culture of transparency for all involved.

The ultimate message is to think long-term. Shared values, skills and abilities to meet existing and new

demands that are communicated to the volunteers, the professionals and especially the owners in the community, exemplify values for the entire organization. Above are some examples of the types of policies that boards of directors should create and communicate for their community.

BOARD POLICIES AND RESOLUTIONS

- Full board support of board decisions – the “One Voice Policy”
- Media relations
- Oversight of service providers and projects
- Emergency authority including: repairs, mold/hazardous materials
- Adoption of annual administrative calendar
- Adoption of annual maintenance/operations calendar
- Financial policies that include:
 - Investments
 - Purchasing
 - Board spending limits
 - Ratification of emergency actions
 - Bidding and contracts
- Risk management including:
 - Proper addendums to contracts
 - Community facility use agreements
 - Additional insured endorsements
 - Certificates of insurance
 - Safety meetings
- Communication policies including:
 - Email
 - Written correspondence
 - Web site protocols
 - Identification of the spokesperson for the community
 - Newsletter, magazine & television article guidelines
 - Program, advertising and censorship protocols
- Board meeting conduct rules including taping of board meetings
- Development of a business plan and long range strategic plan
- Resolution notebook with all resolutions codified and searchable via keyword search
- Record retention policy
- Reserve funding level policy
- Human resources including position descriptions, employee handbook
- Board succession planning
- Disaster preparedness
- Contact information for all residents, including day, evening phone numbers, email, emergency and family member contact information
- Retention of all legal opinions - organized and categorized
- Proper record keeping
- Policies adopting the statutory requirements
- Election procedures/historical records of elections
- Policies regarding insurance coverage, including:
 - Specific amounts and types of insurance coverage required/desired by Association
 - Program, advertising and censorship protocols
 - Service provider insurance requirements; copies of current and previous policies
 - Operational policies and procedures and rules of the daily operation of the corporation’s business