

Basic Training for Survival of the Fittest for Board Members and Managers

Presented by:

Gabriella Comstock & Dawn Moody

Keough and Moody, P.C.



Community Association 2023

“If we fail to adapt, fail to innovate, fail to develop and grow, we will find ourselves forever reacting and struggling. How do we adapt? When do we realize that the old models do not work anymore?”

- Gen (Ret) Tony Zinni



Force Design 2030

The Marine Corps is restructuring in accordance with “Force Design 2030” also known as FD2030. Force Design 2030 is a restructuring plan to reshape the Marine Corps’ combat power for future near-peer adversary conflicts. It is designed to prepare the Marine Corps for a naval war against China. The Marine Corps has drifted away from the Navy in recent engagements, like the fight against ISIS. With the future threat being China, it now needs to work closer with the Navy and Coast Guard and focus on an amphibious warfare.

- Wikipedia



Community Association Design 2023

Through this Basic Training today, you-the fittest in our Industry-will learn how to change your mindset , so you are better prepared to face the new and ever-changing obstacles we face in 2023 as you conduct a meeting, communicate with others, or decide how to address an association matter.



How do we adapt with finances?

Budgets and/or decisions to undertake a capital project

Used to be:

- What do we need to get done?
- How much will it cost?

How do we adapt with finances?

Budgets and/or decisions to undertake a capital project

Now it needs to be:

- Think outside of the box
 - Can you afford the project (or how can you afford the project) ?
 - Can you afford delays with the project ?
 - Can the contractor handle factors beyond its control?
 - Can we budget for contingencies that could well exceed 10% of the cost ?
 - Does the contract take into consideration extenuating factors beyond the association's control, i.e. a pandemic, labor shortages, supply chain issues ?
 - Can we withstand an owner challenge (except them to challenge any increase or special assessment resulting in an increase in assessments over 115%) ?

How do we adapt with lender requirements?

22.1 disclosures/lender questionnaires

Used to be:

- Look at what is being discussed at open meetings
- Set it and forget it

How do we adapt with lender requirements?

22.1 disclosures/lender questionnaires

Now it needs to be:

- Periodically review answers to 22.1/questionnaires
- Obtain a reserve study (or have it periodically updated)
- Consider how many deferred projects are on the list and how this will be perceived



How do we conduct a more efficient annual meeting?

Used to be:

- Just do it how it was done last year
 - All you need to do is update the dates and candidate information!



How do we conduct a more efficient annual meeting?

Now it needs to be:

- Conduct the most efficient and accurate election possible:
 - Look at the election process well in advance of the annual meeting
 - Proxies are sooo last year – association-issued ballots (or electronic voting) are the here and now
 - Update rules and regulations as may be necessary
 - Close voting within a short amount of time after the meeting is closed



How do we conduct a more efficient annual meeting?

Now it needs to be:

- Conduct the most efficient and accurate election possible:
 - Virtual annual meetings
 - Relatively short annual meetings
 - Avoiding the temptation to schedule a substantive Board meeting on the same night
- Tallying by someone other than the Board, manager, or a group of randomly selected residents



How do we conduct a more efficient Board meetings?

Used to be:

- Let's do what we've always done
 - Same dates, same time, and same location

How do we conduct a more efficient Board meetings?

Now needs to be:

- Conduct the most efficient meeting possible without delays:
 - Select dates/times for meetings, which work for the Board
 - The purpose of a Board meeting is for the Board to conduct business
 - Conduct virtual Board meetings



How do we conduct a more efficient Board meetings?

Now needs to be:

- Conduct the most efficient meeting possible without delays:
 - Engage your Board members
 - Plan for problems and adopt proactive rules (i.e. recording of meetings, member/Board member conduct, etc.)
 - Use every Board meeting to establish credibility with your members
 - Be prepared!
 - Trust is earned (and no longer assumed)



How do we conduct a more efficient Board meetings?

Now needs to be:

- Conduct the most efficient meeting possible without delays:
 - Engage your Board members
 - Plan for problems and adopt proactive rules (i.e. recording of meetings, member/Board member conduct, etc.)
 - Use every Board meeting to establish credibility with your members
 - Be prepared!
 - Trust is earned (and no longer assumed)



How do we overcome the greatest challenge of all—unrest and other issues in our association?

Used to be:

- Owners (or certain owners) just complained and the Board/management simply listened

How do we overcome the greatest challenge of all—unrest and other issues in our association?

Now it needs to be:

- Plan for and be ahead of the attack that is coming!
 - Communication:
 - Have a policy of how communication will be addressed
 - Be able to identify communication of concern (red flags)
 - Don't respond just to respond (every email does not warrant a response)
 - Often less is more (and know when to stop engaging!)
 - Know your listener (and that you will likely not change anyone's mind)
 - LESS EMAIL (know when to call or meet with the person)

How do we overcome the greatest challenge of all—unrest and other issues in our association?

Now it needs to be:

- Plan for and be ahead of the attack that is coming!
 - Difficult owners
 - Everyone has at least one!
 - Don't just ignore their complaints (ignore the noise instead and focus on whether any legitimate issues are raised; try not to focus on the complainer or their method of complaining)
 - Provide reasonable opportunities for people to be heard



How do we overcome the greatest challenge of all—unrest and other issues in our association?

Now it needs to be:

- Plan for and be ahead of the attack that is coming!
 - Difficult Board members (yes – those exist too)
 - Expect the difficult owner to run for and get elected to the Board
 - Conflicts of interest (and over-stepping authority) – call them out and address them
 - Use of and access to confidential information



How do we overcome the greatest challenge of all—unrest and other issues in our association?

Now it needs to be:

- Plan for and be ahead of the attack that is coming!
 - Expect it to go wrong and expect to be sued
 - Review your insurance coverage and make sure you are protected when the lawsuit comes
 - Act as if every written communication (including emails among board members/management) will find its way into a third parties' hands
 - Utilize your professionals

