



SCOTTSDALE COUNCIL OF HOMEOWNERS ASSOCIATIONS
SCOHA NEWSLETTER

IN OUR 38th YEAR

APRIL 2012

*non-profit corporation organized
under the laws of Arizona*

Budgeting Process for HOAs

SCOHA ANNOUNCEMENTS

FUTURE MEETING DATES AND TOPICS:

Apr. 24 HOA Budget Process
May 22 Legislative Update

SCOHA's WEB SITE:

Don't forget to check our web site!

SCOHA's web site address is
www.scottsdalehoa.com.

You can enter the member section by typing hoamember for the password.

Because of the slow economy, the budgeting process has become more challenging for HOAs. Many associations are trying to work through these challenges caused by increased foreclosures, bankruptcies and expenses, SCOHA's speaker at the April 24 meeting will take us through the process.

Mitzi Mills is Executive Director at Sun City Grand Community Association. She manages a community of 9,802 homes and a population of over 14,500 residents.

We look forward to seeing you on April 24. **Reminder:** the lunch begins at 11:45 a.m. Please make your reservations by calling or e-mailing Jeanne Malys at 480-922-9292 or jeanne@ekmarklaw.com. The deadline for reservations is Friday, April 20.

**SCOHA
DATA TO
REMEMBER:**

**Tuesday,
April
24th
11:45 a.m.**

**Lakeview Room
McCormick Ranch Golf
Club
7505 McCormick Pkwy**

**\$15.00
Reservations
Required**

**Call Jeanne Malys at
480-922-9292 by
Friday, April 20**

480-922-9292

jeanne@ekmarklaw.com • www.scottsdalehoa.com

Making Board Meetings Better

Summary of the March 27, 2012 Meeting

Attorney Lynn Krupnik was SCOHA's guest speaker. She began by reviewing Board meetings in general. It's good to establish a purpose and goals for each Board meeting to achieve better results.

First, the Board should create an agenda for the meeting. The Board should decide who creates the agenda and who decides what items should be placed on the agenda. By law, it must be provided to all members attending the meeting. The agenda helps the Board keep focused. Time agendas can be quite effective. Each agenda item can be assigned an approximate amount of time for discussion and voting. This has proven to shorten the Board meetings.

The Board must provide notice to the members of all Board meetings. Check the association's bylaws to see if there are any notice requirements. By law, at least 48 hours' notice must be provided. Notice can be provided through newsletters, conspicuous posting or any other reasonable means.

Notice is not required in emergency circumstances in which business cannot be delayed until the next regular Board meeting.

All Board meetings must be open except for discussion about the following:

- Privileged communication between attorney for the association and the association.
- Pending or contemplated litigation.

- Personal, health or financial information and records regarding a member, an employee of the association or an employee of a contractor for the association.
- Matters relating to the job performance, compensation, health or complaints against an employee of the association or an employee of a contractor of the association who works under the direction of the association.
- Discussion of a member's appeal of a violation or penalty *unless* that member requests that it be held in open session.

At open Board meetings, members (or their representatives) must be allowed to speak once after the board has discussed a specific agenda item but before the board takes action, in addition to other opportunities to speak. The Board may place reasonable time restrictions on those speaking but shall permit a reasonable number of people to speak on each side of an issue before the board takes formal action on an issue.

Under statute, persons attending an open Board meeting may audiotape or videotape the meeting. The Board may adopt "reasonable rules" governing the taping so long as the rules do not preclude the taping by those attending.

For executive sessions or closed Board meetings, Ms. Krupnik pointed out that having the right to go into executive session does not mean you **have** to go into executive session. She does recommend that Boards **always** go into

executive session to discuss legal advice from the attorney for the association.

Things to keep in mind for executive sessions:

- Minutes from executive session meetings may be discoverable in court (except for attorney-client privileged information).
- Minutes should be drafted carefully.
- Think carefully before taping executive session meetings because the taping may also be discoverable in court.

For Board meeting minutes, the executive session minutes should be kept separately from the open meeting minutes. They should only include the agenda items, the motions made and whether the motion passed. The minutes should not contain significant discussion about items.

Association Boards can take action without a meeting, per the Nonprofit Corporation Act. However, the action must be unanimous, in writing (e-mail is okay) and the consents should be attached to the minutes of the next Board meeting.

There is a risk with taking action without a meeting - the members are not allowed to speak on an issue before the Board takes formal action. Ms. Krupnik recommends that Boards limit actions by unanimous written consent to either emergency issues or executive session issues.

There are also risks to conducting Board meetings by e-mail. Again, the members are not able to participate and most e-mails are discoverable in litigation.

Thanks to everyone who contacted the legislators this session.

Through your efforts, we've been able to stop quite a few of the bad HOA bills!

Once the session ends, we will be sending out a legislative summary.

Curtis Ekmark will also provide his legislative summary at the May 22 meeting.

2012 SCOHA OFFICERS AND DIRECTORS

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Do you receive the SCOHA meeting announcements, newsletters and legislative Action Alerts by e-mail?

If not, e-mail Jeanne Malys, SCOHA Recording Secretary, at jeanne@ekmarklaw.com and let her know you would like to be added to the e-mailing list.

A bonus for being on the e-mailing list is that you will receive an HOA Tip by e-mail on a regular basis.
