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BY DAVID MACK

## Training Babes in Board Land

It is the unusual person who is fully equipped with the knowledge necessary to deal with all the responsibilities that come with the position of first time board member. Few can hit the ground running after being elected. Most need at least a modicum of training in the laws, governing documents and policies and procedures that illuminate the path a board must follow to ensure a successful association.

### New Boards Face Challenges

Most of those who are new to serving as a board member for their community association are not prepared in the view of Chris Evans, President of Vanguard Community Management. Evans has had many years of experience dealing with “babes in board land.” They may be talked into running for the board by friends already serving as directors but who want to be relieved of the burden by having others take their turn at the job. They agree to help out but have little idea of what they’re getting into. In other situations, unit owners run for a seat with a very narrow perspective. Evans offered an example she has encountered of someone whose sole motivation is to stop evictions for non-payment of assessments because he/she believes that procedure is a horrible abuse of a board’s authority. Such a person fails to realize, “that without everyone paying regularly, services cannot be provided and/or other owners end

up picking up the slack,” she said. They have little understanding of what it takes to keep the association afloat in other areas either.

It isn’t just individuals assuming the role of board member for the first time who often lack the know how to do the job adequately. Sometimes it is whole boards- all 3, 5 or 7 of the directors who come together as the first owner controlled board of a new association. In a lot of cases, these owners have never lived in an association setting and may start out with false impressions of what that life will be like.

### False Impressions?

“They’ve been told that everything will be done for them but they soon are disappointed to learn that it is a board that is ultimately responsible to run the association whether self or professionally managed,” explained Shirley Feldman of Association Advocates, Inc. (AAI), a board training organ-

ization and consulting firm. She added that real estate brokers and agents are often to blame for this ignorance of condo buyers. “It starts with the Realtors. We are now offering training for Realtors to help them better educate their clients.” Some of these uninformed buyers will end up on the initial boards and it would be better for them to be prepared in some way at the outset when they sit down at the meeting table for the first time and make business decisions. It is much better for boards to get some training rather than be groping in the darkness of incomprehension. They need to be advised to at least, “read and understand their declaration and by-laws and abide by them,” in taking care of business. So the initial method of training new board members should ideally be through the process of self-education.

## Training for Boards with Management

Even the board of a new, larger association that has retained capable professional management should be trained to know what its responsibilities are and what its relationship to management should be. A board may develop, “a false sense that if a building has professional management then the board needs to do nothing,” said Angela Falzone, a consultant with AAI who has 30 years experience in property management. “It’s still the board’s job to ensure that management is guiding them correctly. Some oversight and an appreciation of the way things should be done can come through training and education of the inexperienced.

## Understand Governing Documents

Evans has found that ignorance of the requirements and limitations of the laws and covenants that govern associations has led new boards to attempt actions that exceed their authority. “Often they are not aware of what the governing documents state so they mistakenly believe they can do things they cannot do,” she said, offering as an example the situation in which a person is elected to the board with the primary intent of leading a campaign to remove another director, believing that a majority has this power when, in fact, board members can only remove directors as officers (president, treasurer). The ability to force them off the board completely rests exclusively with the owners. Such misunderstandings can be avoided with the proper education.

## Giving Away the Store

Evans also pointed out that on occasion first time directors, in a spirit of misplaced generosity, want almost to “give away the store” to the other unit owners because they do not understand the budget and what assessments should be appropriately used for. “I have seen new board members get elected and then try to institute new policies for what the association will take care of for owners that it never had before,” she said, adding that if they had been better prepared for their new role they would have realized that the owners are really responsible, under the declaration, for costs the board member wants the association to assume. This misapprehension can

jeopardize an association’s financial stability.

## Small Association Challenge

A problem peculiar to some small associations—those with less than 50 or less units, is a tendency for every owner to want to get into the act of running the organization. “One of the biggest mistakes we find is that all owners are making decisions,” said Falzone. The correct way to do things is for the owners to vote in the board and the board makes all the decisions. “Anything else is decision by mob rule, is not according to condo law and usually prevents decisions from being made accurately and timely.”

Too many voices putting in their two cents worth is exactly what kept the 19 unit Beacon Terrace Condominium Association in Chicago’s Uptown area from getting business done in an efficient and prompt manner at board meetings. “We would take forever to make a decision,” said board member Mona Ewing. “We had the unit owners there and we would let them help us make decisions, which we found though training, was the wrong way to do it. Our meetings have gotten better and shorter.”

At 13 unit Ravenswood Point Condominium Association in the Albany Park neighborhood of Chicago, business was being conducted in much the same way at board meetings before proper training set them straight. “We basically held informal meetings where we’d go around the room and everyone (all the unit owners present) would discuss what their problem was,” said (Mrs.) Ryan Lipinski, board treasurer. “There were no distinctions between board business and unit owner business so the meetings were long and disorganized.” The training changed all that for the better.

## Training Options

Training for new board members or complete boards can be provided in various ways. Often large management companies arrange to train newbies to get them up to speed quicker than when they are left to their own initiative to learn the ropes. Vanguard, which gave such instruction in the past but stopped when it found that its efforts didn’t reach the neediest people, will be getting back in to the training game again because Evans

sees the impact proper guidance can have on a board’s effectiveness. “We have provided board member orientations and will be attempting to reinstate that practice in the new year (2007),” said Evans, explaining that, “in the past orientations were sparsely attended and usually by those who didn’t really need it, sad to say. But we intend to try again (because) it’s a worthwhile program.”

## First Time Owners Need Training Most

Training of first owner boards in new associations is more important than educating new members of existing boards for obvious reasons. The latter have seasoned colleagues to lead the way. The time of assumption of control by a new board is a critical period for an association and proper training of the directors as they take over can’t be stressed enough. “It really starts things out on the right foot as part of the transition process,” said Evans, and it also gives the new directors the opportunity to get, “to know each other and how each wishes to operate in general.” As a group they will develop a better collective understanding of the direction they want to take the association.

## Management’s Role

Many other management companies provide this early education too. (Mr.) Jory Carrick of Williamson Management Inc. requires property managers to train new boards so they know what they’re doing from the get go. “It should be part of the relationship,” he said, between management and board. And he feels it should not be an added cost for an association under the contract. “I wouldn’t charge for it.”

Evans won’t leave the new kids on the block, as she referred to novice directors in existing associations, to be taught by their board teammates alone when she restarts Vanguard’s orientations in 2007, although it will be more difficult to deal with the training of one person. “I’ll try to get them into a general orientation for new board members where we bring several associations together,” she said.

## Lakeside Community Development

The Lakeside Community Development Corporation is a non-profit organization that, among other programs, conducts training for board members of new and existing associations. "It is available to associations of all sizes, although the emphasis is on educating boards of smaller condominiums," said Brian White, Executive Director of Lakeside, "and especially those that plan to manage themselves."

Lakeside offers the training primarily to associations in such Chicago neighborhoods as Rogers Park and Lincoln Park, but the curriculum is fully developed and comprehensive and focused on the important needs and requirements that especially new associations have to master. It includes preparing for turnover, especially the books, records and finances held by the developer; rights and responsibilities of the developer and the board; elections; budgets and assessments; creating rules; managing the association and complying with legal requirements.

"So many people jump into condo ownership without realizing how a board of directors works," said Jill Burgin, who is with Prudential Preferred Properties, and has seen the lack of knowledge that buyers bring to their first time condominium acquisitions. "A board of directors has to run independently like a business, but the majority of new condo owners have the renter's mentality that someone else will take care of the building, which makes a training program like this very helpful."

## Training Good for Any Level of Experience

While new board members can take the training with a blank slate of experience in association affairs, participation will probably be more fruitful if they have engaged in at least a little of the self-education noted earlier. "I think a general understanding of the basics is essential," said Evans. "A good basic knowledge of what the association is required to do and how it generally functions." But no matter what level of prior knowledge a new board member brings to any training, he/she will leave it much better prepared for the effort that lies ahead. Once having been trained, boards generally develop a new feeling of competence that makes them feel more

capable of handling the affairs of their associations, especially if they are small and dissatisfied with the job performance of their management companies.

## Time and Effort Impact Training

Sometimes training doesn't have an immediate impact on an association but that is not due to the ineffectiveness of the training but rather to the lack of time on the part of some of the board members to devote to board duties or self-management tasks. Another common challenge occurs when only one or two of the directors receive training and then carry the load. Motivated board members intent on using their new training can become resentful of the others who don't pitch in because of personal priorities. "This often leads to frustration and animosity between board members when the word is not shared," said Feldman.

## Fresh Perspective Can Improve Performance

Existing boards that prefer to guide new directors along the learning path themselves often eschew formal training of new board members by outside entities. For those boards whose sitting members are knowledgeable but open to the ideas of new colleagues this can be a good thing. A fresh way of looking at issues can often improve board performance. But there can be ulterior motives on the part of those directors who just want newly elected but unschooled associates to fall in line and not challenge the existing way of conducting business even if improvements could be made. "Sometimes it's more with a slant toward, 'you're the newbies,' while we have all done this for years and know the ropes so follow our lead and our lead only or you will not get along with us," said Evans. To prevent independence, assertiveness and the intent on the part of brand new directors to shake things up where a change may be good for an association that is hidebound and unalterably fixed in its ways, some existing boards will attempt to control who runs for election. "There are many associations in which board members do all they can to hand pick candidates to avoid having maverick board members." They would never want them to be trained by 'outsiders' who might plant seeds of rebellion to a

long standing but calcified, stodgy, misguided or inefficient way of conducting business.

## Other Resources

The Association of Condominiums and Townhouse Associations (ACTHA), Apartment Building Owners and Managers Association (ABOMA), Chicago Association of Realtors (CAR), Community Associations Institute (CAI), Diversey Harbor Lakeview Association, Lakeside Community Development Corporation, Printers Row Presidents, Greater South Loop Association, Naperville Confederation of Homeowners, Rogers Park Community Council, and many other groups conduct seminars throughout the year at different locations aimed at informing board members on a variety of issues.

In the print media, this magazine, *Condo Lifestyles*, publishes many informative articles, information and resources while in the newspaper field Pam Mckuen and Mark Pearlstein write on associations for the *Chicago Tribune* and this writer pens a weekly column under the heading *Condo Watch* for the *Sun-Times*, all of which cover a variety of relevant association topics or answer questions from readers. Board members can never know too much about their responsibilities and the more they do know the better off their associations will be. Most of these publications and groups update community association residents on changes in the law and practices and procedures that guide associations

From the perspective of management, Evans of Vanguard prefers well-informed board members to those who are overly reliant on her property managers for directions because it makes the job of management easier. She is four square behind education for all directors from beginners to long time practitioners.

"I encourage all learning at all levels for everyone involved," she said. 🏡

Sherry Iandolo contributed to this report.

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