

Understanding CIC/ HOA Meetings

Rev. 02/03/2020



Nevada Real Estate Division

*Presented By the Training Officer; Office of the
Ombudsman for Owners in Common-Interest Communities
and Condominium Hotels Program*



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- ▶ Should confusion arise requiring the interpretation and application of the law to your association's specific circumstances, a legal opinion from a qualified attorney may be necessary.
- ▶ Please review the course calendar, training request form, and presentations published on the training webpage to gain an understanding of additional opportunities for education and training. See our training webpage at http://red.nv.gov/Content/CIC/Program_Training/.

Introduction

- ▶ Within a common-interest community (CIC), various meetings are ***required*** to take place under the law.
- ▶ Decisions are made by ***the majority of the board*** by voting on matters during ***board meetings***, these votes ultimately cause the board to ***take action*** on behalf of the association.
- ▶ Unit owners have certain rights to ***attend*** and ***speak*** at ***board meetings***, and additionally, to ***attend, take action*** and ***speak*** at meetings of the ***units' owners***.
- ▶ These different meetings will be thoroughly covered throughout this presentation.

Learning Objectives

6

Remote Participation
Attendees will understand how board members may participate in a board meeting through conferencing technology.

1

Categories of Meetings
Attendees will understand the overall categories of CIC/HOA meetings.

5

Emergency Meetings
Attendees will gain an understanding of emergency meetings for both unit owners and the board.

2

Robert's Rules
Attendees will understand the very basics of Robert's Rules of Order.

4

Unit Owners' Meetings
Attendees will understand the requirements concerning meetings of the units' owners.

3

Board Meetings
Attendees will understand the requirements concerning the association's board meetings.

General Categories of Meetings

► There are two overall categories of CIC/HOA meetings:

**Meetings of the
Executive Board of Directors
(directors vote)**



Subcategories include:

1. Regular Meetings
2. Executive Sessions
3. Emergency Meetings

NRS 116.31083

&

**Meetings of the Unit Owners
(unit owners vote)**

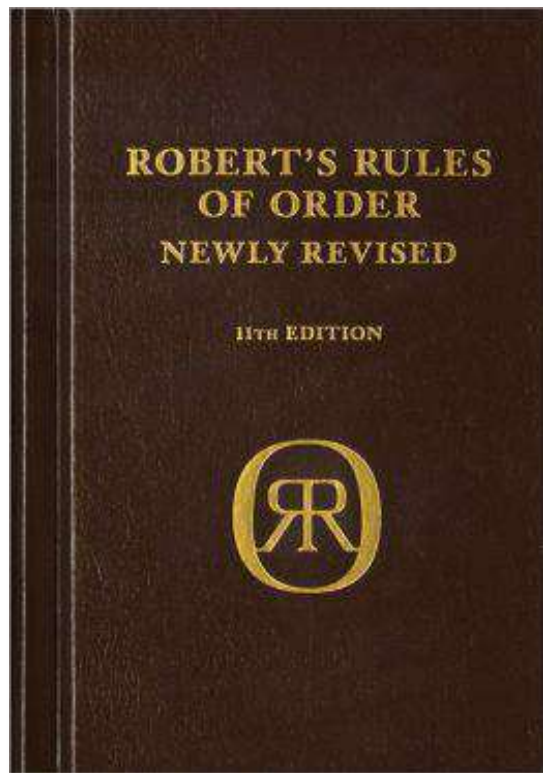


Subcategories include:

1. Annual Meetings
2. Special Meetings
3. Emergency Meetings

NRS 116.3108

Robert's Rules of Order



- ▶ ***Unless*** the association's bylaws provide otherwise, all meetings of the association ***must*** be conducted in accordance with the most recent (11th) edition of *Robert's Rules of Order* (NRS 116.3109).
- ▶ Robert's Rules provides a structure for conducting orderly meetings, allowing those in attendance to be ***heard*** and those with ***voting power*** to make ***decisions without confusion***.
- ▶ Emphasizes the three Cs: ***command, clarity, courtesy***.

Robert's Rules - Standard Order of Business

RONR (11th ed.), p. 353

- ▶ **Call to Order** - attendance and establishment of quorum
- ▶ **Unit Owner Forum (NRS 116.31083[6])** - at the beginning of the meeting, unit owners can speak on agenda items only
- ▶ **Reading and Approval of Previous Meeting's Minutes**
- ▶ **Officer Reports**
- ▶ **Committee Updates** - standing committees first, then select or ad hoc
- ▶ **Unfinished Business**
- ▶ **New Business**
- ▶ **Announcements**
- ▶ **Unit Owner Forum (NRS 116.31083[6])** - at the end of the meeting, unit owners can speak on any matter impacting the community
- ▶ **Adjournment and announcement of next meeting date**

Robert's Rules - Introduction of Business

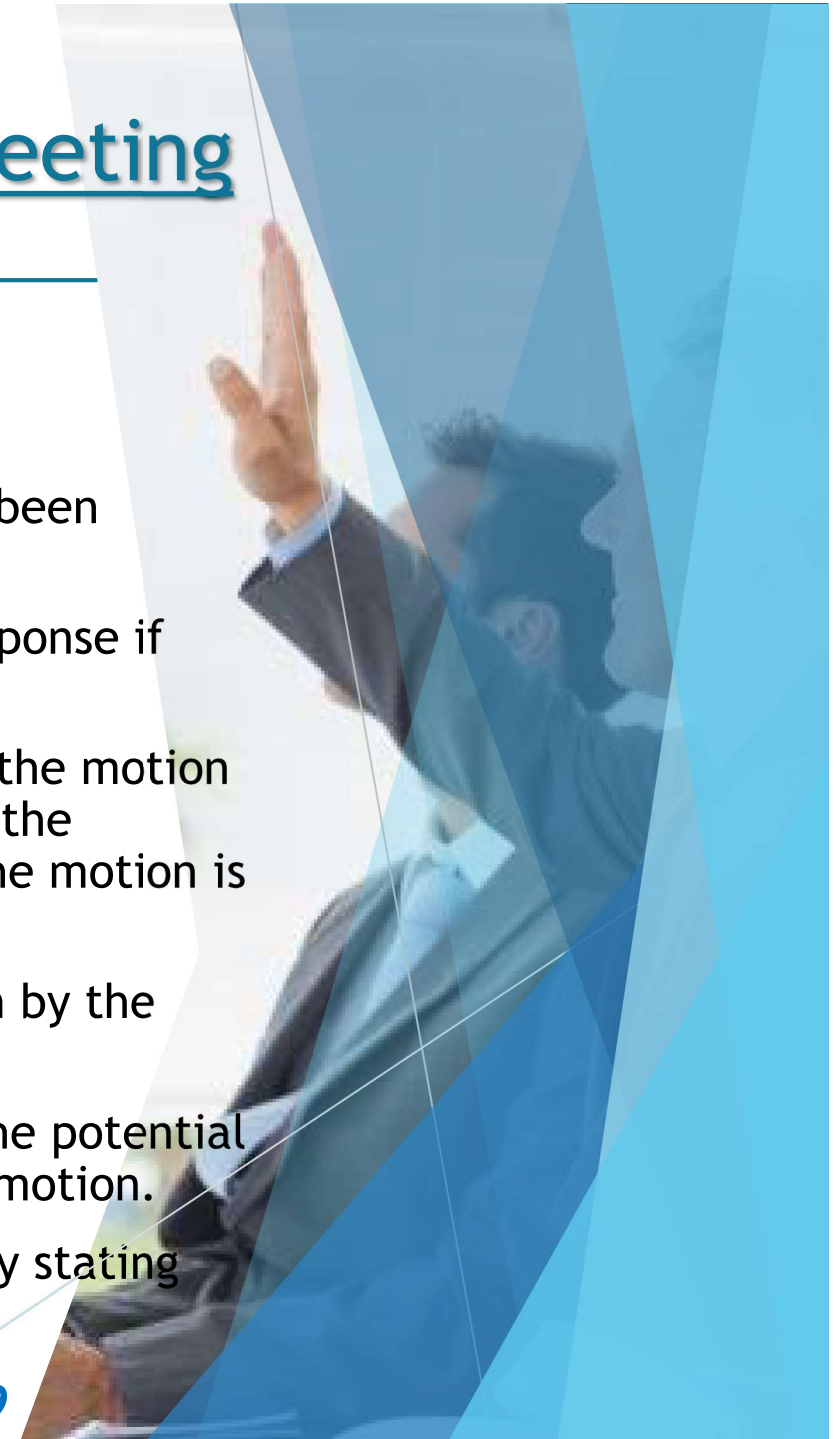
RONR (11th ed.), p. 27

- ▶ Business is brought before the executive board by:
 - ▶ A motion made by a member of the executive board, ***which is subsequently stated by the chair.***
 - ▶ Presentation of communication in which a motion may follow (when clearly indicated on the agenda).
- ▶ A motion is a formal proposal by a member, in a meeting, that the board take certain action.
- ▶ It is not usual to make motions to receive reports of committees or officers.
- ▶ Before any subject is open to debate it is necessary, first, that a motion be made by a member who has obtained the floor and that the motion is seconded.

Robert's Rules, Motions During a Board Meeting

RONR (11th ed.), p. 29-43

- ▶ Motions are made by members of the *executive board* only.
- ▶ **Board Directors:**
 - ▶ **Obtain the floor** when the last speaker has finished and they have been recognized by the Chair.
 - ▶ **Make the motion** - “I move that we...” (can move to postpone a response if necessary)
 - ▶ **Wait for another director to second** (express support for bringing the motion to the board for debate and possible action) the motion - “I second the motion”, or the Chair will call for a second. If there is no second, the motion is lost.
 - ▶ **The Chair states the motion** for consideration and potential action by the board - “it has been moved and seconded that we...”
 - ▶ The mover of the motion speaks first, expanding on the details of the potential action, and the other directors then **debate** or move to amend the motion.
 - ▶ The Chair asks “are you ready to vote”, puts the motion to a vote by stating the motion verbatim, and a **vote is subsequently taken**.



Robert's Rules Concluded

- ▶ All motions and questions should be thoroughly discussed at the meeting **BEFORE** taking action.
- ▶ Unit owners **ONLY** have the right to speak at the *beginning* and *end* of an executive board meeting (unless meeting in executive session).
- ▶ Directors make decisions for the association and are the only ones who have a vote at board meetings.
- ▶ No director can speak twice on the same issue until all other directors wishing to speak have spoken at least once on the matter.
- ▶ All remarks must be directed to the Chair.
- ▶ Language must be courteous and never refer to others by name or allude to underlying motives.

Knowledge Check

1. How many **OVERALL** categories of meeting are there in a CIC?
2. Under Robert's Rules of Order, what is the first item in the order of business?
3. What is the purpose of seconding a motion?
4. Are motions necessary for the association to receive a report (i.e. officer's or committee's)?
5. When would an association **NOT** be required to use Robert's Rules of Order?

Board Meeting - Quorum Requirement

NRS 116.3109



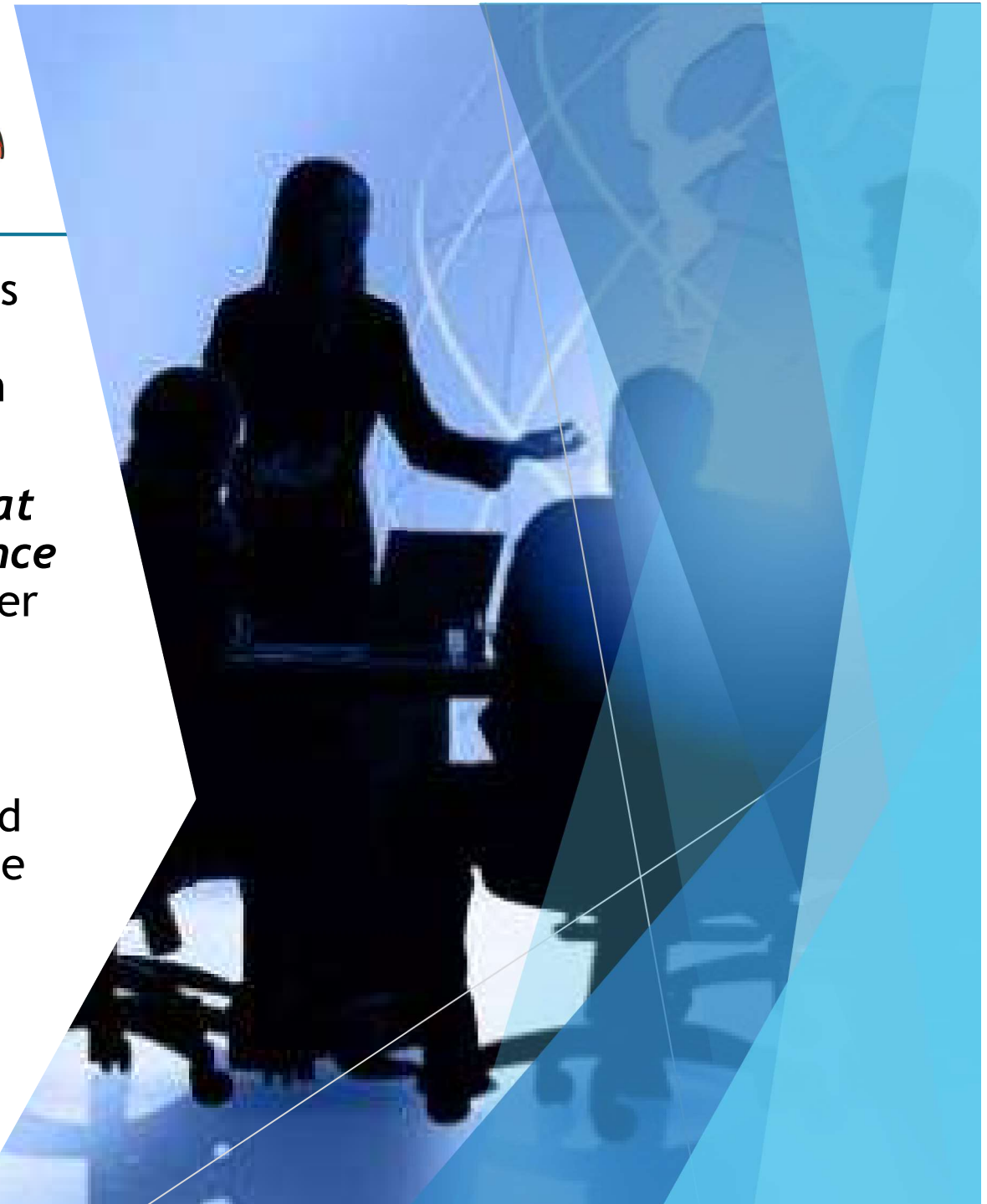
- ▶ A quorum must be present for *action to be taken* at any meeting. If it is not present, minutes showing attendance should be noted.
- ▶ ***For Executive Board Meetings*** - a quorum is present only if individuals entitled to cast a majority (or larger if stated in the bylaws) of votes on the board are present at the time a vote regarding action is taken.
 - ▶ If a quorum is present, the affirmative vote of a majority (or greater) of the members **present** at the board meeting is the act of the executive board.

Executive Board Meeting

NRS 116.31083



- ▶ The executive board has a **duty** to hold meetings with enough frequency as to **properly** and **efficiently** address the affairs of the association (NAC 116.405[8][c]).
- ▶ A meeting of the executive board must be held **at least once every quarter, and not less than once every 100 days** and **must** be held at a time other than during standard business hours (9:00am - 5:00pm) at least twice annually.
- ▶ Except when the executive board is meeting in executive session, a unit's owner may attend and speak at any meeting of the executive board, the board may however establish reasonable limitations on the time a unit owner may speak (NRS 116.31085[1]).



Executive Board Meeting - Notice

NRS 116.31083(5)(a)



- ▶ Unless the bylaws of an association require a longer period of notice, the officer specified in the bylaws shall, ***not less than 10 days*** before the date of a meeting of the executive board, cause notice to be given.
- ▶ The notice must state the time and place of the meeting and include a copy of the agenda ***OR the date on which and locations where copies may be conveniently obtained.***
- ▶ The notice must include the right of a unit owner to have a copy of the audio recording and minutes of the meeting (or summary of the minutes) provided upon request, in electronic format at no charge, and the right to speak to the board.
- ▶ An association shall deliver the notice:
 - ▶ To any mailing or email address a unit owner designates;
 - ▶ By hand delivery; or
 - ▶ By publishing the notice in a newsletter or other similar official publication distributed to each unit owner.



Executive Board - Meeting Agenda

NRS 116.31083(6)



- ▶ The agenda for a meeting of the executive board must contain a clear and complete statement of the topics to be considered during the meeting.
 - ▶ Only in an **emergency** (will be defined later in this presentation) can the executive board take action on an item which is not listed on the agenda.
- ▶ A list ***describing the items*** on which ***action may be taken*** and ***clearly denoting*** that action may be taken on those items.
- ▶ A period required to be devoted to comments by unit owners and discussion of those comments must be scheduled for both the beginning (limited to agenda) and end (open to any matter affecting the common interest community) of each meeting.
- ▶ Except in an emergency, no action may be taken upon a matter raised under this agenda item until the matter has been specifically included on an agenda as an item in which action may be taken.

AGENDA



Board Meeting Agenda, Template



[Name of CIC]
Executive Board of Director's Meeting Agenda
 [Date] [Time]
 [Location]

Current Board of Directors
 [List of Directors]

1. **Call to Order & Establishment of a Quorum**
2. **Unit Owner's Forum** (*[reasonable time limitation]*) per unit owner *For Discussion Only*
 - a. Each unit owner in attendance may address the executive board of directors. Comments made by each unit owner must be limited to items listed on this agenda pursuant to NRS 116.31083(6). Unit owners may request that the substance of their remarks or prepared written remarks be included in the minutes.
3. **Reading and Approval of Previous Meeting Minutes** *For Possible Action*
 - a. The executive board of directors will read aloud and approve the summary minutes of the executive board of director's meeting(s) held on [date(s) of previous meeting(s)]. The minutes will not be read aloud if so moved and approved by the board.
4. **Acknowledgement of Board Meeting held in Executive Session** (if applicable) *For Discussion Only*
 - a. The executive board met on [date of meeting held in executive session] in accordance with paragraph(s) [(c) or (d), whichever is applicable] of NRS 116.31085(3) by holding a hearing on alleged violations of the governing documents in executive session.
5. **[Officer Position/Standing Committee/Ad Hoc Committee]'s Report** *For Discussion Only*
 - a. [include clear and complete statement of all material that the officer (i.e. president, secretary or treasurer), standing committee, or ad hoc committee will be presenting, repeat this item for each report in order of precedence].
6. **[Unfinished business item from previous meeting]** *For Possible Action*
 - a. [include **clear and complete** statement of the item and action that will potentially be taken, repeat for each individual unfinished business item that was moved to be postponed until this meeting].
7. **Quarterly Review of Financial Information** *For Discussion Only*
 - a. The board shall review a current year-to-date financial statement of the association; schedule of revenues and expenses for both the operating and reserve accounts; a current reconciliation for both the operating and reserve accounts; the latest bank statements for all accounts of the association; and, if applicable, the current status of any civil action or claim submitted to arbitration or mediation in which the association is a party.
8. **[New business item]** *[For Possible Action/For Discussion Only]*
 - a. [include **clear and complete** statement of the item and action (if applicable) that will potentially be taken, repeat for each individual new business item, which must include: any proposed amendment to the declaration or bylaws, any fees or assessments to be imposed or increased by the association, any budgetary changes, and any proposal to remove an officer of the association or member of the executive board].
9. **Unit Owner's Forum** (*[reasonable time limitation]*) per unit owner *For Discussion Only*
 - a. Each unit owner may address the executive board. Comments made by each unit owner must be limited to matters impacting the community pursuant to NRS 116.31083(6). Unit owners may request that the substance of their remarks or prepared written remarks be included in the minutes.
10. **Adjournment**

- First unit owner forum, limited to agenda items.
- Items clearly indicating that action may be taken or limited to discussion only.
- Acknowledgement of board meeting held in executive session (when applicable).
- Clear and complete statement of the topic to be considered.
- Unfinished business: items from previous meeting moved to be postponed until this meeting.
- Quarterly review of financial info.
- New business item (clear and complete statement).
- Second unit owner forum, limited to matters affecting the CIC.

Certain Complaints on the Agenda

NRS 116.31087



- ▶ If the executive board receives a written complaint from a unit owner alleging that the board has violated any provision of chapter 116 or their governing documents:
 - ▶ Not later than **10 business days** after the date that the association receives such a complaint:
 - ▶ The executive board or an authorized representative of the association **shall** acknowledge the receipt of the complaint, **and**
 - ▶ **Notify the unit's owner** that, ***if the unit's owner submits a written request that the subject of the complaint be placed on the agenda*** of the next regularly scheduled meeting of the executive board, the subject of the complaint **will be** placed on the agenda of the next regularly scheduled meeting of the executive board.
 - ▶ The executive board **shall**, upon the written request of the unit's owner, place the subject of the complaint on the agenda of the next regularly scheduled meeting of the executive board.

Executive Session

NRS 116.31085



- ▶ An executive board may meet in executive session **ONLY** to:
 1. Consult with the attorney for the association on matters relating to proposed or pending litigation (attorney-client privileged conversations);
 2. Discuss the character, alleged misconduct, professional competence, or physical or mental health of a community manager or an employee of the association;
 3. Discuss a violation of the governing documents, including failure to pay an assessment [can have an open hearing when a unit owner requests it pursuant to NRS 116.31085(4)];
 4. Discuss the alleged failure of a unit's owner to adhere to a construction schedule.
- ▶ The executive board may **not** meet to open or consider bids for an association project or to enter into, renew, modify, terminate or take any other action regarding a contract.
- ▶ If the executive board is meeting in the executive session, the meeting must **not** be audio recorded and only those unit owners invited to a hearing have a right to attend and speak.
- ▶ Any matter discussed by the executive board when it meets in executive session must be *generally* noted in the minutes of the next meeting of the executive board.

Advisory Opinion 12-05-116

▶ **Question:**

- ▶ How detailed do executive board agendas need to be when the board meets in executive session?

▶ **Short Answer:**

- ▶ The agendas for executive board meetings held in executive session need to be detailed enough to show owners that the board is discussing only those items permitted by NRS 116.31085(3) and include clear and complete statements of the topics and actions possible.

▶ **Advisory Conclusion:**

- ▶ All associations are required to follow the procedures set forth in their governing documents, but at a minimum, the agenda for executive session meetings must include a **clear and complete statement of the topics and action to be taken** such that it is clear how the item is entitled to be discussed and decided in executive session. **Associations may not include confidential information in the executive session agenda**, but each executive session agenda item must clearly state how each item for discussion fits in the **limited categories** listed in NRS 116.31085(3).

Quarterly Review of Finances



- ▶ **At *least* once every quarter**, the executive board ***shall*** review the following financial information at one of its board meetings [NRS 116.31083(7)]:
 - ▶ A current financial statement of the association;
 - ▶ A current schedule of revenues and expenses for the operating and reserve accounts compared to the budget for those accounts;
 - ▶ A current reconciliation of the operating and reserve account;
 - ▶ The latest bank statements; and
 - ▶ The current status of any civil action or claim submitted to arbitration or mediation in which the association is a party [NRS 116.31083].

- ▶ **At least once per year**, the board shall review the reserves and adopt an operating budget.



Voting - Directors



- ▶ A Director can vote:
 - ▶ **By Roll Call** - Each director answers “yes” or “no” as his or her name is called. *This method is used when a record of each person’s vote is required.*
 - ▶ **By General Consent** - When a motion is not likely to be opposed, the Chairman says, “if there is no objection...” The executive board shows agreement by their silence.
 - ▶ **By Voice** - The Chairman asks those in favor or opposed to voice their decision.
 - ▶ **By Hand** - Directors raise their hands to vote (restate for audio).
- ▶ In executive session, a director of the board SHALL NOT participate in any hearing or cast any vote relating to a fine if the director has not paid all assessments due [NRS 116.31031(9)].

Minutes - Executive Board

NRS 116.31083(9)



- ▶ The minutes of each board meeting ***must*** be taken and include:
 - ▶ The date, time and place of the meeting;
 - ▶ Members of the executive board who were present and absent;
 - ▶ The substance of all matters proposed, discussed or decided;
 - ▶ ***A record of each member's vote*** on any matter decided; and
 - ▶ The substance of remarks made by any unit owner who addresses the executive board if the owner so requests (if the owner has prepared and submitted written remarks, a copy can be included).
- ▶ The executive board may establish reasonable limitations on materials, remarks or other information to be included in the minutes of its meetings.
- ▶ Approved minutes or a draft summary must be made available to unit owners within **30 days** (provided in electronic format at no charge).
- ▶ Minutes are maintained until the common-interest community is terminated.

Board Meeting Unapproved Minutes, Template



[Name of CIC]
Executive Board of Director's
Unapproved Summary Meeting Minutes for Board Meeting held on
 [Date] [Time] at [Location]

Current Board of Directors [List of Directors]	Board Members Present [List of directors present, noting the time for any tardy arrivals].
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1. **Call to Order & Establishment of a Quorum**
 - a. Meeting called to order at [precise time the chair called the meeting to order].
 - b. A quorum [is or is not] established.

2. **Unit Owner's Forum** *([reasonable time limitation] per unit owner)* **For Discussion Only**
 - a. Each unit owner in attendance may address the executive board of directors. Comments made by each unit owner must be limited to items listed on this agenda pursuant to NRS 116.31083(6). Unit owners may request that the substance of their remarks or prepared written remarks be included in the minutes.
 - b. [Substance of remarks from each unit owner who requested their remarks be reflected in the minutes, attach as an exhibit and reference here any written comments prepared by unit owners, if the unit owner requested the written comments to be included in the minutes].

3. **Reading and Approval of Previous Meeting Minutes** **For Possible Action**
 - a. The executive board of directors will read aloud and approve the summary minutes of the executive board of director's meeting(s) held on [date(s) of previous meeting(s)]. The minutes will not be read aloud if so moved and approved by the board.
 - b. [Director who made the motion to approve including the motion verbatim, there should be no discrepancies].
 - c. [Only if specifically requested by the board, director who seconded the motion].
 - d. [Overall substance of all matters discussed and debated, including any subsidiary motions made and amendments to the previous meeting's minutes].
 - e. [Include the name of each individual board member and how they specifically voted].

4. **Acknowledgement of Board Meeting held in Executive Session** (if applicable) **For Discussion Only**
 - a. The executive board met on [date of meeting held in executive session] in accordance with paragraph(s) [(c) or (d), whichever is applicable] of NRS 116.31085(3) by holding a hearing on alleged violations of the governing documents in executive session.
 - b. [Overall substance of matters discussed, however no specific unit owner information concerning any of the hearings held shall be discussed].

5. **[Officer Position/Standing Committee/Ad Hoc Committee]'s Report** **For Discussion Only**
 - a. [include clear and complete statement of all material that the officer (i.e. president, secretary or treasurer), standing committee, or ad hoc committee will be presenting, repeat this item for each report in order of precedence].
 - b. [Overall substance of all matters discussed throughout the report].

Type of meeting (i.e. board meeting, executive session emergency board meeting)(RONR p. 468).

Date, time, and place of the meeting.

Those directors present, absent, the time of arrival for tardy members.

Time that the meeting is called to order and whether a quorum is established.

Substance of remarks from unit owners and their written remarks, if they request them to be included.

- The main motion captured VERBATIM, no discrepancies (RONR p. 470).
- Who seconds the motion is only included if requested by the board (RONR p. 470).
- The way each board member voted.

Board Meeting Unapproved Minutes, Template



6. **[Unfinished business item from previous meeting]** *For Possible Action*
- a. [Include description of the item and action that will potentially be taken, repeat for each individual unfinished business item that was moved to be postponed until this meeting].
 - b. **[Director who made the motion to approve including the motion verbatim (INCLUDING STATED SPENDING LIMITS within the confines of the ratified budget), there should be no discrepancies].**
 - c. **[Only if specifically requested by the board, director who seconded the motion].**
 - d. [Overall substance of all matters discussed and debated, including any subsidiary motions made].
 - e. **[Include the name of each individual board member and how they specifically voted].**

7. **Quarterly Review of Financial Information** *For Discussion Only*
- a. The board shall review a current year-to-date financial statement of the association; schedule of revenues and expenses for both the operating and reserve accounts; a current reconciliation for both the operating and reserve accounts; the latest bank statements for all accounts of the association; and, if applicable, the current status of any civil action or claim submitted to arbitration or mediation in which the association is a party.
 - b. [Overall substance of all matters discussed throughout the review].

8. **[New business item]** *For Possible Action*
- a. [include **clear and complete** statement of the item and action (if applicable) that will potentially be taken, repeat for each individual new business item, which must include: any proposed amendment to the declaration or bylaws, any fees or assessments to be imposed or increased by the association, any budgetary changes, and any proposal to remove an officer of the association or member of the executive board].
 - b. **[Director who made the motion to approve and include the motion verbatim (INCLUDING STATED SPENDING LIMITS within the confines of the ratified budget), there should no discrepancies].**
 - c. **[Only if specifically requested by the board, director who seconded the motion].**
 - d. [Overall substance of all matters discussed and debated, including any subsidiary motions made].
 - e. **[Include the name of each individual board member and how they specifically voted].**

9. **Unit Owner's Forum** (*[reasonable time limitation] per unit owner*) *For Discussion Only*
- a. Each unit owner may address the executive board. Comments made by each unit owner must be limited to matters impacting the community pursuant to NRS 116.31083(6). Unit owners may request that the substance of their remarks or prepared written remarks be included in the minutes.
 - b. [Substance of remarks from each unit owner who requested their remarks be reflected in the minutes, attach as an exhibit and reference here any written comments prepared by unit owners, if the unit owner requested the written comments to be included in the minutes].

10. **Adjournment**
- a. [Precise time the chair adjourned the meeting].

The record reflected in these unapproved summary minutes has not been officially certified by the Executive Board of Directors and corrections may be made. Official minutes will be made available to the units' owners once approved by the Executive Board of Directors and signed by the appropriate officers of the association.

The stated motion VERBATIM, no discrepancies. Motion must state spending limits (consider the budget allocations).

Time of adjournment.

Disclosure that these minutes are unapproved and have yet to be voted on and executed by the board.

Board Meeting Approved Minutes, Template



6. **[Unfinished business item from previous meeting]** *For Possible Action*
- [include **clear and complete** statement of the item and action that will potentially be taken, repeat for each individual unfinished business item that was moved to be postponed until this meeting].
 - [Director who made the motion to approve including the motion verbatim (INCLUDING STATED SPENDING LIMITS within the confines of the ratified budget), there should be no discrepancies].**
 - [Only if specifically requested by the board, director who seconded the motion].**
 - [Overall substance of all matters discussed and debated, including any subsidiary motions made].
 - [Include the name of each individual board member and how they specifically voted].**
7. **Quarterly Review of Financial Information** *For Discussion Only*
- The board shall review a current year-to-date financial statement of the association; schedule of revenues and expenses for both the operating and reserve accounts; a current reconciliation for both the operating and reserve accounts; the latest bank statements for all accounts of the association; and, if applicable, the current status of any civil action or claim submitted to arbitration or mediation in which the association is a party.
 - [Overall substance of all matters discussed throughout the review].
8. **[New business item]** *[For Possible Action/For Discussion Only]*
- [include **clear and complete** statement of the item and action (if applicable) that will potentially be taken, repeat for each individual new business item, which must include: any proposed amendment to the declaration or bylaws, any fees or assessments to be imposed or increased by the association, any budgetary changes, and any proposal to remove an officer of the association or member of the executive board].
 - [Director who made the motion to approve and include the motion verbatim (INCLUDING STATED SPENDING LIMITS within the confines of the ratified budget), there should no discrepancies].**
 - [Only if specifically requested by the board, director who seconded the motion].**
 - [Overall substance of all matters discussed and debated, including any subsidiary motions made].
 - [Include the name of each individual board member and how they specifically voted].**
9. **Unit Owner's Forum** *([reasonable time limitation] per unit owner)* *For Discussion Only*
- Each unit owner may address the executive board. Comments made by each unit owner must be limited to matters impacting the community pursuant to NRS 116.31083(6). Unit owners may request that the substance of their remarks or prepared written remarks be included in the minutes.
 - [Substance of remarks from each unit owner who requested their remarks be reflected in the minutes, attach as an exhibit and reference here any written comments prepared by unit owners, if the unit owner requested the written comments to be included in the minutes].
10. **Adjournment**
- [Precise time the chair adjourned the meeting].

These board meeting minutes have been certified and executed by the Executive Board of Directors on [date approved at a board meeting] and serve as the official record.

[Director responsible for signing the minutes pursuant to association's bylaws] / /
Date

[Director responsible for signing the minutes pursuant to association's bylaws] / /
Date

Disclosure of the date the minutes were approved and the signature(s) of directors responsible for signing them pursuant to the association's bylaws.

Board Meeting Unapproved Minutes, Sample



XYZ Homeowner's Association
Executive Board of Director's

Unapproved Summary Meeting Minutes for Board Meeting held on

January 2, 2020 6:00pm at 1111 Example Court, Las Vegas, NV 89000

Current Board of Directors

John Smith, President
Herald Riviera, Secretary
Howard Hughes, Treasurer
Mary Johnston
Eliza Grace

Board Members Present

John Smith
Herald Riviera
Howard Hughes, arrived at 6:05pm
Mary Johnston

1. Call to Order & Establishment of a Quorum

- a. Meeting called to order at 6:00pm.
- b. A quorum is established.

2. Unit Owner's Forum (3 minutes per unit owner)

For Discussion Only

- a. Each unit owner in attendance may address the executive board of directors. Comments made by each unit owner must be limited to items listed on this agenda pursuant to NRS 116.31083(6). Unit owners may request that the substance of their remarks or prepared written remarks be included in the minutes.
- b. Unit owner Reginald Winston requested his name and remarks to be included in the minutes. Mr. Winston has concerns about the current landscaping vendor and would like the board to select a contract with a different vendor under agenda item 6.

3. Reading and Approval of Previous Meeting Minutes

For Possible Action

- a. The executive board of directors will read aloud and approve the summary minutes of the executive board of director's meeting(s) held on December 4, 2019. The minutes will not be read aloud if so moved and approved by the board.
- b. Secretary Riviera moves to approve the minutes from the board meeting held on December 4, 2019 without reading them aloud.
- c. Director Johnston moves to amend the main motion by adding to the end, "on the condition that my comments about the legality of the proposed resolution and need to consult general counsel prior to its enactment be added under item 13 of the unapproved summary minutes."
- d. Director Johnston states that her comments were clearly recorded in the audio and were not included in the summary minutes.
- e. *The motion to amend passes 3-1-0 as follows: President Smith, yes; Secretary Riviera, yes; Treasurer Hughes, no; Director Johnston, yes.*
- f. *The main motion passes 3-1-0 as follows: President Smith, yes; Secretary Riviera, yes; Treasurer Hughes, no; Director Johnston, yes.*

4. Acknowledgement of Board Meeting held in Executive Session

For Discussion Only

- a. The executive board met in accordance with paragraph(s) (c) of NRS 116.31085(3) by holding a hearing on alleged violations of the governing documents in executive session.
- b. President Smith states that this item is required to be addressed by statute. The board convened on December 4, 2019 in executive session to facilitate hearings on alleged violations of the association's governing documents. No specific information about the unit owners will be released pursuant to NRS 116.

5. President's Report

For Discussion Only

- a. The president will provide an update on the current status of the road repaving approved during the last board meeting.
- b. ABC Paving Company has initiated work on phases 1 and 2 of the project in accordance with Exhibit 1, XYZ Association Repaving Project Phase Plan. Work on these phases can be reasonably expected to conclude April 30, 2020. Phases 3 and 4 will begin upon conclusion of the aforementioned phases and can be reasonably expected to conclude June 30, 2020.
- c. The association appreciates the patience of the community while this major replacement project is underway.

6. Unfinished Business

a. Landscaping Contract

For Possible Action

- i. The bids which were read aloud during the previous board meeting held on December 4, 2019 will be further considered for approval. The board will be deciding which company they will hire, either: ABC Landscaping, LMNOP Landscaping, or XYZ Landscaping.
- ii. Secretary Riviera moves to approve the bid proposed by XYZ Landscaping in an amount not to exceed 20,000 per year.
- iii. Secretary Riviera states that XYZ Landscaping presented the strongest case for hire. They provided extensive review from satisfied customers, proof of insurance, and they guarantee their work and will replace plants that die under their care. The guarantee starts 30 days after execution of the contract. Their maintenance schedule under the scope of work is more generous than the other companies. Additionally, their staff is expertly professional, and Secretary Riviera believes the company will be easy to work with.
- iv. Treasurer Hughes states he too believes XYZ Landscaping will be easy to work with and supports the decision.
- v. *The main motion passes 4-0-0.*

7. New Business

a. Quarterly Review of Financial Information

For Discussion Only

- i. The board shall review a current year-to-date financial statement of the association; schedule of revenues and expenses for both the operating and reserve accounts; a current reconciliation for both the operating and reserve accounts; the latest bank statements for all accounts of the association; and, if applicable, the current status of any civil action or claim submitted to arbitration or mediation in which the association is a party.
- ii. President Smith stated that he believes the board should begin looking at different financial investment instruments, allowable under the law, to determine whether other institutions provide greater interest on the reserve balance.
- iii. Treasurer Hughes states that he extensively reviewed each financial document and that he has no questions, further praising the cleanliness and accuracy of the quarterly packet.
- iv. Director Johnston commends the community manager, Edina Menzel, for the remarkable work in preparing such clean and accurate financial documents.
- v. President Smith states that the association currently has no claims filed against it submitted to mediation or arbitration and is not currently dealing with any civil action.

Board Meeting Unapproved Minutes, Sample



- b. Adoption of Association Rule 7.25; Color Palate Revision** *For Possible Action*
- i. The board will decide whether to approve Association Rule 7.25, which will replace the current color palate of acceptable paint colors that the unit owners may paint their homes. The association is required to modify the color palate from time to time as needed pursuant to Article IV, Section 9 of XYZ Homeowners Association's declaration of covenants, conditions, and restrictions.
 - ii. **Treasurer Hughes moves to approve Rule 7.25 and enact the new color palate effective immediately for all future paint projects.**
 - iii. Treasurer Hughes states that over 65% of the unit owners in the community responded to the survey sent out concerning the 5 different color palate options. The overwhelming majority selected palate 3 and this is the palate that the board of directors will be choosing.
 - iv. President Smith commends the work of the board who went out of their way to ensure the unit owners were represented in this decision.
 - v. *The main motion passes 4-0-0.*

- 8. Unit Owner's Forum** *(3 minutes per unit owner)* *For Discussion Only*
- a. Each unit owner may address the executive board. Comments made by each unit owner must be limited to matters impacting the community pursuant to NRS 116.31083(6). Unit owners may request that the substance of their remarks or prepared written remarks be included in the minutes.
 - b. Liza Minelli wanted to publicly thank the board for their extensive efforts in getting the community to finally have a modern paint scheme. She believes the unit owners were well represented in the selection and is excited to observe the community transition over the next several years.
- 9. Adjournment**
- a. President Smith states the next meeting is scheduled Thursday, March 5th, 2020.
 - b. President Smith adjourns the meeting at 6:53pm.

The record reflected in these unapproved summary minutes has not been officially certified by the Executive Board of Directors and corrections may be made. Official minutes will be made available to the units' owners once approved by the Executive Board of Directors and signed by the appropriate officers of the association.

Standing to Gain - Executive Board



- ▶ A member of an executive board who stands to gain any personal profit or compensation of any kind from a matter before the executive board shall disclose the matter to the executive board, abstain from voting on the matter, and no longer serve on the board.
- ▶ A member of the executive board who has *a member of his or her household or any person related to the member by blood, adoption or marriage who stands to gain* any personal profit or compensation of any kind from a matter before the executive board shall *disclose the matter* to the executive board *before voting* on any such matter.

NRS 116.31084

Audio Recordings - Executive Board

NRS 116.31083(8)



- ▶ As with the minutes:
 - ▶ The secretary or other officer specified in the bylaws shall cause each meeting of the executive board to be audio recorded (except for those held in executive session).
 - ▶ Not more than 30 days after the meeting, the secretary or other officer specified in the bylaws shall cause the audio recording to be made available to unit owners.
 - ▶ A copy of the audio recording **must** be provided to any unit owner upon request, by email at no charge, or if the association is unable to provide the copy by email, at a cost **not to exceed** the cost of the copy itself (i.e. CD, USB).
- ▶ A unit owner may record a meeting of the executive board, if, before recording the meeting, he or she notifies those in attendance.



Knowledge Check

1. What is a quorum requirement?
2. Do unit owners have a right to attend meetings of the executive board? If so, when would they not be able to attend?
3. What are the four reasons that the executive board of directors may meet in executive session?
4. Can the executive board approve, modify, or terminate a contract in executive session?
5. How long does the association have to make the meeting minutes and audio recording available to unit owners after the meeting concludes?

Unit Owners' Meeting

NRS 116.3108



- ▶ A meeting of the units' owners must be held at least once each year at a time and place stated in the bylaws.
- ▶ If the governing documents do not designate an annual meeting date, the meeting must be held one (1) year after the date of the last meeting.
- ▶ If units' owners have not held a meeting for one (1) year, the meeting must be held on the following March 1st.



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Units' Owners Meetings & Quorum



- ▶ ***For a Meeting of the Units' Owners*** - except when the governing documents provide otherwise, a quorum is present if persons entitled to cast 20% of the votes are present in person, by proxy or through absentee ballot.
 - ▶ The suspension of voting rights (if applicable) impacts the calculation.
- ▶ At a ***meeting of the units' owners***, a quorum is **not** required to:
 - ▶ Approve the minutes of the prior annual meeting of the units' owners and the minutes of any prior special meetings of the units' owners (NRS 116.3108[10]).
 - ▶ Ratify the budget of the association (NRS 116.31151[3]).
 - ▶ Open and count secret written ballots for the purpose of electing any member of the executive board (NRS 116.31034[15][c]&[e]).

Unit Owners' Meeting - Notice

NRS 116.3108(3)



- ▶ **Not less than 15 or more than 60 days** in advance of any meeting of the unit owners, notice of the meeting is to be given.
- ▶ Notice of the meeting must state the time and place **and include a copy of the agenda.**
- ▶ The notice must include the right of a unit owner to have a copy of the minutes or a summary provided upon request (in electronic format at no charge) and speak to the board.
- ▶ An association shall deliver the notice to any mailing or email address designated, by hand delivery, or through an official publication of the association.

Unit Owners' Meeting - Agenda

NRS 116.3108



- ▶ The agenda for the annual meeting of the unit owners must consist of:
 - ▶ **A clear and complete** statement of the topics scheduled to be considered, including, *without limitation*:
 - ▶ Any proposed amendment to the declaration or bylaws,
 - ▶ Any fees or assessments to be imposed or increased, and
 - ▶ Any budgetary changes.
 - ▶ A list describing the items on which action may be taken;
 - ▶ A period devoted to comments by unit owners regarding any matter affecting the common-interest community, as well as a period for discussion of those comments; and
 - ▶ The annual election - secret written ballots for the election of directors onto the executive board must be opened and counted at the annual meeting (SB 195).



Unit Owners' Meeting - Voting



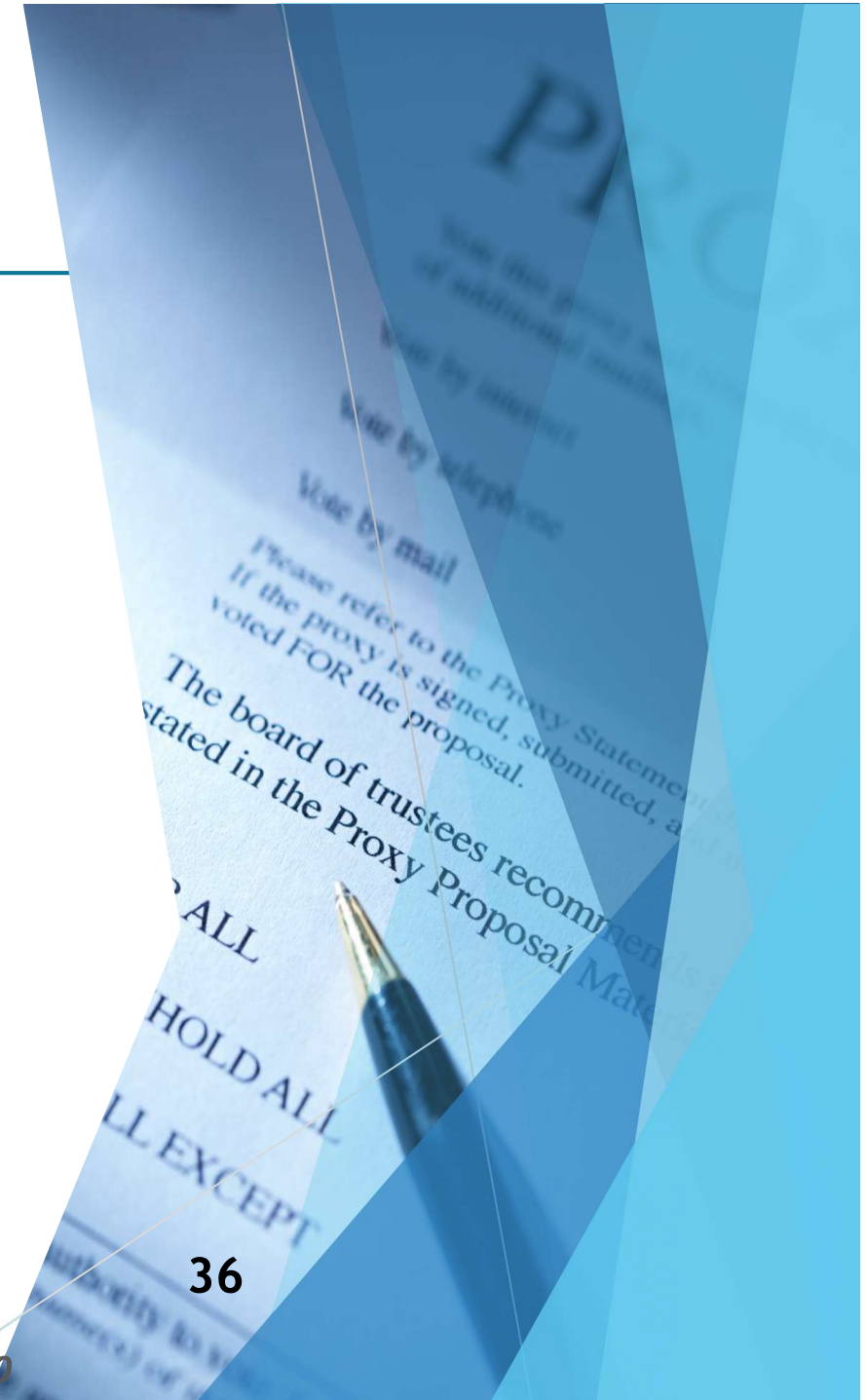
- ▶ Unless prohibited or limited by the declaration or bylaws, unit owners may vote *at a meeting of the unit owners* in person, by absentee ballot, or by proxy [for elections, by ballot only].
- ▶ **Voting in person** - show of hands, voice, standing, or any other method designated by the person presiding over the meeting.
- ▶ **Voting by absentee ballot** - The association shall deliver an absentee ballot to an owner who requests it at least 3 days before the scheduled meeting.

Voting by Proxy

NRS 116.311



- ▶ Unless prohibited or limited by the declaration or bylaws, a unit owner may give a proxy only to a member of his or her immediate family, a tenant, another unit owner who resides in the common-interest community, or a delegate.
- ▶ Before a vote may be cast by proxy, the holder of the proxy must disclose at the beginning of the meeting the number of proxies to which he or she will be casting votes.
- ▶ The proxy must:
 1. Be dated;
 2. Designate the meeting for which it is executed; and
 3. Designate each specific item on the agenda for which it is executed.
- ▶ A proxy can be used to determine a quorum and terminates immediately after conclusion of the meeting.
- ▶ The holder of a proxy may not cast a vote on behalf of a unit owner that is contrary to the proxy.



Unit Owners' Meeting - Minutes

NRS 116.3108(6)



- ▶ Minutes must be recorded or otherwise taken at each meeting and must be kept as association records until the community is terminated.
 - ▶ Not more than 30 days after the meeting, the secretary or other officer specified in the bylaws shall cause a draft summary of the minutes to be made available to unit owners in electronic format at no charge.
- ▶ Minutes of each meeting must include:
 - ▶ The date time and place of the meeting;
 - ▶ The substance of all matters proposed, discussed or decided; and
 - ▶ The substance of remarks made by any unit owner, or if the unit owner has prepared written remarks, a copy of his or her prepared remarks.
- ▶ A unit owner may record the meeting if, before recording, he or she provides notice to others in attendance.

Special Meeting

NRS 116.3108(2)



- ▶ An association shall hold a special meeting of the units' owners to address any matter affecting the community (notice, agenda and minutes requirements remain).
- ▶ The board president, a majority of the executive board, or unit owners constituting **10% of the total number of votes** in the association (lower if specified in the bylaws) can request that such a meeting be called.
- ▶ Unit owners must submit a written petition, signed by the required percentage of voting members, mailed, return receipt requested, or served by a process server to the executive board or community manager for the association.
- ▶ The executive board shall set the date for the special meeting so that it is held not less than 15 or more than 60 days after the date on which the petition is received.
- ▶ The association shall **not** adopt any rule or regulation which prevents or unreasonably interferes with the collection of the required percentage of signatures for the petition.

Emergency Meeting

NRS 116.3108 & NRS 116.31083



OR



- ▶ Emergency meetings are held when occurrences take place that:
 1. Could not have been reasonably foreseen;
 2. Affect the health, welfare and safety of residents;
 3. Require the immediate attention of, and possible action by, the executive board; **AND**
 4. Make it impracticable to comply with the timeframes for notice.
- ▶ Notice is still mailed, hand-delivered, OR posted in a prominent place within the community and should clearly indicate what is to be discussed or what action must be taken.



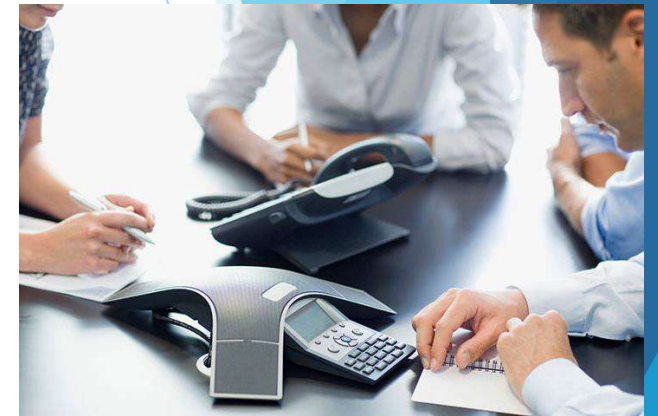
Advisory Opinion 11-01

- ▶ **Question 2 - Methods of Executive Board Member Voting**
- ▶ Can an executive board vote via either telephone, email or any other private method on items regarding their association business?
 - ▶ NRS 116.3103 states that the executive board is to act in all instances on behalf of the association as fiduciaries and act on an informed basis, in good faith and in the honest belief that their actions are in the best interest of the association.
 - ▶ NRS 116 does not address participation via telephone. Because community associations are usually non-profit organizations, NRS chapter 82 governs the non-profit corporations and it may be useful here.
 - ▶ The provision of the telephone conference can satisfy a board member's duty to act on an informed basis. Any other methods may not do so and in fact hinder a board member in fulfilling the requirements of the position. An association's governing documents may also address the issues of how a member of the executive board may vote.
 - ▶ Generally, a vote via email or possibly another method may not satisfy the fiduciary duty of a board member, thus these methods of voting for members of an executive board is **greatly disfavored**.

Action Without a Meeting & Remote Participation

NRS 82.271

- ▶ Unless otherwise restricted by the articles or bylaws, directors may participate in a meeting through:
 - ▶ Electronic communications,
 - ▶ Videoconferencing,
 - ▶ Teleconferencing,
 - ▶ Or other available technology.
- ▶ Unless restricted by the articles or bylaws:
 - ▶ Action may be taken by the board without a meeting if, before or after the action, a **written consent** is signed by a majority of the board. This consent is kept in the records of the association (10 years).
 - ▶ The Division discourages use of such action in lieu of a meeting unless absolutely necessary (i.e. pipe burst, fallen tree).



Final Knowledge Check

1. What four conditions must be satisfied for an association to be able to call an emergency meeting?
2. Who can call a special meeting of the units' owners?
3. Is action without a meeting a substitute for board meetings, satisfying the quarterly meeting requirement?
4. How often should the board be meeting?
5. Are unit owners guaranteed the right to vote via proxy under NRS 116? When would a unit owner not be allowed to vote via proxy?

Conclusion

- ▶ Unit owners have the right to:
 - ▶ Attend meetings,
 - ▶ Make comments at the beginning and end, and
 - ▶ Vote on certain matters at the unit owners' meeting.
- ▶ During regular meetings of the association:
 - ▶ The agenda should be followed precisely, with no items being considered that aren't on the agenda. Items that come up that aren't on the agenda can be considered for placement on the next meeting's agenda.
 - ▶ There should be one question/motion/subject matter at a time under consideration.
 - ▶ There should be one speaker at a time and others should not interrupt.
 - ▶ No one should speak out of order; speakers must first be "recognized".
 - ▶ Personal remarks are out of order and should be ruled as such by the president/Chair.
 - ▶ If an individual becomes disruptive, they should be asked leave.

Questions?

- ▶ <http://red.nv.gov> - Main Page
- ▶ CICOmbudsman@red.nv.gov - Email Questions
- ▶ http://red.nv.gov/Content/CIC/Program_Training/