

New Secretary Orientation

Presented by

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Agenda

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Introductions –

Name – HOA
of Members –
Management company?
Experience as a Secretary?

Discuss the Roles of Secretary

Recording Secretary –

Agenda

Minutes

Motions

Distribution

Maintenance

Filing Secretary –

Filing of contracts

Developer turnover

ByLaws/CC&Rs

Corresponding Secretary

Mail

Corresponding with Homeowners

Transfer fees – Legal documents

SECRETARIAL FUNCTIONS IN AN HOA

Basic responsibilities and functions of a Home Owners Association Secretary with emphasis on the required functions mandated by various legislative actions.

AS AN OFFICER, YOUR ROLE IS

1. To be the contact point between HOA and the Board/Officers responsible for the governance of the Association.
2. To ensure that the Association follows external rules. (Laws and Regulations enacted and published by State and County Government)
3. To make sure that internal rules are followed. (Articles of Incorporation, Bylaws, the Declarations (CC&Rs) and any enacted Rules or Resolutions)

As first line contact, you set the stage for interaction between homeowners and the Board. It is important for you to be friendly, courteous and an efficient representative. A good first impression will generally produce greater cooperation and respect for your fellow officers and committee members.

It is suggested that each officer get a **separate e-mail** address to be used when conducting the business of the Association. In some cases, under discovery, the entire e-mail address may be subpoenaed – and you don't want to lose family and friends e-mails.

In 2007 legislation passed requiring amendment of our rules regarding For Sale Signs and we also adopted new guidelines for installation of Solar Devices.

As far as the third point, governing documents impose on association boards the obligation **and duty** to preserve and protect the harmony, architectural integrity and assets of the community. One of the ways a board meets this obligation is by adopting and enforcing rules. Act promptly when violations occur and apply rules uniformly and consistently.

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Basic responsibilities – depend upon the roles in the Association

1. Prepare/distribute Board meeting notices and record meeting minutes and resolutions.
 2. Affix your corporate seal to legal document to witness or verify signatures on documents. This is acceptable corporate practice otherwise you need a Notary's services for official papers to verify signatures.
 3. Receive and verify ballots for annual or special membership meetings
 4. Maintain all association records and file necessary forms with state agencies.
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One such report required to be completed for the State of Arizona annually is the Corporation Report. This can be filed online, and you no longer must supply an Annual Financial Report.

Three positions or one?

- 1. RECORDING SECRETARY**
prepare and maintain the minutes of all official meetings.
- 2. FILING SECRETARY**
storage and retrieval of all association documents i.e., history.
- 3. CORRESPONDING SECRETARY**
prepare and maintain all reports, correspondence, and related documents.

Note: If you have a large HOA and your officers are all volunteer you might consider splitting the secretarial position so that one person does not have too heavy a load. The challenge seems to be identifying people that are willing to assist. If you find your workload and responsibility increasing and you don't want to go to professional management, creating a paid position might be an alternative. In this way you can be compensated in a small way for your time and effort. This would probably require amendment to your By-Laws.

If you do split duties it is very important that there be one Master File containing all important historical and legal files of the Corporation. When you have an audit of the HOA, the minutes and actions of the Board are as relevant as the financial records. If you do not generate all correspondence, you should be given a copy to keep you abreast of outstanding issues for a complete file.

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1. RECORDING SECRETARY:

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- ▶ Taking minutes at meetings
 - ▶ Transcribing notes from the meeting
 - ▶ Handling motions, resolutions and action items
 - ▶ Formatting, Approval, and Distribution of Minutes
 - ▶ Maintaining Meeting Documents
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- ▶ Taking minutes at meetings is often fast-paced. Have a system for taking notes and back that up with a recording device. You can't rely on the recorder because it doesn't pick up every word. Therefore, don't be bashful if things start to move too fast. Ask the Chair to have key comments repeated or verify vote results if necessary. Accuracy and completeness of minutes is very important. Your goal should be to:

Record the association actions/motions accurately

- ▶ Transcribing Notes - Even with a good agenda and helpful shortcuts, taking minutes can be difficult.

The minutes should reflect all matters brought before the board, whether adopted, dismissed without discussion or vote, rejected, deferred by being tabled or simply presented as information.

- If a director opposes the majority vote, he or she may ask that the dissent be noted in the minutes. This should be done.
- *A beginning secretary often fails to record motions and resolutions that were defeated. This can be a mistake.*
- All motions made and seconded, except those that are confidential, **must** be voted on and made part of the record.
- It is also wise to state motions that were made and died for lack of a second.
- Abstentions, which generally are limited to situations where a director has a potential or actual conflict of interest, should also be recorded.

Much discussion at the meeting will not be pertinent to the subject and need not be part of the record. The only items that need to be

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written down word-for-word are motions (actions) and resolutions. If a motion is passed by unanimous vote, state that in the minutes. Controversial issues, especially, must be properly reported. The minutes should show, for example, that an issue was properly researched and analyzed. This is particularly true when letting out contracts and spending association dollars. The findings of outside experts, if any, also should be properly noted. This can all be done by attaching supporting backup to motions.

The association's minutes are its official records and are admissible in a court of law as evidence. Meeting minutes stand as a record which can be reviewed by members, officers, directors and outside parties to determine official acts that have or have not been taken by elected representatives of the association.

The Open Meeting Statute (38-431.01) attached guarantees the right of members to attend and speak at Board meetings and requires that most HOA records be open for inspection by members.

The Statute also specifies that the minutes or recording of a meeting be available for review within **three working days** after the meeting.

- ▶ Motions & Resolutions Whatever system is used, actions taken at meetings need to be carefully documented as to the why, who, when, how much, etc. Remember that Board minutes are reviewed during an audit to support actions and approval.

State and legal documents of the association authorize directors to act on various matters. The minutes should state the authority by which directors take a certain action and cite the documents which grant that authority.

- ▶ Formatting, Approval, and Distribution of Minutes

Develop a standardized format for meeting notices and minutes.

Mark drafts as DRAFT to avoid confusion later and when final approval is obtained, usually at the next meeting, mark that version as APPROVED. Distribute notices and minutes as required by Bylaws or Board desires.

- ▶ Maintaining Meeting Documents

Retaining meeting records including minutes, ballots, attendance sheets and proxies. Retention necessitates a disposal policy and procedures including any approval or other involvement by Directors.

2. **FILING SECRETARY**

Every community association has documents such as insurance policies, contracts and bids. Some records are more important than others, but all represent association history.

One of the most crucial times for a new HOA is during turnover from the Developer, or initial HOA manager. The Board and the Secretary need to ensure that all HOA files are separated from developer's work files when turned over to the HOA. You will need to establish a workable filing and archival system.

Start with permanent official documents such as the Articles of Incorporation, Bylaws, CC&Rs, operating rules, architectural restrictions, etc. These should be kept in a lockbox or safe.

It is strongly urged that regular, periodic efforts be made to ensure that all homeowners have a current copy of the Articles of Incorporation, Bylaws, CC&Rs and HOA rules and regulations. Once achieved initially, a record of revisions and verification of distribution of amendments should be kept. New homeowners should receive a copy of initial documents as well as all changes.

The goal should be to develop a system that allows you to keep and find paper or electronically stored files for as long as needed. Then your association will have a place for everything with everything *in* its place.

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3. CORRESPONDING SECRETARY:

- ▶ Handles most external and internal HOA correspondence and usually maintains the Association records.
- ▶ Receives and sorts mail and determines initial action required. Generally, a courtesy response to inquiries is recommended with a copy to the person(s) who will be assigned to follow-up. This acknowledges receipt of the correspondence as well as provides notice that some necessary action is required.
- ▶ You may also be the one assigned to generate correspondence for your committees. Letter writing, and responses should be coordinated with responsible committee members with copies provided to the Board, if appropriate.

If you are inheriting an established system that is workable for you then that is great. If not, develop a standard format of your own before doing very much correspondence. To ensure coverage and consistency, the Board should determine who will be responsible for writing and signing various types of correspondence.

When keeping files on a computer it is important that you maintain a good backup system.

You should maintain a master file of all approved Architectural Requests for each lot together with any important correspondence regarding each lot. If one of your homeowners violates a rule and until the violation is rectified the property should have what is referred to as a HOLD placed upon it.

You need to keep a record of the violation as it must be communicated to a prospective buyer if the property would go on the market.

This is done when a "demand notice" is generated by the title company. You have 10 days to respond and supply the prospective buyer with all your governing documents for their review prior to their finalizing a commitment to purchase. All documents must be up to date to be provided to the prospective homeowner.

Do you have a management company taking care of this?

As a side note, when one HOA used a management company the Management company pocketed all transfer and document fees. One year these fees generated \$4,050 which could have been used for the operating fund.

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a form entitled "ACKNOWLEDGMENT OF CONTRACT" now required. The effect is that it firmly binds the buyer to the HOA rules and regulations and removes the "I didn't get, or I don't understand" defense to rules violations. The seller or HOA must be on its toes to be ensure this document is delivered, executed and returned by your new homeowners.

Membership Lists

The Secretary maintains a list of all members of the Association, current mailing address, telephone numbers, ensuring that the names of owners are current and are as they appear on the property deeds. If ownership is in a trust, the trustee should designate who acts on behalf of the trust on official votes or actions relative to the property and the HOA. Using a database will enable you to track a multitude of important data to be used when producing mailings, providing information to neighborhood watch captains, etc.

Meeting Notices

The Corporate (HOA) Secretary announces all meetings including proof of notice documenting to whom and when the meeting notice is mailed. Meeting notices are sent to the owner of record.

For a small fee the postmaster advises you of the actual address of delivery. This is helpful in maintaining a current roster.

When mailing newsletters, you might want to include actual residents (renters who may have a long-term lease) so that they have knowledge of your rules. It also affords them the opportunity to take part in social events and get to know their neighbors.

To save money, you may want to consider electronic mailing of newsletters.

Ballots - not Proxies

Ballots essentially serve two purposes:

1. Ensure that someone who cannot be present has the means to cast a vote and or present an opinion.
2. Ensure you have a quorum for a meeting.

Care must be exercised to verify that the person issuing the ballot is the owner of record and that only one ballot is issued per lot.

33-2208. Association open meetings; exceptions; notices

A. Notwithstanding any provision in the timeshare instrument to the contrary and except as provided in this section, after the period of developer control under section 33-2204, all meetings of the association and board are open to all members of the association and all members so desiring shall be permitted to attend and listen to the deliberations and proceedings. Meetings shall be conducted as provided in the timeshare instrument. The board may close any portion of a meeting of the board if that portion of the meeting is limited to consideration of one or more of the following:

1. **Legal advice from an attorney for the board** or the association. On final resolution of any matter for which the board received legal advice or that concerned pending or contemplated litigation, the board may disclose information about that matter in an open meeting except for matters that are required to remain confidential by the terms of a settlement agreement or judgment.

2. **Pending or contemplated litigation.**

3. **Financial information about an individual member of the association, an individual employee of the association, an individual employee of the managing entity or an individual employee of a contractor for the association or managing entity.**

4. **Matters relating to the job performance of, compensation of, health records** of or specific complaints against an individual employee of the association, an individual employee of the managing entity or an individual employee of a contractor of the association or managing entity who works under the direction of the association or the managing entity.

B. A meeting of the members of the association shall be held at least once each year after the period of developer control under section 33-2204. Special meetings of the members of the association may be called by the president, by a majority of the board or by owners having at least twenty-five per cent of the votes in the association, or any lower percentage specified in the timeshare instrument. Unless otherwise provided in the timeshare instrument, not fewer than thirty nor more than ninety days in advance of any regular meeting of the owners, and not fewer than ten nor more than sixty days in advance of any special meeting of the owners, the association or managing entity shall cause notice of the meeting to be sent or provided to the mailing address of each owner on record with the association. The notice of any meeting of the owners shall state the time and place of the meeting. The notice of any special meeting of the owners shall also state the purpose for which the meeting is called. Notices of meetings may be in the form of an annual or other list of upcoming meetings and need not be specific to one meeting. The failure of any owner to receive actual notice of a meeting of the owners does not affect the validity of any action taken at that meeting.

C. Unless otherwise provided in the timeshare instrument, for meetings of the board of directors that are held after the termination of developer control of the association, at least ten days in advance of any meeting of the board, the association or managing entity shall cause notice of the meeting to be sent to the mailing address of each owner on record with the association. Notice to owners of meetings of the board is not required if emergency circumstances require action by the board before notice can be given. Any notice of a board meeting shall state the time and place of

Motions

Motion -	Made By	Pass / Fail?	Counted vote
To provide security for party on 12/31/18 in the amount of \$1000.	Joe Blow	Failed: Lack of second or by vote	25 against 5 for

Date: _____