



REPORTER

46 YEARS REPRESENTING 24,000 CONDOMINIUM OWNERS AND 300 ASSOCIATIONS

Quarterly newsletter of United Condominium Owners of Michigan, a non-profit Corporation representing the consumer aspects of community living for Michigan co-owners.

Educational Series Updates

Thanks to Jeff Vollmer, for the great power point presentation last month in Troy. Thanks also for the delicious treats, Jeff!

The support of Mutual of Omaha Bank's Tom Engblom and Merrick Maris of Maris Brown Insurance Group, Farm Bureau Insurance made the evening possible. Thanks to Wendy Sherman for help at check-in and to Tom, for taking the time to join us in person. It was an excellent turnout and a fine evening!

The next meeting is set for the evening of Wednesday, August 14, 2019 at the Costick Center in Farmington Hills, Michigan: bringing you information about a hot topic and new dangers: **"Cyber Liability"**.

The speakers will include Steve Guerra (Makower Abbate Guerra Wegner Vollmer PLLC); Wendy Sherman (Maris Brown Insurance Group, Farm Bureau Insurance); and Thomas Engblom (Mutual of Omaha Bank).

You'll learn all about cyber liability including legal aspects and insurance coverage and liability! Registration forms will be available online later this month at www.ucomonline.org

The UCOM Annual Seminar is coming Saturday, November 9, 2019 to the

Management Education Center, 811 W. Square Lake Road, Troy, MI 48098.

The event will be staged differently this year. We will welcome six speakers. In the morning hours, two sessions will run concurrently in Amphitheatres # 101 and #102 during three time slots.

The Main Auditorium will host the Legal Panel Q & A session; the raffle drawings - prize presentations; and possibly a keynote speaker. A continental breakfast buffet will be available during the morning.

Lunch will be served in the Dining Room. The Annual General Meeting and Election will also take place during that time.

Additional Information will be posted on the website as it comes in. Registration forms will go out early this year allowing plenty of time for you and your association or business to make plans.

Please join us for this, our 45th Annual Seminar! Any questions call us or write. We look forward to hearing from you!

DO YOU WANT TO BE AN INFLUENCER? JOIN THE UCOM BOARD OF DIRECTORS!

Contact the Office:

Call 248-352-8490

Email to: info@ucomonline.org

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The Importance of Taking and Keeping Good Minutes

By Steve Sowell

Community Associations generally are non-profit corporations. As such, they have a statutory duty to keep minutes of the proceedings of its shareholders or members, board, and executive committee. Since the Nonprofit Corporation Act and most community association documents require an association to allow members to examine the minutes and make extracts from them, it is important that the minutes be complete and accurate. The purpose of this article is to give the typical association board member, who may have never served on the board of directors of a corporation before, some guidance for keeping good minutes.

What are minutes? Dictionary.com defines minutes as “an official record of the proceedings of a meeting.” They are “official” because they are certified as a record of the corporation by the secretary. They are a “record” because the Association is obligated to keep them. They are intended to be an account of “the proceedings of a meeting” because the association needs to memorialize what happened during a meeting for future reference.

A community association typically has three types of meetings at which minutes should be kept. First is a meeting of the members. In most community associations, there is only one annual meeting, although community association documents usually provide for the calling of special meetings. Second, there are meetings of the board of directors. These meetings occur most often monthly, although some associations conduct quarterly meetings. Special meetings of the board also may be called from time to time. Finally, the officers of the association may meet as a group separate from the board of directors although, because the directors may themselves be the major officers, many

associations hold joint meetings of directors and officers.

Who keeps the minutes? The duly elected secretary of the community association should keep the minutes, both in the sense of creating them at the meeting and in the sense of maintaining them as a record of the association. In the absence of the secretary, the chairman of the meeting should appoint someone else present to act as recording secretary for the meeting. If no one is able and willing to act as secretary of the meeting, the proper thing for the chairman of the meeting to do is to adjourn the meeting until the elected secretary or an acting secretary is available. Because the law requires minutes to be kept, it is improper to proceed with a meeting without keeping minutes.

How much detail should be reflected in the meeting? Certainly, the minutes do not have to be a stenographic or verbatim record of every word spoken in the meeting. By the same token, the minutes should not be so skimpy as to fail to reflect the actions taken during the meeting. The following are some guidelines for what details to include in the minutes. Important concepts are noted in bold type.

The minutes should reflect the **date and time** of the meeting. Most corporations file their minutes in chronological order as the most logical method of maintaining the minutes. The minutes should also reflect whether it is a “normal” meeting or whether the meeting was a “special” meeting.

A regularly scheduled meeting does not need to reflect that **notice** of the meeting was given, but a special meeting should reflect the method by which the

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meeting was called and should have attached to it a copy of the notice given. For instance, if a special meeting of the members of a community association is called pursuant to a petition signed by one third of the membership (a common provision in condominium documents), the minutes should so state and a copy of the petition should be attached to the minutes. If the special meeting was called for a specific **purpose**, the minutes should reflect the stated purpose.

Most community association documents specify a **quorum** for a meeting. Dictionary.com defines a quorum as “the minimal number of officers and members of a committee or organization, usually a majority, who must be present for valid transaction of business.” At a minimum, the minutes should reflect that a quorum was present for the conduct of business. If desired, the minutes may reflect the number of participants (officers, directors, members) present and indicate whether the participant is present in person or by proxy.

Where practicable, the minutes should reflect the **names** of the participants. With a board of three, five, or even nine board members, this is fairly simple to do. With an annual meeting of members who number in the hundreds, it may be preferable to attach the roster, with names of those who attended checked off, to the minutes. If a party arrives late or leaves early, this may be reflected in the minutes. This is not critical for membership meetings, but the better practice is to reflect arrivals and departures for board and/or office meetings because board

**It is with regret we
announce the resignation
of Evelyn-Woods-Owens
from the UCOM Board**

members and officers cannot act by proxy. If a participant is participating by telephone (some condominium documents allow this), the minutes should so reflect.

The minutes should note whether any **objections** to the notice or purpose of the meeting are registered. If, for instance, the community association documents require not less than 10 days notice and the meeting is held less than 9 days from the date of giving of notice, a participant may object to notice. Most community association documents provide that a participant who attends a meeting and fails to object to the notice or purpose of the meeting at the beginning of the meeting has waived his objection; thus, it is sufficient to either note that no objection to notice or purpose has been made or, in the case of objection, to note the name of the person(s) who object(s). The objection should be resolved before the meeting progresses; if notice is determined to be improper, the meeting should be adjourned until proper notice is given.

Having gotten through most of the formalities, how much of the substance of the meeting should the minutes record? As noted before, a transcript is not necessary, but the minutes must be detailed enough to reflect what action was taken. Usually, action is taken by the making of a **resolution** or motion or the **nomination** of a candidate which is seconded, discussed, and a **vote** is taken. The minutes should reflect the exact wording of the resolution made or should reflect the full name of the person nominated. While the minutes should note that the resolution or nomination is seconded (if it is), the names of the person seconding the motion is not necessary. It is generally not advisable to attempt to record the discussion taken on a resolution as sometimes, unless minutes are very carefully made, the reasons reflected in the minutes may not be the reasons the resolution is ultimately adopted (or defeated). Since minutes are not privileged and may be

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subpoenaed, an attempt to detail the discussion may give a misleading impression of the meeting.

The minutes should reflect the outcome of the vote on the resolution or nomination. For annual meetings of members or in the case of secret ballot, it is not practicable or possible to recite the names of all persons voting in favor of and against the nomination or resolution, but the minutes should at least reflect the count for and against. For board or officer meetings, the minutes should reflect the vote, for or against, of each participant. Directors and officers should not be voting by secret ballot.

Finally, the minutes should reflect the **adjournment** of the meeting. The minutes should note the time of the adjournment and the reason: is the meeting adjourned because of the end of business or for another reason, such as the end of the period for which the meeting facility was rented? If it is to be continued, the chairman should state, before adjournment, the date, time, and place of the continuation of the meeting (or announce that notice will be forthcoming) and this announcement should be reflected in the minutes.

Can meetings be recorded? If so, can the recording serve as the minutes? Whether meetings can be recorded is up to the participants in the meeting or the governing documents; there are no laws expressly addressing the issue. Any recording made should be for the purpose of assisting the secretary in preparing the minutes of the meeting; the recording should not be taken as the minutes themselves. Once the minutes have been prepared, the recording and any notes taken should be destroyed lest they be mistaken for the minutes, which are the only official record.

The meeting is over and the minutes have been prepared; what next? The next step is to circulate the minutes to the participants for approval. In the case of a directors or officers meeting, the minutes can be mailed or delivered to the participants for review in advance of the next meeting; at the next meeting, the participants can approve or correct the minutes quickly. The approval, or approval with corrections, should be noted in the minutes of the next meeting. In the case of membership meetings, circulating minutes in advance of the next meeting may be expensive or burdensome; in that case, the minutes may be read at the next meeting and a resolution made to approve the minutes.

Once approved, the minutes should be placed with the association's other important records. Although one can buy fancy corporate minute books costing over \$100, a simple three-ring binder is usually sufficient. How long to keep minutes is problematic. A community association may take action on matters which have a long statute of limitations (e.g., the statute of limitations for interest in lands is 10 years and an association may approve an easement at a meeting). The author recommends that minutes be kept for not less than 10 years, and longer if space allows. The author represents some 30-plus year old projects which still have all minutes back to turnover of control from the developer.

Keeping minutes need not be an onerous task. An example of minutes that might have been taken at a typical community association board meeting, as well as a form for the secretary to use to take notes from which to prepare minutes accompany this article.

Meeting Minder

Date of Meeting: _____

Time of Meeting: _____

Board Members Present:

Board Members Absent:

Guests Present:

Quorum Present: ____ No / ____ Yes

Special Meeting? ____ No / ____ Yes

Objections to meeting: ____ No / ____ Yes: Person objecting: _____

Resolution 1: _____

Made by: _____ Seconded? ____ No / ____ Yes Passed? ____ No / ____ Yes

Voting in Favor: _____

Voting Against: _____

Resolution 2: _____

Made by: _____ Seconded? ____ No / ____ Yes Passed? ____ No / ____ Yes

Voting in Favor: _____

Voting Against: _____

Resolution 3: _____

Made by: _____ Seconded? ____ No / ____ Yes Passed? ____ No / ____ Yes

Voting in Favor: _____

Voting Against: _____