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PLLC

Integrity. Honesty. Tenacity.

Five Tips for Effective Property Management

or

All I Really Need to Know I Learned From Watching Star Wars™

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A long time ago, in a community association
far, far away...





- "Do or do not. There is no try."
- Yoda
- "I don't believe it."
- Luke
"That is why you fail."
- Yoda
- "I've got a bad feeling about this."
- Han Solo

Which Side Are You On?



Tip #1
Know and Follow Your Governing Documents and the Law.



"In a dark place we find ourselves,
and a little more knowledge lights
our way."

-Yoda

Tip #1
Follow Your Governing Documents and the Law.

- The Board of Directors must follow the association's governing documents.
 1. Articles of Incorporation
 2. Declaration
 3. Bylaws
 4. Rules and Regulations
- If the governing documents are unclear, then the Board should seek clarification and guidance from its Community Association Manager or an attorney before taking action.

Tip #1 Follow Your Governing Documents and the Law.

- The Board must also operate the association as specified by Federal and State laws.
 1. Minnesota Common Interest Ownership Act, Minn. Stat. § 515B
 2. Minnesota Nonprofit Corporation Act, Minn. Stat. § 317A
 3. Minnesota Human Rights Act, Minn. Stat. § 363A
 4. Fair Housing Act, 42 U.S.C. §§ 3601-3619
 5. Fair Debt Collection Practices Act. 15 U.S.C. §§ 1692-1692(p)
- The Association can be held liable for Board action that violates the law. Work with your Community Association Manager and attorney to navigate tricky legal issues.

Tip #2 Be Diligent.



"Your focus determines your reality."
-Qui-Gon Jinn

**Tip #2
Be Diligent.**



"You can waste time with your friends
when your chores are done."
- Uncle Owen

**Tip #2
Be Diligent**

- The Board's job is to operate the association for the benefit of all homeowners.
 1. Enforcing the association's Declaration, Bylaws and Rules and Regulations.
 2. Budgeting for the association's operation maintenance, and repair.
 3. Levying and collecting assessments from the homeowners.
 4. Keeping the property maintained and repaired.

Tip #2 Be Diligent

- If the Board doesn't diligently focus on its duties and responsibilities, then the reality is that the association and its members will suffer.
 1. Has the Board adopted a collection policy to deal with delinquent accounts? Does it actively enforce it?
 2. Is there enough money in the association's reserve account to pay for future capital improvement projects? Or is praying for a hailstorm part of its long-term repair and replacement plan?
 3. Is the property being maintained? Or are necessary repairs being neglected?
 4. Are the rules and regulations being enforced? Are all of the rules and regulations necessary?

Tip #3 Listen to, and Involve, Your Homeowners.



"Many of the truths we cling to depend greatly on our own point of view."

- Obi-Wan Kenobi

Tip #3

Listen to, and Involve, Your Homeowners.

- Lack of communication is the largest source of unrest in community associations.
- The Board has a duty to keep homeowners informed of material developments affecting the association.
 1. Pending capital improvement projects
 2. Pending assessment increases
 3. Pending special assessments
 4. Proposals to update or change the governing documents

Tip #3

Listen to, and Involve, Your Homeowners.

- Don't underestimate the value of listening! Sometimes people just need to know that their voice has been heard.
- Solicit different viewpoints from the homeowners. Govern with an eye towards consensus.
- There are many ways for the Board to involve the homeowners:
 1. Publish an association newsletter, and solicit content from the homeowners.
 2. Appoint committees to advise the Board, and fill them with homeowners.
 3. Hold open forums after board meetings so people have a chance to be heard.

Tip #4
Always Be Civil.



"Once you start down the dark path, forever
will it dominate your destiny. Consume you it
will."

- Yoda

Tip #4
Always Be Civil.

- The Board is ultimately accountable to the homeowners.
 1. Consider how the Board's actions (or inactions) might affect the overall health and well being of the Association.
 2. Consider how the Board's actions (or inactions) might affect the homeowners.
 3. Consider how the Board's actions might look to an outsider.

Tip #4 Always Be Civil.

- Recognize that being a board member is a thankless job, and accept that some people will not appreciate your time and hard work.
- Treat all homeowners with respect.
- Don't hold grudges.
- Don't make personal attacks, and ignore personal attacks made against you.



Tip #5 Remember: The Goal is Good Governance.



Is your lightsaber blue or red?

Tip #5**Remember: The Goal is Good Governance.**

- Make business decisions, not personal ones.
 1. Is the Board taking action that is consistent with its authority under the governing documents and the law?
 2. Is the Board taking action that is in the overall best interest of the Association?
 3. Is there a reasonable motivation and purpose behind the Board action?
 4. Is the Board taking action to single out or punish a select group of homeowners?

Tip #5**Remember: The Goal is Good Governance.**

- Establish and enforce rules and regulations fairly and equitably.
 1. The Board must set an example – if the Board doesn't obey the rules and regulations, then why should the homeowners?
 2. Consider repealing a rule if it is no longer accepted by the community. It is better to have no rule than an unenforced rule.
 3. When adopting new rules, put the community first. Before adopting a new rule, circulate it to the homeowners and listen to their feedback.
 4. Avoid "selective enforcement" of rules and regulations.
 5. Avoid using rules and regulations to punish.

Tip #5
Remember: The Goal is Good Governance.

- You have resources. Use them!
 1. Community Association Managers
 2. Contract Vendors
 - Landscape
 - Irrigation
 - Snow Removal
 - Tree Care
 3. Business Partners
 - Attorneys
 - Accountants
 - Engineers
 - Insurance Agents
 - Etc.



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BE WITH
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