



# Hawaiian Properties, Ltd.

Annual Seminar for Board Members

Tuesday, September 2, 2025

# Board Operations & Governance: Best Practices

John Morris





# Introduction

**Seminar Goal:** Help boards operate efficiently and collaboratively to fulfill their responsibilities to owners.

**Note:** Owners have primary responsibility for overseeing their boards of directors. Board of Directors often have to address operational issues when acting on behalf of those owners.


*INTRODUCTION*





# Interaction with Owners

Under Hawaii's condominium law, the owners are ultimately responsible for the operation and management of their condominium association and project.



*01*


Owners Rights to  
Participate in Board  
Meetings

*02*

Board Rights to  
Exclude Owners from  
Board Members

*03*

Effective Board  
Meetings



# 1) Owner's Rights to Participate in Board Meetings

**§514B -125 Board meetings.** (a) All meetings of the board, other than executive sessions, shall be open to all members of the association, and association members who are not on the board shall be permitted to participate in any deliberation or discussion, other than executive sessions, pursuant to owner participation rules adopted by the board.

- **Open Meetings** : All board meetings (except executive sessions) must be open to owners.
- **Participation Required:** Owners may speak or engage in discussion via board-defined rules.
- **Transparent Agendas** : Notices must contain a clear agenda of business items.
- **Faster Access to Minutes:** Unapproved final drafts of board meeting minutes available within 30 days after the board meeting.
- **Owner Participation Rules** : Rules adopted to allow individual association members to participate in meetings should not prevent the board from completing its agenda for the benefit of all association members.

## 2) Board Rights to Exclude Owners from Board Meetings

### Permissible Topics for Executive Sessions:

- Concerning personnel
- Concerning litigation
- Attorney–client privilege
- Contract or lease negotiations, and other commercial transactions

### General Nature Shall First Be Announced in Open Session

Section 421J-5 also allows HOA boards to move into executive session to discuss those types of issues, after notice to the owners present at the meeting.



# 3) Effective Board Meetings

- Prepare thoroughly.
- Familiarize with Robert's Rules.
- Attendance is restricted to officers, board members, owners of record, staff, and other individuals with an invite from the board.
- Use an agenda and stick to it.
- Complete board packets and should cover issues that will arise at board meetings.
- Read board packets PRIOR to the board meeting.
- Conduct in accordance to applicable laws, governing documents, board-adopted owner participation rules, and current Robert's Rules, in that order of priority.
- Adopt owner participation rules.
- Make decisions that's best for the entire association, not simply owners present at the board meeting.
- For small boards, may use informal meeting protocols under Robert's Rules.
- Record only official actions in minutes, not what was said at the meeting.



# Improving Board Operations

*01*

The  
Downside of  
Democracy

*02*

Relying On A  
Subjective, Not  
an Objective  
Standard for  
Decision-Making

*03*

Board Code  
of Conduct

*04*

Following  
Appropriate  
Decision-  
Making  
Procedures –  
Email And  
Written Consent

*05*

Board  
Committees

*06*

Board  
Discussions  
Outside of  
Board  
Meetings



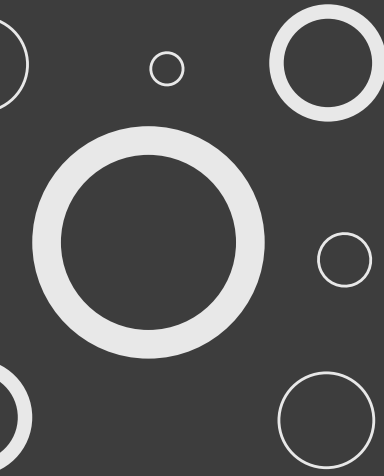
# 1) The Downside of Democracy

- Each board member has their own opinions.
- **Majority vote of a quorum = binding decision for entire board.**
- Problem: Outvoted members sometimes:
  - Refuse to accept decisions.
  - Repeatedly raise the issue in future meetings.
  - Attempt to undermine the majority's decision.
  - Inform owners and rally opposition to change the decision.
- **Key legal principle** : If the board's decision is reasonable, made in good faith, and within its discretion, all members should respect and uphold it.
- Undermining board decisions harms unity and governance effectiveness.





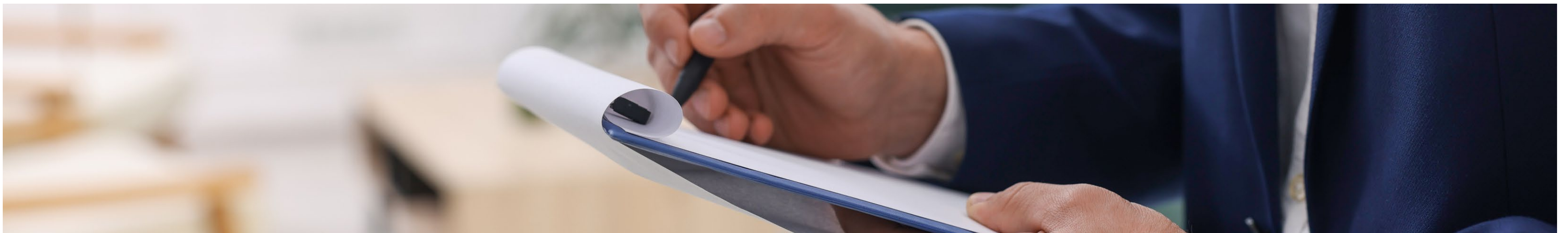
## 2) Relying On A Subjective, Not An Objective Standard For Decision-Making

- Everyone is entitled to their own opinion, but authority matters more than “best opinion.”
  - Board decisions should be based on an objective basis - i.e., the perspective of the “average man or woman on the street.”
  - Accommodating every individual opinion in a group of owners or board members can lead to chaos.
  - The majority board opinion is often the best way to proceed.
  - Boards may sometimes make wrong decisions, but the procedures followed for board action are often just as important.
  - Seeking and documenting expert advice before making complex decisions provides a clear record that it sought expert advice (and, ideally, followed that advice).
- 

### 3) Board Code of Conduct

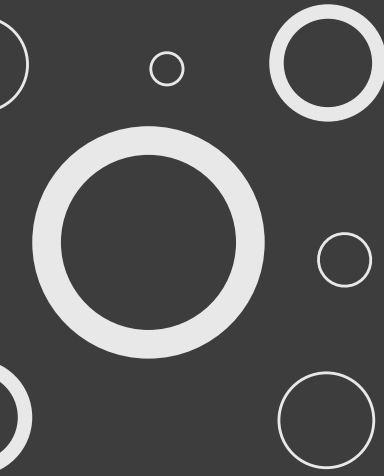
Adopting a code of conduct can help control problems by establishing standards of behavior for board members. It often begins with a statement such as:

***The Board of Directors deems it necessary and appropriate to establish a Code of Professional Ethics and Responsibilities which sets forth certain rules of conduct for use by the Board of Directors and Association Committees in carrying out their duties and responsibilities consistent with the governing documents and committee charters.***





## 4) Following Appropriate Decision-Making Procedures – Email And Written Consent

- **Nonprofit Corporations Law (Section 414D -144):** Allows board actions via unanimous written consent and signed by each director.
  - **Condominium Law:** Requires board decisions to occur at a meeting.
  - **Emergency Situations:** Email voting may be necessary but is not the recommended practice. Subsequent ratification at a properly noticed meeting can validate the action.
  - **Delegated Authority:** On relatively low-level decisions, most boards allow their president or their property manager to make decisions to resolve an issue (e.g., hire or consult someone or incur an expense) that arises between board meetings and requires a decision prior to the next board meeting, provided the actions are ratified at the next properly noticed and called board meeting.
  - **Best Practices:** Establish clear procedures for decision-making and the role of the board members or committee members (or others) in making those decisions.
- 

# 5) Board Committees

**Legal Framework:** Hawaii condominium law does not specifically authorize committees (nor even mention committees, except in section 514B-104(a)(14).

**Board Authority:** Condominium law assumes that the board of directors, not the committees, will operate and manage the project on behalf of the owners.

**Committee Role:** Committees can be created by the board to research issues and make recommendations to the board.

**Decision -Making:** Final decisions must be made by the board, not committees.

**Owner Participation:** The board can allow the owners to attend committee meetings and even appoint owners to committees. Nevertheless, the board does not clearly have to do so.

## 6) Board Discussions Outside of Board Meetings

### **“Sunshine” Law:**

- § 92-2.5 Permitted interactions of members. (a) Two members of a board may discuss between themselves matters relating to official board business to enable them to perform their duties faithfully, as long as no commitment to vote is made or sought and the two members do not constitute a quorum of their board.

### **Applicability**

- Some take the position that this type of restriction should also be applied to condominium or homeowner association boards. Nevertheless, chapter 92 is clear that it only applies to state and county boards.

### **Implications for Condominium Boards**

- As long as board decisions are made at board meetings and owners can attend board meetings to see those decisions being made, volunteer board members should not be prohibited from informally discussing association matters outside of a board meeting.

# 2025 Legislative Update



# **RADICAL TRANSPARENCY**

**Get off life-support and learn – or re-learn –  
how to thrive as a Board member and change the  
perceptions of your owners**

Julie Adamen, President  
Adamen Inc. c 2025 all rights reserved



# **Is it your imagination, or...**

- Is the job of a Board member harder than ever?
- Unfortunately, it is NOT your imagination
- More lawsuits filed than ever before
- People are nasty/uncouth/impolite
- Board members – no longer staying for more than 1 term
- Or, quit mid-term

## Pre-Covid



## Post-Covid



# What's wrong with everyone?

- The lasting effects of Covid = a great divider in our country
- PTSD
- Other mental health issues
- Trust in institutions is at an all-time low
- More people are living alone, up 30% since the 1960's
- Increased use of medication affects behavior
  - Alcohol, marijuana, prescription/non-prescription drugs
- You are NOT imagining it



**I'm outta here**

# Recent survey from frontdoor.com:

- 70% of American homeowners would prefer living in a community without an HOA, and 63% wouldn't recommend buying a home in one. Why?
  - **Money**: 35% say dues are unreasonable; 39% say they aren't used efficiently
  - **Rules**: 55% say their HOA enforces rules they disagree with; 34% think rules are enforced unfairly
  - **Communication**: 40% say the Board isn't responsive/has poor communication techniques; 22% say communication is either "poor" or "terrible"
- If 70% of residents prefer NOT to live in their HOA, where does that leave you?

# HOA Unhappiness: Soundbite

- Dues too high! Rules unfair! You're squandering our money!
- They are the source of 80% of your "people" problems, brought to you by 35% of your homeowners, who simply DO NOT TRUST YOU
- More trust = more community harmony
- There is only one way to mitigate rampant distrust:



# Radical, Intentional, Transparency

- OF EVERYTHING, but specifically...
  - Financials / Assessments
  - Rules, policies, guidelines
  - Better communications
- Perception is reality: Change their perception
- The only way to do that is by intention

# Financials: What to communicate?

- Survey: 63% say dues are excessive and make them want to leave – so get very specific with this information
- “Landscaping costs will increase by 20% this year due to labor shortages and energy prices”
- Energy costs: Est. monthly electricity in HI is \$359, CA is \$271\*
- Minimum hourly wage: \$14.00 hr.
- Closed system for labor

\*Realestatesnetwork.com

# Financial Communication: Above and beyond

- \*\* You know what's going on – they don't \*\*
- Hold face-to-face “chats”/ townhalls
- Use experts
- Explain rising costs; minimum wage increases, fuel costs
- Use resources to show labor costs, energy costs, etc.
- Insurance: Why so high (or, non-existent)?
- Have cost-control measures? Share
- Future planning: Explain the importance of reserves and proactive budgeting

# Rules and policies

- 1 in 6 homeowners surveyed have been fined for what they view as minor infractions; e.g., landscaping and vehicle issues
- More than 50% say their HOA enforces rules they disagree with
- 34% said their HOA isn't fair in rules enforcement
- 35% say their HOA is “restrictive” and “controlling”



# Create consistency in Rules +

- Review Rules/guidelines/policies/governing docs REGULARLY
- Also – Welcome packets, ARC forms, etc.
- Are they current?
- Are they clear?
- Do they still apply?
- Are they relevant?
- Are they redundant?
- Are we micromanaging?

# Simplify wherever you can: Example

- Original R&R: Noise. *Owners, tenants or guests will not use any sound equipment, musical instruments or any vehicle or other device that are audible to occupants of other Units. The only exception is security system alarms. Quiet hours are from 10:00 p.m. to 8:00 a.m. seven days a week. Please take extra care to keep the noise level down during this period.*
- After edit: Noise. Owners, tenants or guests will not create any noise or take any action that creates noise that disturbs the peace of the neighboring homes at any time.

# Why?

- Concise, common-sense rules and guidelines are far more likely to be followed
- The Board will be viewed as fair and competent (not micromanaging bureaucrats)
- Documents that scold residents (do this or else!), are lengthy, complicated or over-managing the owners only invite non-compliance, wherein much unhappiness resides for everyone
- Up-to-date, concise info creates Board credibility: The community is in “good hands.”



# **Radical Transparency: The BEST Board Meetings**

**Going from Good to GREAT**



# First: Why do people become Board members?

- Personality
- Certain traits and skill-sets
- Agenda
- Community notoriety
- ~~Too many cocktails~~
- No one else would do it
- Left the room and were voted in
- **A desire to do the right thing**
- **With that in mind...**



# **Hold productive meetings: What should take place?**

- Consider issues and make decisions having to do with:
  - The expenditure of funds;
  - Contracts;
  - Owner requests; and
  - Policies and procedures



# Meetings: What shouldn't take place?

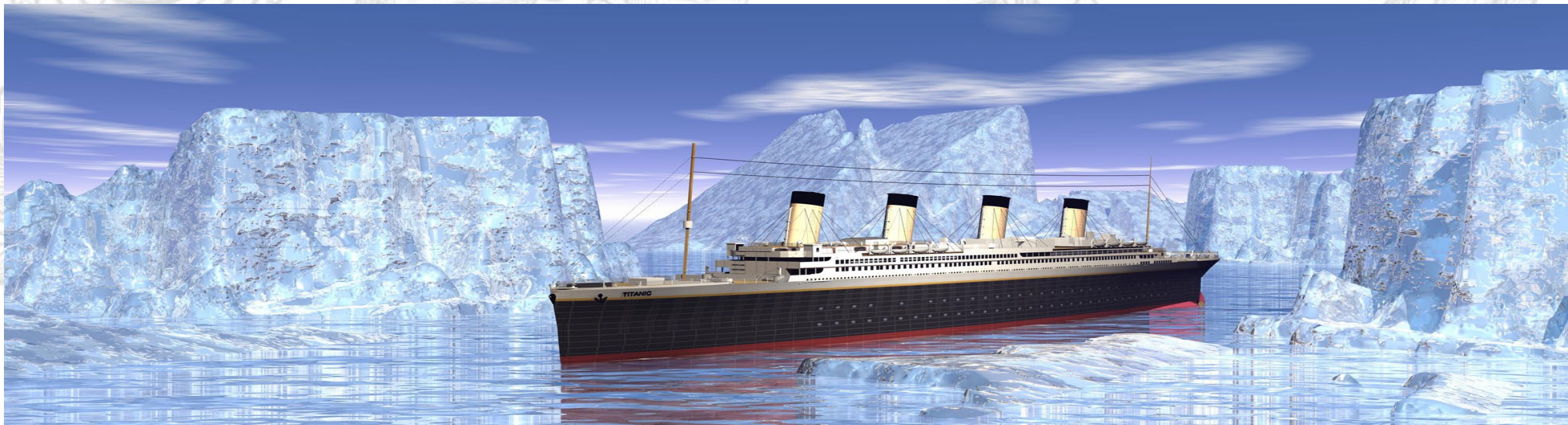
- Board meetings are for the business on the agenda – **ONLY**
- This way items can be dealt with in a **consistent, orderly fashion** which is:
  - Issue → agenda → time to review → discussion → decision  
→ direction!
- If there is **no decision**, the item ends up back on the agenda for the next meeting and it **doesn't get lost in the shuffle**

# More

- Read materials beforehand
- Be prepared to make decisions
- Stay on the agenda and out of the weeds
- Don't enable pontificators and philosophers
  - This means the entire Board
- The community is trusting you to be good stewards
- Why? Eventually you need new Board members!

# Stay focused on the **BIG PICTURE**

- The role of the Board is to preserve, protect, maintain and enhance the common elements (physical and financial) for current and future owners.
- Set clear policy for yourself and for staff
- Stay out of minutia, look at the BIG PICTURE – don't be intricately involved in the day-to-day business
- Your job is to **be on the observation deck looking for icebergs**, not in the engine room oiling the number 4 piston!



# Why?

- You **increase your workload** drastically and unnecessarily;
- The Board, acting as **judge and jury on every little item**, becomes a **highly charged political and emotional entity**; and...
- You'll have a **hard time** finding new Board members because the job is now **so unpleasant**
- Let's take a **moment to think about that**
- Back to our regularly scheduled programming...

# Mitigate liabilities

- Keep “rogue” members in check
  - A Board meeting is like any business meeting
- Don’t deny existence of physical liabilities
  - Yes, there should be lighting in the dark corner of the parking garage;
  - Yes, those roots are going to make someone trip and fall
- Use insured vendors or sub-contractors
- Use experts to help understand and mitigate against liabilities

# Base decisions on **LOGIC** and **REASON**

- Stay detached from emotion (theirs and yours)
- Don't be bullied in to making a decision
- Utilize expert input
- Promotes consistent decision-making
- Promotes Board credibility
- ***“Insufficient facts always invite danger.” – Mr. Spock***

*Star Trek, season 1, episode 24 (“Space Seed,” 1967)*



# Manage volunteers for success

- Seek good volunteers
- Put them where their experience will be most **productive and satisfying** for them and the community
- The CPA will probably be better on the Finance committee, not the Social committee
- Know volunteers work for satisfaction of participation, not a paycheck

*“You can study government and politics in school, but the best way to really understand the process is to volunteer your time.”*

*~Rob McKenna*

# Speak with one voice

- Disagree at a meeting, but once the vote is cast, move forward as a **team**
- Prevents undermining of Board authority and credibility
- Gives staff and volunteers clear direction (no 5-headed boss)
- Contentious community? A flaw in the armor will be exploited by those with adverse agendas

# Release agendas and *Move On*

- Members elected on a narrow agenda and discover they were wrong... (example?) can lead to...
- The “agenda vacuum” !!
- Bring them in to the process of the Board – fast and furious
- Plenty of other issues to focus on
- If the agenda vacuum and all that pent-up energy is left to fester... what can happen?

# Be Great Communicators

- **Consistent** communication
  - Regular newsletters, e-blasts, updated websites, well-noticed, open Board meetings
  - Even associations must compete in an instant information society
- **Relevant** communication
  - The Board is tuned to the information needs of the community



# **Radical Transparency: Communication**

**Making the best of “negative impact”  
information**



# Effective communications: Clarity, Brevity and Tone

- **Clarity** means the **intent of your communication** is clear to the reader and there is no confusion;
- **Brevity**, meaning **being brief or concise in communication**, means you are not filling that communication with issues that are **not relevant** to the matter at hand; and
- **Tone** reflects the **writer's attitude**, and is conveyed by your choice of words.

# Clarity: Say what you mean

- Clarity begins with the **subject of your communication** stated in the “subject” line of your email or “regarding” line (“Re:”) of your communication.
- Ensure that subject is **addressed immediately** in the correspondence, not in the middle of paragraph 5; and
- The reasoning thereof (the what, when and why) is given concisely

# Brevity: Be brief, and be done

- The majority of communication should be three to four paragraphs **at the most** with a beginning, middle, and an end, **emphasis on “end.”**
- Why?
- People have **very short attention spans.**
- If you send someone 7 paragraphs, it’s likely they will read only 1 or 2 and **skim or skip the rest.**

# Tone

- Many, if not most times, we have to send information that will have a **negative impact**, or a **perceived negative impact**, on the owners.
- The challenge is how to **make unpleasant news as pleasant as possible**.
- The answer to this puzzle is in **the tone, or attitude**, projected in your communications.

# **Tone: The scenario**

- \$3000 special assessment to repair the roof system
- Put yourself in their shoes: How would you feel? Mad? Distressed?
- Mitigate those feelings with communications of the right tone:
  - Reassuring
  - Empathetic
  - Sincere
- With the RIGHT information (so there are few questions)

# The reassuring tone:

- How and why the Board came to this decision;
  - What experts they relied on;
  - How many bids they received for the work;
  - How they vetted the chosen contractor; and
  - When work will commence
- Even though a resident will be unhappy about the assessment, they are more inclined to think the repair is needed, the community *is well-managed and in good hands*

**Dear Homeowner,**

As shared in recent communications and September's town hall meetings, our community must replace the clubhouse roof. Unfortunately, our reserve funds are insufficient to cover this cost along with other major projects expected in the next 3–5 years.

To address this, the Board has approved a **one-time special assessment of \$3,000 per unit**, due **January 1**. Payment plans will be available, with more details to follow. This special assessment is **in addition to your regular monthly assessment** and will be subject to the association's delinquency policy, which can be reviewed at **HOAwebsite.hoa**.

The Board engaged a certified roofing expert to inspect the roof, provide a report, and assist in evaluating bids from four contractors. After thorough review, the contract was awarded to **ABC Roofing** for **\$223,465**. Work is scheduled to begin **March 5** and should be completed by **March 22**. We'll provide updates on clubhouse availability as the project progresses.

We understand this special assessment may be challenging, but it is essential to protect and maintain our community's assets. We appreciate your understanding and support. If you have any questions, please don't hesitate to reach out.

Sincerely,

**Julie Adamen**

Community Association Manager, Adamen Management Inc.

julie@adamen-inc.com | 000.555.1212

# Rules communications

- ... Newsletters/e-blasts sent as reminders of community rules BUT!
- **The way those “reminders” are presented is crucial** in not only getting them to read it, but to comply without making them feel “scolded.”



## EXAMPLE 1

### REMINDER! CLEAN UP AFTER YOUR DOG!



The Board of Directors reminds everyone to **clean up after their dogs!**

We have had many complaints about dog excrement in the playground as well as on the walking trail from the playground to the clubhouse. Not picking up after your dog is **a violation of the Rules and Regulations of the Happy Acres Homeowners Association, and can result in the dog owner being fined up to \$100 per violation!**

**To avoid a fine, clean up after your dogs!**

.

## EXAMPLE 2

*Good news for dogs and the people they own!*



For the convenience of our dogs and the residents they own, the association has installed **3 convenient Pet Waste Stations along the walking trail from the clubhouse to the playground, and 1 near the playground area itself.** These stations have bags for waste and also have a can for the disposal of that waste, making all that walking and socializing more pleasant for everyone!

Dogs and the people they own love exercising in these areas and now they can do so free from “accidents”!

Thank you all in advance for using our new waste stations! Happy walking!

# Which would you prefer to receive?



The two messages are essentially the same (clean up the dog poop!);

Yet the **tone is completely different.**

One tone is threatening – Do this or else!

The other is not.

# Highlight the positives of your HOA

1. 66% of owners like an HOA for neighborhood appearance
  2. 47% like property value/higher resale value
  3. 41% like the security and safety
- Communicate with the above in mind
  - Highlight your rising property values
  - Point out great yards, popular amenities (pictures)
  - Interview a happy homeowner

# **Address the cognitive dissonance head-on**

- They like it, but they don't like paying for it (shocker!)
- Point it out: How much would it cost to maintain the amenities provided through the HOA in a single-family home?
- Give them the information needed in a way they can absorb it
- Be very active communicators
- Be intentional with the methods and frequency you communicate
- Always be mindful when communicating (in person, phone, email)
- Yes, right now it's harder than ever, but you CAN make it better!

© 1999 Randy Glasbergen.  
www.glasbergen.com



"Unless we receive the outstanding balance of your HOA dues within ten days, we will have no choice but to destroy your credit rating, ruin your reputation, and make you wish you were never born. If you have already sent the seven cents, please disregard this notice."

**This announcement limits our liability.**

**This program is not endorsed by anyone.**

**It is not politically correct.**

**Your comments are welcome, but I may not listen.**

**I could be wrong, but I don't think so.**

**Keep your humor and your wits about you.**

**I wouldn't belong to any club that would have me as a member.**

**Predict catastrophe no later than 10 years hence and no sooner than five years away – soon enough to terrify, but far enough off that people will forget if you are wrong.**

**I'd rather have a bottle in front of me than a frontal lobotomy.**

**One of the symptoms of an approaching breakdown is the belief that one's work is terribly important.**

**You may now un-silence your cell phones.**

**You are now free to move about the cabin.**

**Please place all candy wrappers, popcorn boxes and soda containers in the receptacles provided in the lobby ...**





# Hawaiian Properties, Ltd.

Annual Seminar for Board Members

Q&A