

CPSF Code of Conduct

February 25, 2019

No current guidelines exist for our board and committees - each of which are composed of very strong, intelligent people working with the best interest of the association in mind.

This healthy combination of diverse opinions makes for a stronger association because it makes the members think but, because of that diversity, current and future members may not always agree on what that “best interest” is for the association.

The board and committees also work very closely to accomplish the best for the association and these groups are usually together for years at a time. For that reason, it's especially important for the groups to work together cordially and respectfully.

With that in mind, a code of conduct could be a useful tool during those times members disagree and it's recommended the following code be adopted for CPSF:

1) Commit your time. If you agree to be a board member or committee member, make your service a priority. Expect to attend as many meetings as you can, and attend almost all of them.

2) Know the governing rules, the budget, and the common areas.

- Be well versed in the governing documents and prior minutes. Those documents are the foundation of the association
- Read all relevant materials before meetings and be prepared to discuss issues and make sound decisions
- Be very well versed in the association's budgetary requirements and restraints. Know such things as how much it costs to employ the property manager and landscaper

- Become an expert in the common area elements. Know the common areas physically. Know what it takes to maintain the landscaping, the entrance signs and lighting.

3) Remember the fiduciary duties. Recognize that board and committee members operate in a fiduciary capacity, which means they're each entrusted with the operation of the association and doing what's in the association's best interest.

Acting in the association's best interest means:

- Making decisions on the merits, not because someone has an ax to grind or a personal agenda
- Following the “business judgment rule,” which means:
 - Following reasonable process
 - Taking into account key relevant facts
 - Making decisions “in good faith”
 - “Good faith” requires acting without conflicts of interest and not turning a blind eye to issues for which the board or committee is responsible

Acting in the association's best interest also means NOT:

- Soliciting or accepting gifts, gratuities, or favors, especially those given with the intent of influencing a decision
- Seeking preferential treatment from other board members, committees, contractors, or suppliers
- Receiving compensation for serving on the board or committee
- Advancing a personal cause by using one's position on the board to enhance personal financial status through the use of particular contractors or suppliers.

4) Know the professionals providing service to the association. Be on a first-name basis with the manager, CPA, and attorney to feel comfortable calling for advice and support.

5) Always comply with the governing documents and relevant laws.

6) Use competitive bidding.

- The easiest way to avoid the appearance of impropriety in association contracts is to seek competitive bids for all projects over a certain amount as determined by the board

7) Work within the association's framework and refrain from unilateral action.

- Discuss board or committee business only at board meetings, not at ad hoc meetings
- Remember that the board or committee speaks with one voice. If there's a board decision you disagree with, once it's made, support it.

8) Always exhibit professional behavior.

- Treat constituents— homeowners, other board members and committee members —with respect and decency. If you have an issue with someone, resolve it privately with that individual
- Maintain open dialogue between the board or committee and association members
- Never harass association members, and refrain from defaming anyone in the community, including the property manager and attorney

9) Maintain confidentiality of association matters when it's appropriate.

- If the association is involved in litigation with an owner, board actions and decisions about the litigation are never discussed outside board meetings —ever

- Homeowner financial status is never discussed outside board meetings - ever

10) Promptly disclose conflicts of interest, and take immediate action when one arises. At a minimum, a possible conflict should be announced at the meeting, and then the individual leaves the room and does not take part in any discussion on the matter. Board minutes should note that the individual recused themselves from the discussion and that portion of the meeting.

Sources: Robert Galvin, a partner at Davis, Malm & D'Agostine PC in Boston who specializes in representing condos and co-ops; Luigi Rosabianca, the principal attorney at Rosabianca & Associates in New York City, who advises condo associations and co-ops; Elizabeth White, a shareholder and head of the community associations practice at the law firm of LeClairRyan in Williamsburg, Va.; Marc A. Silverman, an attorney at Frank, Weinberg & Black PL who advises associations.