

Current Meeting Protocol Guidelines

January 2014

This paper will describe the differences between open sessions, closed sessions and executive sessions. However, it is important to first understand what is required by law and what our Board currently allows. And it is important to understand that there is a difference between a Board meeting (just the directors) and a meeting of the Association (all property owners).

In terms of frequency of Association meetings and property owner involvement in Board meetings, minimum standards are set by the NC Planned Community Act. These can be augmented by requirements and standards within each community's Covenants and/or By-Laws. Other than Special Meetings of the Association, our Covenants and By-Laws do not address this issue and thus provide no additional standards. Instead, our Board has ratified Resolution #7 which enacts standards for meeting protocol. (More on that below.)

As for the minimum standards required by the Planned Community Act, there are only two.

First, it requires a meeting of the full Association (all property owners) on an annual basis. At that meeting, the owners are to consider ratification of the proposed budget. The budget is considered ratified unless over 50% of all property owners attend the meeting and vote against ratification. That sets an extremely high bar for disapproving any proposed budget; and arguably one that would be almost impossible to achieve. This effectively means that, unless there is overwhelming dissent, any proposed budget will be ratified at this annual meeting.

A Special Meeting of the Association can be called at any time either by the Board or by at least 5% of all property owners.

Second, the Act requires that, "at regular intervals", property owners can attend Board meetings and address the directors about their issues and concerns. The POA's attorney has said that a reasonable definition of "regular intervals" is quarterly. Other than that, there is no legal requirement for Board meetings to be open to property owners.

Again, those two points above outline just the minimum standards required by law; not our policies. According to our POA's current policies and resolutions, our standards for Board meetings are as follows:

- Current policies allow for all Board meetings to be open unless the directors vote to go into a Closed Session or Executive Session (which will be defined below).
- In addition, the Board sets aside time at the beginning of every meeting to allow property owners to address the directors. Speakers are allowed up to three minutes, and the maximum number of speakers at any one meeting is five.

What follows is a brief summary of the types of meeting sessions that can be used by our Board.

Meeting Protocol

Keeping in mind the minimum standards required by law (which effectively do not require open meetings), there are currently three types of sessions in which the Board can meet. They are outlined here: [Resolution #7](#). But here is a brief summary and definition of each.

Open Sessions:

Residents can attend and listen but cannot speak unless invited to do so. Minutes are taken and then distributed to Board members for approval after the meeting. Usually these minutes are approved at the next meeting and then become part of the official record. Residents can read the minutes only after being officially approved.

Closed Sessions:

Only Board members and invited parties can attend these sessions. They are convened by a majority vote of directors for any reason but without necessarily stating the reason. I realize that sounds contradictory, but that appears to be the essence of the language used in Resolution #7. The resolution says that the desire to have a “free an open discussion” is sufficient reason to convene a Closed Session. But it does not require the nature of the discussion to be disclosed.

Anything can be discussed and any action can be taken during a Closed Session. Motions can be made, discussed and voted upon in a Closed Session.

Minutes noting all matters brought before the Board are to be taken during the Closed Session just as they would be during an Open Session. This will result in one set of official minutes for both sessions. Again, these are available to residents only after being approved by the Board; which is usually after the next meeting.

Executive Sessions:

These are convened by a majority vote of all directors, and the reason for the session must be stated for the record. The reasons should concern issues where public discussion could violate confidentiality, compromise the negotiating position of the Board or cause harm or embarrassment to the POA or another party.

No minutes are to be taken during Executive Sessions, but no actions can be taken either. For any action to be taken, the Board must reconvene in Open Session, make the motion and vote accordingly. That allows the action to be included in the official minutes.