

The Dream TeamBoards and Managers Working Together

BY CHRISTY SMITH-SLOMAN [2014 OCTOBERBOARD OPERATIONS](#)



The “Dream Team” label is often used to describe a perfect combination of highly-skilled people drawn together for a particular purpose. The 1992 U.S. mens' Olympic basketball team is probably the most famous example, but 'dream teams' have included everything from legal defense attorneys to diplomatic missions.

Teamwork

Like Pippin, Jordan, & Co., boards and their management professionals also work as a unit, collaborating to carry out the administrative duties and make the decisions that keep their communities humming along from day to day. If this partnership works well, the synergy between a management pro and volunteer board also has the makings of a dream team, keeping the condo or HOA community solvent, cohesive, and valuable.

In an ideal world, building or HOA boards and their managing agents or property managers do work as a team, collaborating to carry out the administrative duties and make the decisions that keep their communities running from day to day.

Management contracts typically spell out the manager's role in the process in general terms, but there's often more to a truly effective board/management partnership than what's just on paper. There are lots of ways boards can more actively partner with their manager to improve not only their building or HOA's bottom line, but community cohesiveness and quality of life as well.

Clarify Roles

Much has been written about the respective roles of the managing agent and those of a board member, but it is easy to blur those lines. In order to minimize the potential for future conflict or confusion, a good first step is to put those expectations in writing. Only by having clear, concise written policy and procedures can the board expect the management company to effectively carry out their rules and regulations.

"My position is that the managing agent manages the building and we the board oversee and deal with the broader issues," says Dan Elman, president of a co-op board in Turtle Bay on Manhattan's East Side. "For example, we are in the midst of an elevator cab renovation. Bigger and broader issues are where the board has to be involved, but day-to-day management of the building, that's left to the managing agent. You have to know who is responsible for what in order to avoid any confusion."

"The role of a property manager is to run the day-to-day operations of the property. If they have a staff, they should oversee the staff to make sure they are doing their roles properly. If there are repairs that are needed, it's the property managers' role to find contractors and to get the best prices for quality work. You should always try to save the building money, but you want to get the work done properly," says Jeffrey Stillman, vice president of Stillman Management Inc. in Mamaroneck.

"From an operational perspective, property managers should make sure that the building is operating within its budget. Managers should also inform the board of cash positions of the property, and know what the arrears are. The roles of board members are distinctly defined in the bylaws of the corporation but I find that a lot of times, board members don't even look to see what their roles are."

Successful Partnerships

As we've said, the managing agent and the board of directors are a team, working together to operate the building in the most efficient, painless way possible. Like any team, the players must rely on one another and know what the other needs in order to work effectively. When this happens, both manager and residents reap the awards of a successful partnership.

"I think the board has to let the managing agent do its job," says Elman. "I don't believe in getting too involved or micro-managing the managing agent. They have the expertise. They know what they are doing, presumably, and board members shouldn't get in their way. The board has to look at the operation of the building from a boards' point of view and not a personal one because of who they are and what they do in respect to their own apartment and what's in their best interests. We've had pretty good success— obviously there are different personalities you have to deal with—but if people understand that personal issues shouldn't come before building issues, it doesn't become much of a problem."

"It's important for board members and property managers to communicate effectively," adds Stillman. "They should know each others' roles and should be able to listen to suggestions and constructive criticism on both sides."

Jay Cohen, vice president and director of operations for A. Michael Tyler Realty Corp. in New York City agrees with Stillman on the importance of communication.

"I think the most important aspect in order to maintain a good relationship between boards and the property manager is open and constant communication," he says. "Each week we send our boards updates on issues we are working on within the building. When we go to board meetings we will assign certain tasks. Instead of keeping quiet the entire month and then reporting to the board at monthly meetings we keep them updated weekly on issues that may affect them and the shareholders. We also keep our boards in the loop with everything critical going on within the building. I think that our board members appreciate the fact that we keep them informed about what's going on in the building so they are not broadsided by people in the building saying stuff like 'Did you know the elevator shut down yesterday?'"

Things to Avoid

When opposition and strife occurs—and it will, even in the most harmonious of communities—it's important, vital even, to have an in-house policy for handling conflict. It's never a good idea to let unhappiness fester under the surface and remain unresolved. There are other things to avoid in order to have a harmonious board/manager relationship.

"The board has to get out of the way of the managing agent and let them do his or her job and keep personal issues out of the relationship," says Elman. "Luckily I haven't seen a lot of problems, and I've been on the board for 11 years. Though I haven't seen it personally, I would foresee that there could be problems if there's a board member or

officer who wants to think of him or herself as the managing agent. I make a point with our board not to get involved with individual shareholder issues to leave all of that to the managing agent—but the managing agent has to be on top of that. The managing agent must be professional.”

“From a property managers’ perspective—it’s not a good idea to defend contractors when the board doesn’t like their work. You have to know when to comment and when to leave it alone,” says Stillman.

By the same token, “Board members should avoid over-communicating and sending too many emails,” Stillman adds. “For example, a topic will come up and I’m cc’d on an email with the board members so I get all of the back-and-forth. The manager should be taken off those emails, and at the end of the day when they make the decision—then one person should be communicating it back [to management].”

“I learned many years ago to not take things personally,” says Cohen. “Once you get emotionally involved, that’s when things go awry. We try to keep business and pleasure separated. We are friendly with our board members of course, but we are not buddy-buddy. We will go out socially every once in a while, but we don’t play golf with them every weekend. It’s a very light friendship.”

When things become too entangled and the relationship between board and management sours, it negatively impacts the community in a number of ways. “You’ll have maintenance not getting performed, and the building will deteriorate,” warns Stillman. “You’ll also have the possibility of unit owners not getting along because sometimes you’ll have complaints from shareholders about another unit owner. A board has to be able to make decisions quickly and effectively. And if they don’t, that process is dysfunctional and the building is going to suffer.”

"If I had to summarize it I would just say that each board member and the managing agent should be confident that they know their roles and who is responsible for what," says Elman. "You develop a history, you develop a history in decision making and you have an overall harmonious situation where the shareholders are comfortable with the board, the board is comfortable with one another and the board members are comfortable with the managing agent."

At the end of the day, board members and managers should look at themselves as a team, working for the advancement of the building. And they should also have a clear understanding of their roles and a resolution for conflicts when, and if they should arise.

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