

ASSOCIATION MEETINGS



Understanding homeowner association meetings



A homeowners' association (HOA) must hold regular meetings of its board of directors and unit owners as set forth in its governing documents. Additionally, the State of Nevada mandates certain minimum requirements.

How often must our board meet?

At minimum, the board of directors (“the board”) must meet **at least once per quarter and not less than once every 100 days**. At least two meetings per year must be held outside standard business hours (9-5, M-F).

What is the unit owners' meeting?

A unit owners' meeting is one in which the owners directly discuss and vote on agenda items. Board members may attend, but only as unit owners. **A unit owners' meeting must be held at least once per year**. Two events must be conducted annually by the unit owners: **elections** and **budget ratifications**. Neither requires a quorum.



State of Nevada
Department of Business and Industry
Real Estate Division
Ombudsman for Owners in Common-Interest
Communities and Condominium Hotels
2501 East Sahara Avenue Suite 202
Las Vegas, Nevada 89104-4137
Or
1179 Fairview Drive, Suite E
Carson City, Nevada 89701
Statewide toll free: 877-829-9907
Telephone: 702-486-4480 (Southern Nevada)
775-687-4280 (Northern Nevada)
Facsimile: 702-486-4520
www.red.nv.gov
CICCOmbudsman@red.nv.gov

What else can be on the agenda?

Any HOA business, such as vendor bids, safety issues, committee reports, landscaping or social events, can be on the agenda.

If an owner wants to present a matter as an agenda item, he or she may write to the board and/or community manager. In addition, if the owner writes to the board alleging that it has violated NRS 116 or the governing documents, the board must acknowledge receipt of this allegation within 10 days and notify the homeowner of the right to make a written request to place the subject on the agenda of the next board meeting.

What is “executive session?”

It is the closed portion of a board meeting. The board must meet privately for certain matters:

- Consult an attorney on proposed or pending litigation.
- Discuss the character, alleged misconduct, competence, or health of a community manager, or HOA employee.
- Discuss governing document violations, including failure to pay assessments.
- Discuss construction schedules and construction penalties of unit owners.
- Hold hearings on alleged CC&R violations (unless the person charged with a violation requests otherwise).
- Deliberate after the hearings to make decisions on alleged violations.

Any matter discussed in executive session must be noted generally in the minutes. Names of those accused of violations cannot be revealed. A person subject to a violation hearing is entitled to a copy of any decision.

For updates and more information, please visit our Web site at: www.red.nv.gov

What is a ratification meeting?

Associations must pass a new budget each year. The ratification meeting is where owners discuss the proposed budget, and then vote for or against it. Each year, the board must send a copy of its proposed budget, or a summary of it and information on how to obtain a full copy, to all unit owners, then schedule a unit owners' meeting to consider ratification.

The budget information must be sent within 60 days after the meeting in which the board adopted the budget **and** not less than 30 days and not more than 60 days before the beginning of the HOA's fiscal year.

The ratification meeting must occur not less than 14 days and not more than 30 days after summaries are sent. Unless a majority (or larger percentage stated in the governing documents) of **all** unit owners rejects the proposed budget, it is ratified. If rejected, the previous budget remains in effect.

What else can be done at a unit owners' meeting?

The association may convene a special unit owners' meeting for special considerations, such as an election to remove a director or to amend the bylaws or covenants, conditions and restrictions (CC&Rs). A meeting may be called by the president, majority of the board, or 10% of unit owners (or a lower percentage if allowed by governing documents).

What are the notice requirements?

Board meetings: Notice must be provided to each owner at least 10 days in advance. The notice must state meeting time, date and place, and indicate when and where before the meeting an owner may view the agenda.

Unit owners' meetings:

Notice must be provided no less than 15 days nor more than 60 days in advance. Unlike in board meetings, notice must include the agenda and must indicate that the owner may obtain a copy of the minutes upon request and may speak during the meeting.

How may notice be provided?

Unless an owner designates an address or email in writing, the association may send notice of a board or unit owners' meeting via:

- U.S. Postal Service; **or**
- Email; **or**
- Newsletter or a similar publication sent to all unit owners; **or**
- Hand delivery, either to the unit owner or the unit; **or**
- Any other means reasonably calculated to provide notice to the owner.

What if it's an emergency?

In an emergency, a board may meet without fulfilling notice and agenda requirements. Such a meeting is legal only when an event:

- Could not have been reasonably foreseen;
- Affects HOA's health, safety, or welfare;
- Requires immediate attention and possible action by the board; **and**
- Makes it impracticable to fulfill notice or agenda requirements.

Even in an emergency, the association should offer notice to the extent possible. If mailing is impracticable, the association may post notice in a prominent place or hand-deliver to units.

What's required at board meetings?

- A quorum of directors is always required.

- All board meetings must be audio-recorded and minutes must be taken.
- In addition, owners may audio-record meetings, too, but must announce doing so.
- Owners must be offered two opportunities to speak: one at the beginning, limited to agenda items, and one afterward, open to all association affairs. The association may impose reasonable time limits upon speakers.
- All meetings must follow some type of parliamentary procedures, which should be found in the governing documents.
- Any director who may gain personal profit (or a close family member) from a vote before the board must disclose the fact and abstain from voting. A director may not contract with the HOA for goods, services or financing.

What must board meetings cover?

Each meeting must follow its agenda, which generally includes sections of old and new business. The board may not discuss subjects not listed on the agenda. Each agenda item should clearly indicate "action items" on which the board may take a vote.

At least once per quarter and not less than every 100 days, the board shall review:

- Current year-to-date financial statement.
- Current year-to-date schedule of revenues and expenses for operating and reserve accounts, compared with their budgets.
- Current reconciliation of the operating account.
- Current reconciliation of the reserve account.
- The most recent account statements from the financial institutions in which the HOA's accounts are maintained.

At least once per year, the board shall review the reserves and adopt an operating budget.