

# minuteTakers

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## **BEST PRACTICES**

### **Taking Professional Condominium Meeting Minutes *How Does 'Best Practices' Apply to Your Condominium Minutes?***

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Over the past 25+ years of taking minutes, I have happily observed a definite shift among condominium professionals and their Boards of Directors toward a desire for good governance and best practices in the business of managing and overseeing condominium corporations. This has taken the form of formal training and professional 'RCM' designations for property managers, a move toward mandatory education of condominium directors, and the rise of specialized expertise in the various sectors involved with condominiums, including legal, financial and accounting, construction/trades, mechanical, interior décor, and of course, professional meeting minutes.

### **Defining 'best practice'**

According to Wikipedia, 'best practice' is a business buzzword that is often used to describe the process of developing and following a standard way of doing things that multiple organizations can use to maintain quality, as an alternative to mandatory legislated standards. A key strategic talent required when applying best practice to organizations is the ability to balance the unique qualities of an organization with the practices that it has in common with others.

Investopedia describes 'best practice' as a set of guidelines, ethics or ideas that represent the most efficient or prudent course of action, while The Best Practice Network maintains that best practices are often exemplary behaviours modeled into processes. Conceptually, best practices are ethical, legal, fair, replicable, and applicable to anyone within an organization; they are "Best Practices" because their implementation aims at improving an organization's performance through additional accountability, compliance, transparency and risk control.

So, how does 'best practices' apply to condominium meeting minutes? Let us consider the What, Why, Who and How, and go from there ...

### **What are Minutes?**

There is significant inconsistency in people's understanding of what minutes in fact are intended to be. The Free Legal Dictionary defines meeting minutes as the written record of an official proceeding; the notes recounting the transactions occurring at a meeting or official proceeding; a record kept by courts and corporations for future reference. The term 'Minutes' is derived from a Latin term that essentially means, 'small record'. Minutes as a corporate record are merely to consist of a brief, concise summary of the business transacted by the Board as a whole and the decisions taken by the collective group. Detail is limited to a brief summary of the issue(s) under discussion and the outcome thereof (i.e. Motion/decision or Action/direction). The information to be included is merely to describe how the Board as a whole reasonably came to reasonable decisions.

It should always be kept in mind that minutes are considered to be legal documents by auditors, tax authorities and the courts and represent the actions of the Board. They should never become political in nature or present the various positions/agendas of the individual members. In short, minutes are not a blow-by-blow, verbatim or 'he said, she said' account of everything said at the meeting.

## Why Take Minutes?

Again, there is a lack of understanding of what meeting minutes are intended for. Minutes are produced as a legal record for the purpose of documenting the decisions that are made by the collective Board/Committee on behalf of the organization. Professional, unbiased and non-political minutes do not reflect the micro-detail format that so often gets Boards into trouble when certain individuals view those types of minutes or when they hit the courts. It is also important to have a proper understanding of what minutes, as a corporate record, should not consist of. They are not intended to describe all of the details surrounding a topic of discussion or to document who voted how. (Passed motions should simply state, 'Motion carried'). The minutes are not intended to be used as a management 'tracking tool'. (Managers and meeting attendees should take their own notes in order to follow up on actions for which they are responsible.) The minutes are not intended to be used as a communication vehicle. (Information to owners and residents should ideally be disseminated via newsletters, meeting summaries, communiqués and the like. Section 55 of the Condominium Act, 1998 has specific guidelines for viewing of minutes by authorized parties, including unit-owners.)

## Who Should Take Your Minutes?

Is it prudent to ask a volunteer residing in your condominium to take the minutes? How about an acquaintance of one of the directors on the Board? Or the property manager? Or, as many people believe, should the job go to the Board Secretary? Most importantly, do any of these approaches fit with 'best practice'? Consider this: Minute-taking is somewhat of an 'art' and is a special expertise in its own right. In many cases, non-professionals have an improper understanding of the importance of the minutes as an official record of their organization. In-house staff or volunteer directors often are not sufficiently cognizant of the type of information to be included in minutes and do not have the specific skills that are required to produce proper minutes. Further, anyone taking minutes cannot properly participate in discussions. And it's nearly impossible to 'fire' a volunteer! From a best practices and good governance standpoint, there is significant value in utilizing professional expertise for this very important function. Here are just a few reasons:

- A trained minute-taker understands what should/shouldn't go into minutes.
- A professional minute-taker follows best practice protocols to ensure transparency in documenting amendments that are made to minutes. (We have seen the entire gamut of attempts to 'tamper' with minutes, to 're-write history', unnecessary changes to reflect someone's personal editorial preferences or desire for added, extraneous detail, etc.)
- Someone external to the organization is beneficial for reasons of confidentiality. An independent minute-taking company generally requires all of its minute-takers to sign a confidentiality agreement as a matter of course.
- Using an outside, impartial professional minute-taking service reduces the potential for bias and prejudice.
- A professional minute-taker understands how and when to document sensitive information and to maintain the necessary privacy. (Believe me, the less detail, the better!)
- Using an outside service will ensure coverage no matter whether sickness or other personal circumstances cause the staff or Board member to be absent from the meeting.

- Hiring a third-party professional minute-taking service to take and produce the meeting minutes frees up valuable time that would otherwise be spent by the volunteer director or staff member.

In short, professional minute-takers are a third perspective in a Board room as a neutral party and a team player in conjunction with the Board and management team, who can subtly provide direction and focus at meetings and be a positive influence on a Board.

### **How Can You Help Your Minute-Taker?**

All too often a minute-taker faces the unhappy challenge of trying to figure out what needs to go into the minutes, while working 'blind' without sufficient documentation, lack of background information, poor or non-existent meeting structure, and volatile interpersonal dynamics and conflicts.

First of all, it is important to respect your minute-taker as part of the team of expertise that helps you oversee your corporation. The minute-taker is a trained professional, not just a fly on your wall! And secondly, proper preparation by all parties is a key component, starting with a management report that contains the relevant background information and recommendations to assist the Board in coming to an appropriate and prudent decision, and pre-meeting preparation by the individual directors to familiarize themselves with the information necessary to make those decisions.

From a practical standpoint, here are some best practice measures you can take to ensure quality minutes:

- Ensure that the minute-taker is supplied with all of the meeting materials that are provided to the other meeting attendees. Ideally, the meeting agenda and management report should be sent several days before the meeting, to allow time for advance preparation. The remaining material, i.e. copies of quotes, correspondence, reports and other information, should be provided to the minute taker upon arrival. This is crucial for ensuring that motions are complete and accurate and contain all of the details required by the auditor who conducts the year-end financial audit. An informed minute-taker is your best minute-taker!
- Remember that the minute-taker is trained to focus on the issue and the outcome. Detail is paired down to include only what is relevant to the outcome (to provide appropriate context) or to outline any concerns to be followed up. The minutes are not supposed to be a 're-hash' of the management report!
- When a set of prior minutes is presented for approval, the focus should be on whether those minutes represent a valid record of the decisions that were made by the Board at that particular meeting. The Board should agree by majority consensus on any amendments that are deemed necessary to ensure the accuracy of the minutes as a record of the business that was transacted by the Board at that meeting, which are then documented in the minutes of the meeting at which such approval took place (to evidence transparency and proper authorization of the changes that were agreed to).
- The Chair of the meeting should ensure that the Board stays on task and that discussions are focused on the decisions that need to be made. A decision should be clearly reiterated

so that everyone, including the minute-taker, is clear on the final outcome. If a decision cannot be made within a reasonable timeframe, the discussion should focus on what further action is required in order to allow the Board to come to an appropriate decision. This too should be clearly summarized, so that the minute-taker can document what action is to be taken, and who is responsible for carrying out that action.

- Remember that the minute-taker is not privy to 'behind the scene' discussions and/or decisions that may have taken place between meetings. The minute-taker should be provided with the details of such decisions, and motions should be passed at the meeting to formally ratify such decisions so they can be properly documented as part of the official record. The auditor is not interested in reading your emails; he/she relies on your minutes!
- Allow your minute-taker freedom to ask for clarification. Often in such cases, there may be another person in the room who is also unclear on what the final decision was! A well-run meeting with a clear summary of the outcome of each discussion will go a long way to ensure that the minutes are accurate.
- At the end of each meeting, the date and time of the next meeting should be clearly stipulated. In this way, there is a greater likelihood that the same minute-taker will be available for your next meeting, and has the added benefit of providing notice of the next meeting to absent Board members. To enhance continuity, it would be preferable if the minute-taking company is provided with a schedule of meetings in advance, so they can attempt to book the same person as far as possible.

Hopefully, these insights from a minute-taker's perspective will help to ensure that the minutes of your condominium meetings provide a proper record of the decisions that were made by the Board of Directors on the Corporation's behalf!