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MAHC MESSENGER

James M. Knight
Editor-In-Chief



MIDWEST ASSOCIATION OF HOUSING COOPERATIVES

PO BOX 185
ROMULUS, MI 48174-0185
Phone: (734) 955-9516
Fax: (734) 955-9518
E-mail: CarolynMAHC@aol.com

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It is the Mission of the Midwest Association of Housing Cooperatives to support and champion the cause of quality housing through education, legislative action, partnership and advocacy for housing cooperatives.

TAKE THE BORING OUT OF BOARD MEETINGS

By BARBARA WIRTZ

REPRINTED WITH PERMISSION OF THE COOPERATIVE BUSINESS JOURNAL

It's a board meeting day. You're expected to participate in discussions or give an update about a new initiative or some committee work.

What kind of thoughts run through your mind? "Wow. This is going to be a great day!" "I can't wait to tell them all about the task force results." "Board meetings make my day."

Or is your thinking more like this: "Oh no, another board meeting." "I hope we can get a decision." "I wonder if we'll get anything done this time."

What kind of thoughts run through your board members' minds? "I can hardly wait to get to that board meeting." "Our meetings are always so interesting and dynamic."

Or do the board members think: "These board meetings are so dull — I wish we didn't have so many of them." "I hope we don't just rehash the same old stuff again." "I wonder who's going to drone on this time."

Board meetings should be enjoyable, thought-provoking, and productive. But they often end up dull, boring, and tedious. If your experience is that board meetings are slow moving

and not engaging, it's time to do something about it.

Board meetings are your opportunity to influence thinking, convey insights, prompt change, and create results. But you can't do any of these things if your ideas are poorly focused, your delivery is monotone, and your listeners tune out.

When you speak at a board meeting, whether as the presenter or as a participant, follow three guidelines: simplify, exemplify, and energize.

Simplify

A common problem is board meetings is that people express ideas in a complex, round-about way that makes their train of thought hard to follow. Simplify your ideas and express them in a clear, straightforward way if you want others to listen

to what you have to say. Complex explanations, long-winded justifications, or beat-around-the-bush dissertations do nothing to engage others in your thinking. If you tell people everything, they remember nothing; if you give too much detail, they miss the main point.

(Continued on page 2)

**When you speak at
a board meeting,
whether as the
presenter or as a
participant, follow
three guidelines:**

**Simplify,
Exemplify, and
Energize.**

(Continued from page 1)

All board meetings have limited time and lots to discuss. Cut to the chase. Reduce the complex and lengthy to the simple and concise. In most cases, less is better. People can always ask questions. Or you can make additional points through dialogue.

You can't stimulate thinking unless others hear what you're saying and see you as credible. By following five guidelines, you'll be able to express yourself well and encourage others to listen: Be clear and direct, use conversational language, use pronouns, speak in short sentences, and itemize your points.

Exemplify

Exemplify means doing more than just spouting facts and opinions. It means making your ideas come to life by selling — not telling. The more you illustrate your ideas, the more others will understand your point of view and enjoy hearing it. There are five ways to bring complex or dry ideas to life: vivid words, stories, personal experience, analogies, and similes.

Vivid words bring pictures to mind. How many people know what a gravitationally completely collapsed object is? Not many. How many know what a Black Hole is? Just about everyone. They mean the same thing, but no one paid much attention until the

gravitationally completely collapsed object became a Black Hole.

The facts didn't change; people's attitude and interest in them did. Pay attention to the words you use. Instead of "the interest in that program declined significantly last year," try "our members' interest in that program took a nose dive last year."

Stories make concepts, ideas, and evidence come alive. They give faces and action to facts and figures. Personal experiences are part of you. You have emotions and memories around them, they

before they become big ones."

Similes are similar to analogies. They create word pictures and conjure up images. We are a visual society. Whatever you can do to create images in listeners' minds will help them get your point. Similes usually use the word "like" or "as." Instead of "it is the responsibility of the executive director to identify strategic actions that will direct the organization through these difficult times," try "the executive director in a crisis is like the captain of a ship navigating through a storm."



Energize

The best content can lose its effectiveness because of a poor delivery. Put energy behind your words and show enthusiasm so others will see that you believe in what you're saying. Six communication

tools are at your disposal: voice, word choice, facial expression, eye contact, humor, and attitude. Leverage these.

Make your voice an advantage by adding inflection and speaking loudly in the proper tone. Choose short, conversational words. Maintain eye contact and pay attention to facial expression. Use humor in a lighthearted, appropriate way. Display an attitude of openness, helpfulness, are meaningful to you, and the details are easier to remember. Not only can they demonstrate your experience and expertise in an indirect way, they can reveal your personality, values, and skills. Analogies compare something commonly understood with something more complex and difficult to understand. Instead of "maintaining quality is essential to the long term stability of this organization," try "maintaining quality is similar to maintaining a home. Check major systems regularly and fix small problems

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(Continued on page 3)

(Continued from page 2)

and professionalism.

Everyone has these tools at their disposal; use them wisely. It's not just what you say, it's how you say it. People often surmise your level of commitment from your energy, enthusiasm, and excitement when expressing your point of view. Even when others disagree with your message, expressing it well can get you respect through effective delivery.

Conclusion

Stating things as simply as possible, using language to paint mind pictures, and expressing yourself with energy will make your board meetings more interesting and productive. Do your part to take the boring out of board meetings.

Barbara Wirtz is a conference speaker, retreat facilitator, and corporate trainer. This article was adapted from her seminar "Taking the Boring Out of Board Meetings." She can be reached at (541) 344-8213 or bwirtz@wirtzconsulting.com.

DIRECTORS AND OFFICERS LIABILITY

By WENDY LIGHT, CIC

Congratulations! You've volunteered and have now been elected to your housing cooperative's Board of Directors. Your civic duties will be rewarding but could be a source of unforeseen liability. Disgruntled shareholders in your cooperative may not be appreciative of your efforts and decisions while on the board or acting as an individual officer.

Most likely, your housing cooperative has a Directors and Officers Liability policy in force. Directors and Officers Liability coverage may also be referred to as:

- Habitational Association Directors and Officers Liability
- Condominium or Homeowners Association Wrongful Acts Coverage
- Executive Protection Coverage or Community Association Liability

The purpose of Directors and Officers Liability is to defend the current or former board members against claims or suits of:

- Breach of Duty
- Neglect
- Misstatements
- Actual or Alleged Errors
- Misleading statements, acts or omissions

Directors and Officers insurance does not cover damages for bodily injury or property damage. Besides providing for defense, the Directors and Officers policy should provide for both monetary compensation and non-monetary damages.

Some examples of the potential for claims under the Directors and Officers Liability could be from decisions concerning:

- Interpretations of the By-Laws and Covenants
- Pet Policies
- Security Policies
- Responsibility for building repair and maintenance
- Assessments
- Fund Maintenance
- Failure to maintain property values

Since there is not a standard Directors and Officers policy in use today, coverage will vary between insurance carriers. Some policies will combine the Directors and Officers Liability with Employment Practices Liability and/or Fiduciary Liability. This type of policy can be extremely beneficial in a crossover claim that involves more than one type of coverage.

As with any insurance policy, the conditions and exclusions of each policy should be carefully reviewed. Your Insurance Agent and Property Manager can help your Board decide what coverages, policies and insurance carrier suits your housing cooperative best.

Wendy Light, CIC is an Agent with Smith Peabody Stiles Insurance Agency, Fenton, MI 48430



FINDING AND ELECTING GOOD DIRECTORS

BY ROBERT CROPP

REPRINTED WITH PERMISSION OF THE COOPERATIVE BUSINESS JOURNAL

Central to the success of any cooperative is a board of directors that represents all the members. The board is also responsible for the co-op's long-term future. This makes it vital that directors be free from conflicts—personal, financial or other.

The board is also responsible for the co-op's long-term future. This makes it vital that directors be free from conflicts—personal, financial or other.

The board balances the needs of the membership with the co-op's long-term goals. It is responsible for bringing value to the cooperative and its membership.

Some cooperatives struggle with the nominating process and finding qualified candidates. Just finding individuals willing to serve can be a challenge.

Nominating Committees

The bylaws should spell out how board members are nominated and elected. A nominating committee is preferable to simply taking nominations from the floor at the annual meeting. Nominating candidates from the floor is not likely to acquire the most qualified individuals.

The bylaws typically state who may serve on the nominating committee: current or past board members, co-op members, or a combination of members and directors.

Nominating committee

members should know directors' roles and responsibilities. A written job description is useful. It can be forwarded to individuals interested in running for the board.

Preferably, two candidates should be nominated for each open position. That way, members can choose who they deem best qualified to represent their interests.

The nominating committee should tell candidates of their roles

The board balances the needs of the membership with the Co-op's long-term goals. It is responsible for bringing value to the cooperative and its membership.

and responsibilities, and the time commitment required.

Individuals should not be "arm twisted" to accept nomination. Look for those who have both strong personal and business characteristics.

A good director should:

- Have integrity and good character

- Be able to resist pressure from special interests
- Be able to work with people, to express ideas clearly, and to ask good questions
- Possess a good formal or informal educational background
- Be progressive and loyal
- Be constructive and energetic

Business characteristics may include:

- Success in managing personal business
- Knowledge of the co-op's business environment and industry
- An active interest in the cooperative's affairs
- Ability to organize and make decisions
- Knowledge of finance and the ability to read financial reports

The board should also reflect the composition of the membership, taking into account factors like age, size of business, and location.

If the membership is dispersed over a wide area, it may be divided into districts, with one or more delegates, who cast ballots for directors at the annual meeting.

Once individuals agree to be on the ballot, their backgrounds should be made available to the membership. The document also should highlight why candidates want to serve.

(Continued on page 5)

(Continued from page 4)

Voting & Board Size

Electing qualified directors is an important member responsibility.

Most cooperatives have a one member-one vote policy. Large cooperatives have membership districts and a few states allow proportional voting based on the amount of business done with the cooperative.

Most state laws require a minimum board size. Wisconsin, for example, requires at least five directors, unless there are fewer than 50 members. Then the board can have as few as three members. The most common board size is seven.

The number of board members generally increases as a co-op expands. Some large cooperatives have 35 or more board members. The critical question is not the size

but whether the board represents the membership.

How long should a director serve? While there is no right answer, term lengths average between one to three years, with three being most common. Directors need about a year to



become acquainted with the cooperative's business, so a one-year term may be too short.

Some cooperatives impose an age limit, such as 65, or limit the number of terms a director can serve so that other qualified members can serve.

Most states restrict board seats to co-op members, but an increasing number of cooperatives have outside directors as advisors.

As businesses become more complex, it is harder for boards to capture the expertise to manage the cooperative. Outside directors, either as advisers or voting members, help fill the gap.

Robert Cropp is interim director at the University of Wisconsin Center for Cooperatives at the University of Wisconsin-Madison.

WHERE IS YOUR PHOTO?



Northlake Hills
Dayton, OH



Mayflower Townhouses Coop
Plymouth, MI



Ash Street Cooperative
Park Forest, IL

Show off your cooperative!

Submit your photos in digital format to MAHC. Contact Rich Berendson if you have any questions ?

THE PRESIDENT SPEAKS

BY WILLIAM MAGEE, PRESIDENT OF THE BOARD OF DIRECTORS

As volunteer leaders we are an integral part of the game plan of our Association, helping it to grow and providing an objective sounding board for the implementation of the association's agenda to move ahead. In realizing the extent of leverage, it is incumbent on us to use our consensus building skills to help the association reach its goals and objectives. Indeed, the growth of an association is directly proportionate to the collective strength, willingness and ability of its board-the volunteer leaders who truly set the wheels of change in motion.

Our leadership is essential to the success of our associations. But the climate in which we volunteer has changed dramatically in ways we didn't anticipate. There are far more demands for our attention, while time has become an ever more rare and precious commodity for all of us. We are all necessarily more discrimination in our choices for volunteerism, selecting organizations that offer real work that has tangible value to both the volunteer leadership and the association.

The importance of volunteer leaders, the added value we offer associations, and our inclusion in the work that is accomplished by the association is covered at length. Engaging the resources of

volunteers is the practical acknowledgement that we listen differently, perhaps even more objectively, to the strategic endeavors of our association and can, therefore, articulate the connection between the association's wide-ranging work and its ambitions.

Our leadership is essential to the success of our associations.

I believe the hardest and best work we do as volunteers is to provide the highest level of leader to the organization we serve. To achieve that, we must fortify our commitment of time and energy to those organizations that rely upon our validation and experience by doing all that we can to understand our leadership roles and responsibilities and to use the tools available to use to help our associations envision and move towards their futures.

When we merge volunteerism with that of successful and achieving the goals, the voice becomes one, resounding with credibility and legitimacy, thereby driving home the power of association.

MAHC RESOURCES AVAILABLE FOR SALE

Serving on the Board Of Directors

New Board Member Training Manual

"Where am I?" is frequently the first question asked by a new Board member in any housing cooperative. Regrettably, many of our new Board members have little experience either in housing cooperatives or in organizational administration. Soon they are awash in a sea of details and responsibilities without any clear picture of the overall role of the individual Board member.

This training manual, and the course it accompanies, are designed for one purpose only: to give the new, or prospective, Board member an overall framework for understanding their role by its nature and tint constraints, it is not intended as a substitute for the many specialized "nuts and bolts" seminars and training workshops offered by the Midwest Association and other cooperative organizations.

Cost \$15

PROTECT YOURSELF FROM PHISHING SCAMS

BY GERALD THOMAS



What is phishing (fish' ing)? Phishing is a type of fraud designed to steal your identity, it is the act of sending an e-mail to a user falsely claiming to be an established legitimate business in an attempt to scam the user into surrendering private information that will be used for identity theft. In phishing scams, scam artists try to get you to disclose valuable personal information by convincing you to provide it under false pretenses. For example; an e-mail directs the user to visit a web site where they are asked to update personal information, such as passwords and credit card, social security, and bank account numbers, which the legitimate organization already has.

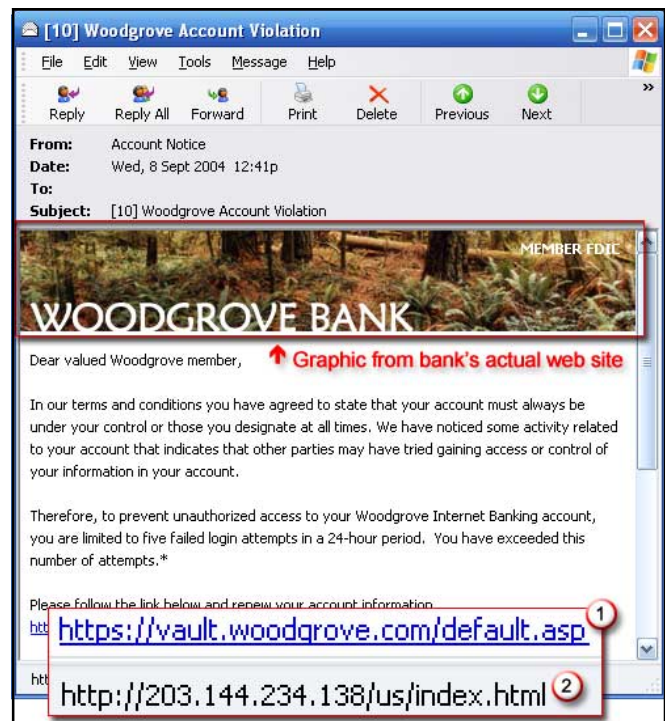
Phishing e-mails claim to be from a trusted financial institution or online service however, it is bogus and set up only to steal the user's information. For example, 2003 saw the proliferation of a phishing scam in which users received e-mails supposedly from eBay claiming that the user's account was about to be suspended unless he clicked on the provided link and updated the credit card information that the genuine eBay already had.

Because it is relatively simple to make a web site look like a legitimate organization's website, the scam counted on people being tricked into thinking they were actually being contacted by eBay and were subsequently going to eBay's site to update their account information. By spamming large groups of people, the "phisher" counted on the e-mail being read by a percentage of people who actually had listed credit card numbers with eBay legitimately.

The faster you contact the proper authorities, the more likely you are to minimize the damage a scammer can do to your identity, your credit, and your bank account. If you think you've been the victim of fraud or a scam, immediately follow these steps:

1. Contact the genuine company or organization.
 - a. If you believe you've given sensitive information to an unknown source masquerading as that real company or organization. If you contact the real company immediately, they might be able to lessen the damage to you and others.

2. Place a fraud alert on your credit reports. In the United States, you can contact these three credit bureaus:
 - a. Equifax 800/525.6285
 - b. Experian 888/397.3792
 - c. TransUnion 800/680.7289
3. File a report with your local police department.
 - a. Get a copy of the police report to notify your bank, credit card company, and other creditors that you are a victim of a crime, not



Example of a phishing e-mail message, including a deceptive URL address linking to a scam Web site.

a credit abuser.

The bottom line is you owe it to yourself to protect against identity theft and scam artists to insure that you will not become a victim.

LETTER FROM THE EDITOR

Everybody I have talked to about the upcoming annual MAHC Conference being held this year in Jacksonville, Florida has expressed a great deal of enthusiasm and excitement about being in one of Florida's most beautiful cities, especially since the weather promises to be perfect for the occasion and may I add, just in time for those of us who are suffering from a large dose of "cabin fever" at this particular time, due to the harsh weather we have all suffered through this winter. I know that I am looking forward to being there and hope that I will be seeing you there, as well.

For those of you who do not know that much about the Jacksonville area, the downtown area (which is the location of the Hyatt Regency Riverfront Hotel) is overlooking the St. John's River (the only river in the country which runs from south to north) and runs parallel to the Atlantic ocean, some 5 miles east of the downtown area. On an historical note, one could drive a short 20 miles, or so south, on U. S. Highway A1A (between I-95 and the ocean) to St. Augustine, Florida the oldest town in America, which is the renowned location of the Spanish Fort which was overtaken from the Spanish Navy by the U.S., during the Spanish-American war. This very old fort, which was built by the French and then was overtaken by Spain prior to the war is open for visitation by the public and is considered a national shrine. It is a major attraction and is visited by literally thousands of tourists each year. Believe me, it is really worth the time and the small cost involved to add this attraction to your list of things to do, especially if you are inclined to be a history buff, as I am.

I might also add that Jacksonville is the home of the Jacksonville Naval Air Station and has a large contingent of naval ships, aircraft, submarines and Coast Guard vessels stationed there as their home port. Also, for those of you who are ardent golfers, there are more than 40 golf courses in the general area, all of them awaiting your foursome. The hotel can take care of your golfing needs as well as to supply the necessary information as to greens fees, starting times and course locations, etc.

I hope that all of you have filled out and sent in your

registration materials to the MAHC office by this time, along with your registration fees, as we would like to have a "good" count of members who will be in attendance by not later than April 15th if at all possible.

The Jacksonville conference promises to be one of our best in recent years and on the educational side, the workshops will be outstanding in bringing the membership up to date on the latest things going on in the "Cooperative" world in which we all live. As usual, the MAHC board's goal is to bring about a setting in which we can give you the latest important information and training necessary for you to do your work easier and better, regardless of your role at your individual cooperative, and at the same time make it possible for you to enjoy a relaxing period, in a pleasing and restful atmosphere which



Fort Matanzas National Monument is located in historic St. Augustine, Florida. The park is located on Hwy A1A, fourteen miles south of downtown St. Augustine, the oldest continually occupied European settlement in the continental United States.

will result in a positive experience for you and your fellow cooperators. If we do not succeed in this goal, speaking for the entire MAHC board, we will not feel that we have fulfilled our obligation to you as officers and directors of MAHC. Therefore, after the conference, if you do not feel that these obligations to you as members has been met, to the fullest extent, I hope that you will let us know so that we might make the necessary changes and/or improvements in the future.

Looking forward to seeing you in Jacksonville on May 21 thru May 24th, 2006.

Yours in the Cooperative spirit,

James M. Knight

James M. Knight
Member MAHC Board and Editor

MAHC CONFERENCE FEATURED EVENT

One of the featured events at this year's conference will be a free casino evening cruise on a 600 passenger ocean going ship. This cruise is for each MAHC member who is a paid delegate to the conference. The cost of unregistered and unpaid guests, but who are associated in some way with the MAHC organization for this conference, will be \$25.00 and must be paid in advance. The cruise will begin at 7 p.m. (sharp) and the boat is expected to return to dock around 12 a.m. Look for more information about this exciting casino cruise in additional information you will receive from the MAHC office in the next few weeks.

In connection with the boat cruise, it will be absolutely necessary for all of you who are interested in taking advantage of this exciting event, to observe the following requirements, which must be observed and adhered to, without exception:

1. Individual registration for the boat cruise must be in the hands of authorized MAHC registration personnel at the conference desk (in the hotel) not later than 11:30 a.m. on Monday, May 22, 2006, so that an accurate count of persons who will be on board can be given to the cruise company.
2. All persons wishing to board the cruise ship will be required to have in his or her possession, a minimum of one (1) item of official picture ID, which will have to be shown to boat personnel at the actual time of boarding. Any person or persons not able to produce a picture ID will not be allowed to go on board the vessel for any reason.
3. All persons wishing to board the gambling cruise boat must be at least 18 years of age, which proof of age must be verifiable by the picture ID requirement, as outlined above.

Please be advised that there cannot be any exceptions made in adherence to the above requirements, as these requirements are dictated to us by the cruise company and therefore we have no control over them. Also, we are advised that the age requirement is in connection with the state laws of the state of Florida and the picture ID requirement is mandated by one of the Federal Agencies which has jurisdiction over travel on public transportation such as airlines and the like. Therefore, please do ask MAHC personnel to make any exceptions in rules 1, 2 and 3 above, as they will not be able to accommodate you.

JOIN US FOR THE SUN CRUZ CASINO CRUISE



Monday, May 22, 2006

7:00 PM to Midnight

**Entertainment
Live Band
Dancing
Free Buffet dinner**

Buy \$10.00 in slot tokens and receive an extra \$5.00 in tokens **free,
*one time only.***



Just a Reminder:

A two day Registered Cooperative Manager Program (RCM) Class is available on
May 20-21, 2006

The class is from 8:30AM-5PM on both days

- Provides training for the specific skills you need to be an outstanding cooperative housing manager
 - The program reviews the structure and business of housing cooperatives from their formation to their management
- Offers insights on the important role of governance in the success of housing cooperatives
 - The program will consist of three courses: (History, Ethics, and Business) with course exams, followed by a final exam.

The RCM program offered is \$340.00 for Members and \$450.00 for Non Members



Just a Glance of the Annual Conference

"Lighting Your Way " May 21-24, 2006

Saturday May 20

- RCM
- Sunday May 21**
- RCM
- New Board Members Training
- Registration Opens
- Welcome Reception

Monday May 22

- Registration
- Opening Session
- Morning Workshops
- Awards Luncheon
- Sun Cruz Cruise

Tuesday May 23

- Morning Workshops
- Lunch(on your own)
- Afternoon Workshops
- State Caucus Meeting

Wednesday May 24

- Morning Workshops
- Annual Luncheon
- Annual Meeting

Thursday May 25

- Home

Points of interest in Jacksonville

Jacksonville Landings (Entertainment & Shopping)
Alltel Stadium (Home of the XXXIX Superbowl)
47 world -class golf courses
Jacksonville Symphony Orchestra
Jacksonville Museum of Science and History
San Marco shopping and restaurant district
Times Union Center for the performing Arts
Florida Theatre
World Golf Hall of Fame
Jacksonville Zoo
Historic St. Augustine
Cummer Museum of Art
Eco-tourism
Greyhound Racing
Adventure Landing Water Park



Workshops

- Advance Leadership I
- Advance Leadership II(Strategic Planning)
- After the Pay off
- Enhanced Board Basics
- By-law Amendments
- Committee Charges
- Communications
- Coop Law
- Deregulation of Utilities
- Drug Free Housing
- Doctor's In
- Effective Board Meeting
- Emergency Planning (Is your cooperative ready?)
- Ethics and Policies
- How to write Grants for your Co-op
- Insurance C.Y.A
- The "Fish" theory of Marketing
- Marketing with Attitude
- Member Selection Orientation
- Style & Substance (Newsletters that Get Attention)
- On Cue
- Six Degrees of Separation

*Thank you for sending in your registrations promptly
Sincerely,
MAHC and Staff*

LIGHTING YOUR WAY IN THE SUNSHINE STATE

MAY 21—24, 2006

Hyatt Regency Riverfront Hotel

225 East Coast Line Drive

Jacksonville, Florida 32202

Tel: 904.588.1234



MIDWEST ASSOCIATION OF
HOUSING COOPERATIVES
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INSIDE THIS ISSUE:

Take the Boring Out of Board Meetings	1
Directors & Officers Liability	3
Finding and Electing Good Directors	4
The President Speaks	6
Protect Yourself from Phishing Scams	7
Letter from the Editor	8
MAHC Conference Featured Event	9
RCM Reminder	10
Glance of Annual Conference	11