

It's Time for a "Special Meeting"

David C. Hartwell, Esq.

Kathleen A. Penland, Esq.

Penland & Hartwell, LLC

Every once in a while, unit owners decide to become actively involved in the affairs of their association. More often than not, this happens when the Board is seeking to substantially increase the budget or undertake projects that result in the maintenance, repair or replacement of the common elements. To express their opposition or obtain additional information, unit owners will seek to convene a "special meeting" for the purposes of persuading the Board to reconsider its decision. Like almost every other facet of association life, this issue is governed by the Illinois Condominium Property Act ("ICPA") and the association's declaration and bylaws.

Unit owners who are spearheading a cause and wish to convene a special meeting are often unclear of the procedure that they and the Board must follow. The ICPA is clear on this matter. At least 20% of the total unit ownership must sign a petition that requests a meeting and states the purpose of the meeting. The owners must deliver the petition to the Board, and the Board must send a notice of a special meeting and schedule the meeting within 30 days following delivery of the petition. The notice of the meeting must state the purpose, time, date and location of the meeting and must be sent to owners at least 10, but not more than 30 days, prior to the date of the meeting.

If it is a matter on which owners can vote, a proxy must be included with the notice. Though owners may call a special meeting at any time, it is extremely important for owners to note that their right to vote on certain issues, such as rejection of a special assessment, is strictly limited by the ICPA. In addition, it is important for the petitioners to be certain that each person who signs the petition is actually a unit owner. A spouse, roommate, relative or friend whose name is not on the title to the unit cannot sign the petition. Unless the rules are strictly followed, the Board is not obligated to call a meeting.

In petitioning for a special meeting, unit owners often do not understand that their ability to overturn the decisions of the Board is limited. For example, calling a meeting does not authorize owners to vote on issues such as terminating an employee, rehiring an employee, approving contracts or changing the color of paint in the lobby. At the meeting, the owners may express their opinions but the meeting itself does not expand the authority of the owners to vote on an issue that would otherwise be a Board decision.

The president of the association presides over all meetings of the unit owners, including special meetings that are called in response to the petition of the unit owners. If he cannot attend the meeting, the vice president presides over the meeting. Minutes are recorded by the secretary. Though a meeting may be held when a quorum of the Board is not present, a quorum of the unit owners, which is usually 20% of the total unit ownership, must be present in person or by proxy. If a quorum of the unit owners fails to convene, the Board is not obligated to reschedule the meeting. If a special meeting is properly convened and owners vote on an issue on which they are entitled to vote, this vote has a binding effect on the Board.

For example, Section 18(a)(8) of the ICPA permits unit owners to reject a special assessment under certain conditions. If the assessment is properly rejected, the Board cannot proceed with the assessment or the project that it will fund. The Board can, however, propose a revised assessment which may, or may not, be subject to rejection by the owners. When there is a possibility that the owners may call for a special meeting to reject an assessment, Boards should not enter into contracts with outside vendors until the time for rejection of an assessment has expired.

Special meetings are an effective tool if used properly by unit owners. The meeting should be held to yield a more harmonious long-term outcome for the community and not as a forum for personal attacks. As part of the checks and balance system, the meetings can facilitate communication by providing owners with a forum to discuss an issue in a business-like manner.

This article provides general information. Owners must carefully review their declaration and the ICPA and verify all statements before forging ahead with a petition or responding to a petition for a special meeting.