

HABITAT

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How to Conduct the Annual Meeting Virtually

Habitat spoke with Tom Smith, a partner at the law firm Smith Buss & Jacobs, about the logistics of holding annual co-op and condo meetings on Zoom. His firm has developed a protocol for conducting virtual annual meetings, and you can find it [here](#).

Habitat: Who should be considering Zoom meetings, and who shouldn't?

Smith: A Zoom meeting works well for buildings with 100 or fewer shareholders. We haven't had the opportunity yet to try it for larger buildings, or a building with a hotly contested election with a dissident slate looking to gain control of a board. In that case, a board should get a consensus on the Zoom protocols so that neither side could claim that they were prejudiced by that alternative forum.

Habitat: What's different when you conduct the meeting online?

Smith: To a large degree the difference lies in encouraging shareholders to vote by the proxy/ballot that is distributed as part of the process. For that reason, it's important to set the sequence of events properly.

First is the Notice of Annual Meeting, which you can email to those whose email addresses are known, mail the form to all other owners, and post it in the building. The Notice should inform owners that the meeting will be online only, and direct everyone to provide email addresses to management. It should also include instructions on how to join the Zoom meeting, using a computer, tablet or telephone - so no one is excluded.

The Notice says that all nominations should be submitted by a specific date, and that a second notice will be sent with a proxy/ballot that lists the candidates. This second notice is usually sent fourteen days before the annual meeting.

Habitat: How do shareholders actually vote?

Smith: When you hold virtual annual meetings, you really want to streamline the process. We ask owners to submit their proxy/ballots by email, fax, overnight courier or regular mail before the meeting. If they can't, or choose not to, shareholders vote during the meeting by raising their hand, submitting their vote in Zoom's chat room, or texting their vote to the number we've provided at the meeting.

Habitat: Your protocol recommends a practice session. How does that work?

Smith: The practice session, which we usually run a week before the annual meeting, helps people get familiar with the functions and comfortable in the Zoom environment so that when there comes an opportunity for them to ask questions or make comments, they're not going to be camera shy.

Another important potential function for the practice session is in circumstances where there's more on the agenda than just the election of board members. At one co-op, I had been working on an amendment to the proprietary lease. Normally we might've had an information session at the building to go through it.

So, the practice session gives the opportunity, in advance of the actual meeting, to discuss that and to fill people in on it. Also, it could be used as a candidate's forum.

Habitat: How many people from your firm are involved in running the meeting?

Smith: Myself and my partner, Eric Blaha, generally team up. And the reason is that there are functions in Zoom that take some coordination. So, if I'm focusing on the content of the meeting, it's easier to have a second person who is focusing on when to mute everybody, when to unmute individuals, monitor the chat function, receive texts, etc.

As in the case of an in-person annual meeting, people raise their hands to be recognized, and if you are participating with the video on Zoom, we can see that. If you're not participating, we give you the second person's text number and you can send a text to them identifying yourself and asking to be recognized.

We also generally encourage people to submit their questions in advance. The agenda and the running of the meeting is the same as it would be if it's in person.

Habitat: Do you think, once we're past this pandemic, that many co-ops and condos will want to continue with Zoom annual meetings?

Smith: I think it's possible. One board had had difficulty achieving a quorum in prior years, and this time, because of the convenience of a Zoom meeting, their attendance levels were higher than ever in their history.