

Belden Woods Fall Newsletter

Save the Date: Bob and Gay Olsen have generously offered to host the Belden Woods **Holiday Open House on December 7th at 4PM.** Please join us.

HOA Board Meeting Minutes October 2, 2019

Meeting commenced at 6:09PM at Dennis Sizemore's house.

In attendance: Bob Olsen, Dennis Sizemore, Brian Taylor, Jenny Schneider,

Main order of business was to discuss the scope of our insurance coverage with our attorney, Steve Moriarty, and Nationwide Insurance provider, Gary Beverage, both of whom are extremely knowledgeable in Virginia HOA laws.

Points of discussion:

- A change in state HOA laws: As long as a homeowner is in good standing they can "opt-in" to get notices about meetings and records from our past meetings via email only. If homeowners do not specifically opt-in to getting these emails, then all records must be mailed USPS.
- They left hard copies of updated VA HOA Code book, which took affect 10/1/19. They are available at the request of any resident.
- Our covenants say nothing about insurance requirements.
- There is concern that if we don't worry about risk in advance, "it's not a case of if it happens, its when it happens."
- HOA legal suits drop home values because it creates a bad reputation for the neighborhood and should be avoided.
- We learned that there 5 types of insurance common to HOAs:
 - General Liability (this is the only type we have right now)
 - Director and Officer (D&O) Liability
 - The insurance rep. advised that Director and Officer Policies would protect the membership. These policies would cost around \$1100/ year.
 - We were advised by the insurance rep that 80% of claims filed against HOAs are against actions taken by the Board or Board members. VA Code indemnifies Board members who are elected by the membership from lawsuits. Any suits would be considered against the entire membership. Any legal fees or judgments resulting from this type of suit would be bourne by the entire membership.
 - Workman's Comp--which we feel is unnecessary.

- We will require contractors doing grass cutting and leaf pick up to provide certificates of insurance to protect us from Workman's Comp claims.
 - Commercial Auto—also not necessary since the Board members do not travel outside the community on our business.
 - Commercial Crime/Fidelity
 - Section 55.1- 1827 of the new HOA Code requires HOAs to have a blanket Fidelity Bond or Employee Dishonesty Policy. We need to get a Fidelity package because it is state mandated. We are in violation of state law right now because we don't have it.
 - The insurance rep advised this is covered by Commercial Crime policies and that his firm would charge \$164/ year.
- The cost of defense is high. We rent our common areas from Windy Gap. If Windy Gap hasn't paid their insurance up-to-date, and someone is injured in a common area, are we covered? No. But we would still need to defend, which is costly. Windy Gap would be sued as the primary but we would be sued as the secondary.
 - We need to check Windy Gap's coverage regarding common areas and request to be named as insured.
 - We should meet with Mike from Windy Gap Mountain Village annually to go over things like this.
- Board Discussion:
 - Bob—We have no real common area and the state maintains road. Windy Gap is responsible for common areas and storm water management. Our covenants are so vague that it opens us up to dissatisfaction amongst homeowners and possible litigation. We are required to have Commercial Crime policy and, while unlikely, we have been advised by the attorney that it would irresponsible to not have the D&O policy. The Board will immediately take actions to acquire these policies for the first year and pay out of current reserve, as this was a non-budgeted expense. We should get some quotes for the above policies and move quickly to procure. We need to notify the 2 contractors we use that no work may continue without the submittal of a Certificate of Insurance.
 - Dennis—Fidelity coverage is necessary to be in state compliance. Board members cannot be sued but the board can be, and any associated fees or judgments would be passed onto membership if we do not have D&O coverage. D&O will protect all residents.
 - We can discuss at the open house what we are going to do and notify residents by mail. It is open for challenge. It is a priority because we have been underinsured for years.
 - Brian—We can use the money from the reserve fund for this year's increase in insurance coverage. At our open house and possibly at the next annual meeting, we will need to agree how to add this to our budget—either by cutting some of our current expenses (\$8000 for yearly mowing is our biggest expense, the next is rent to Windy Gap for common

area use) or by raising our annual assessments to cover the added insurance costs.

- Any resident with concerns regarding the increase in insurance has the right to call for a special meeting.
- We need to take action for this year, but it will be in next year's budget as a line item.

➤ Architectural Committee

- Bob: Mid-February a large oak 15 feet from his home needs to come out. It is diseased and is threatening his house.
- Dennis said we are lucky to have some tree protection in our covenants to maintain the wooded look of our neighborhood
- Status of Schneider/Duri house. Work is moving forward. Latest estimate from builder is end of year. Front of house will be built out first to give semblance of a finished home from the road.

➤ Cable/Internet

- Verizon temporary wires were removed and cables were laid last week. We can never expect more than 3MG...
- Shentel is hopefully coming our way as promised to Franklin County officials.

Meeting adjourned 8:15PM