

## MINUTES – EXECUTIVE COUNCIL MEETING – AUGUST 18, 2005

The meeting was held at the Kent County Office Building. There were 56 residents in attendance.

### Members in Attendance:

Richard Maly	Lois Abendroth	Frank Flynn	Bob Lockwood
Harvey Lowing	Marge Dyer	Dave Fry	

Richard Maly introduced our special guest – Chris White, Esq., recently appointed as Executive Director of the Community Legal Aid Society of Delaware.

A motion to accept the minutes of the May and June Executive Council meetings was made, seconded and unanimously approved.

### Treasurer's Report

Total revenue collected to date	= \$2,005.00	
Expenditures to date	<u>- 674.16</u>	- 89.00 (Incorporation Fee)
		- 59.33 (Construction Committee)
		- 280.00 (DMHOA Dues)
		- 111.75 (Communication – Newsletter)
		- 44.60 (Membership Committee)
		- 51.48 (Postage/Mailing)
		- 38.00 USPS Service Fee
Net Revenue	\$1,330.84	

Bank Statement Reconciliation: Balance at 7/31/05 = \$1,221.84 + Deposit of \$109 = \$1,330.84

A motion to accept the Treasurer's report was made, seconded and unanimously approved.

### Old Business

Chris White related what he discussed with Barclay Farm's attorney from Wilmington, DE. The insurance requirement for BFHCA arose from management's insurance company. When a resident uses the Clubhouse, that resident accepts responsibility for any damage that may occur. Management's insurance company has the recourse to approach the resident's insurer for reimbursement of damages. BFHCA, as a corporation, is an artificial entity where individuals are protected under the BFHCA umbrella. The insurance company would have no one to sue if there was damage to the Clubhouse during a BFHCA function. However, management's attorney absolutely confirmed to Mr. White that if one or two residents accepted responsibility for the BFHCA function, then management would not require proof of insurance from BFHCA. This is because the homeowners insurance of the residents accepting responsibility would take over. Richard Maly and Lois Abendroth, in a prior meeting with Mr. White, advised the Barclay Farms property manager is not allowing any resident to sign for the BFHCA. Mr. White will again call management's attorney to advise him of this and feels that this will take care of our problem. Richard Maly confirmed with Mr. White that any resident who sponsors a function at the Clubhouse is taking responsibility via their homeowner's insurance. The floor was opened for questions.

Warren Emery asked for, and received, clarification that personal injury sustained at the Clubhouse would be treated the same as property damage.

Bill Taylor questioned the legality of the varying percentages being charged in rent increases. Mr. White confirmed that there is no requirement of uniform increases in a community. The only requirement is that there can be no discrimination due to race, sex, age, etc. Management also

cannot use retaliatory increases against individuals who disagree with or contact state agencies regarding management. Other than this, rent increases are at the total discretion of the management.

Bill McNiece questioned his liability regarding the art classes held at the Clubhouse by his wife, Joan. Regarding this, Dave Fry related a recent conversation he had with Jennie Stahl, Property Manager. He was told that any function that appears on the Barclay Farm calendar is covered by managements insurance. Any party held by a resident, either private or that includes all residents, is covered by said resident's homeowners insurance. Any BFHCA function requires proof of \$2 million liability insurance. As stated previously, Mr. White will call management's attorney on this matter, and, hopefully, that will take care of our problem.

### New Business

#### Nominating Committee:

Bob Mills, Chairman, presented his report. The Committee consisting of Bob Mills, Jerry Hoecker, Warren Emery and Joe Maresca has been working since May to acquire nominations for the offices of Vice President, Treasurer and 3 Directors.

- Director: 3 individuals have agreed to run: Ken Fuchs, Art Butterworth and Harry Jenkins
- Treasurer: 2 individuals have agreed to run: Harvey Lowing, seeking re-election and Laurie Van Rooten to challenge
- Vice President: We currently have no nominees. Tim Webster is not seeking re-election.

Bob asked the residents in attendance to consider volunteering or nominating someone. The Committee will continue to seek any interested nominees.

Subsequent to Bob's report, Art Butterworth withdrew his name from the roster due to personal reasons.

#### Insurance Committee:

Art Butterworth, Chairman, presented the following written report.

A separate committee of BFHCA members compiled this Summary Report. The objective was to research insurance coverage for BFHCA activities that would be held in the Barclay Farms clubhouse.

Preliminary, general research about local insurance companies was done and a plan was created to allow for questioning these companies. Ten companies were selected; ten were called. Six of these offered feedback. Meaningful comments and the companies making these comments are noted below.

1. Delaware's Insurance Commissioner – Offered advice, mentioned the need for Director's Insurance, and suggested other references to call.
2. Bennetti Ins. (Camden) – Offered advice and provided other references to call.
3. Pratt Ins.Co. – (Smyrna) – This company was, by far, the most interested in doing business with us. They would need specifics from Barclay as to: what must be covered (pool, clubhouse, clubhouse contents, injury to members, and more). They could provide a policy that would cover selected Association events occurring within specified time periods. They had a concern with the growing number of people in the community and how this would affect the insurance policies.
4. L & W Ins. (Dover) – This company was suggested by the State Insurance Commissioner's Office. The general comment from this company was, "Barclay Farms was pulling our leg and we did not need the insurance they were asking for". Any further expansion of this comment would have to be further investigated!!!

5. Fister Ins. (Dover) – This company provided a quote of \$1663 for one year of \$2 million general liability insurance for the association as an entity, but not for the individual officers and directors. A separate policy would be required for that coverage.

6. Harrington Ins. (Dover) – This company provided a quote of \$1630 for one year of \$2 million commercial general liability insurance. Insurance for the officers and directors would be additional.

7. “Around the Barclay Pool comments” – Possibly, we should withdraw from our existing “Incorporation status”. In this case, all of our activities would have to be coordinated through the Barclay Farms Activity Director and Barclay Farms residents could assist this person.

The conclusion for this report would be that there is some hope of obtaining insurance coverage. Pricing for insurance coverage appears to be high, but when divided by the number of members in our Association it appears to be more manageable. Pursuing the following open items can expand the hope for coverage, with pricing, further:

1. Get answers to above questions.
2. Get back to open contacts.
3. Does the DMHOA have insurance contacts?
4. Other Adult communities were not questioned for this report and should be.
5. THE STATUS OF DIRECTOR’S INSURANCE WAS MENTIONED AND SHOULD BE VERIFIED AS TO IT’S EXISTENCE!!

My thanks go to the rest of this committee. They are: Mary Ann Libercci and Barbara DeMatte.

Art also offered the suggestion that a resident should think long and hard before putting his/her homeowner’s insurance on the line.

Richard Maly suggested we find out why a resident’s homeowners insurance policy, which is definitely less than \$2 million of liability coverage, is acceptable for BFHCA functions, but a similar amount is not acceptable for the BFHCA. Did that amount come from Michigan or from local management?

Richard thanked Art and his committee for a job well done.

Bob Lockwood presented 2 proposed amendments to the BFHCA By-Laws. These proposals are being presented to help the Executive Council run more efficiently.

#### Article III, Paragraph 3.7: Quorum

Currently: A quorum of no less than two-thirds (2/3) of the members of the Executive Council must be present to vote on any issue before the Executive Council.

Proposed Amendment: A quorum of no less than a simple majority of the members of the Executive Council must be present to vote on any issue before the Executive Council.

This proposed change means that 5 members of the Executive Council, rather than 6, will be able to conduct business at a meeting.

This motion was made, seconded and unanimously approved to present this proposed amendment on the September ballot.

#### Article IV: Officers and Directors

Currently: No member of the Executive Council may conduct official business of the BFHCA with anyone associated with Barclay Farms owners or management, elected officials or business representatives without being accompanied by two other members of the Executive Council.

Proposed Amendment: No member of the Executive Council may commit the Executive Council or the membership of the BFHCA on any matter that the Executive Council member may discuss

with anyone associated with Barclay Farms owners or management, elected officials or business representatives without first presenting the issue in a discussion to the Executive Council or membership for a vote.

This motion was made, seconded and unanimously approved to present this proposed amendment on the September ballot.

Social Committee:

Shirley Hawkins presented her letter of resignation as Chairperson.

Richard expressed the hope that this committee will resume activity when we have worked out our problems regarding the use of the Clubhouse.

Announcement

The next meeting of the DMHOA is Monday, August 22<sup>nd</sup> at 6:30 pm at the Angola Beach and Estates Clubhouse in Sussex County. The guest speaker will be Jack Markell, DE State Treasurer.

Harry Jenkins requested that a committee be formed to meet with management regarding the rules and regulations on what is reasonable and can be done on a resident's property. Richard stated that this is definitely an issue that the BFHCA could be involved in, but that we need to have specific issues brought to us in writing. Several other residents spoke out about problems they are having with management. Richard reiterated that it is not the intention of the BFHCA to represent any single resident with management, but that we can present concerns as a broad spectrum of issues.

A motion was made, seconded and unanimously approved to adjourn the meeting.

Respectfully submitted,

Eileen Franco  
Secretary