



The Elite Insider

Inside this issue:

Worker's comp insurance no longer required for HOA directors and officers 1

Calendar of Events and Office Closings 1

About our Association Secretary 2

Elite Management Update 2

Winter Pet Safety 2

Winter Tree Pruning: When and Why 3

Worker's comp insurance no longer required for HOA directors and officers By: Michael Hunter

About a year ago a firestorm erupted in the community association arena when some North Carolina attorneys expressed concerns that HOA officers and directors who failed to obtain workers' compensation insurance for themselves might be subject to civil or criminal penalties.

HOAs are typically organized as nonprofit corporations. At the time, the laws in North Carolina basically required all corporations to carry workers' compensation insurance, and there was no exemption for HOAs or other nonprofit corporations and their officers, directors and committee members, even if they were unpaid volunteers.

Insurance brokers and state insurance administrators were puzzled by this sudden interest in workers' comp. It had never occurred to the state administrators that they should pursue nonprof-

its and HOAs. And the insurance carriers didn't really have a policy to sell that was designed to provide workers' comp benefits for officers or directors who don't even get paid for serving their communities.

Members of the N.C. General Assembly listened to concerns of the community and this year passed House Bill 765 which addresses this concern. The definition of "employee" under the Workers' Compensation Act has been revised and now specifically excludes "any person elected or appointed and empowered as an executive officer, director, or committee member under the charter, articles, or bylaws of a nonprofit corporation subject to Chapter 47A, 47C, 47F, 55A, or 59B of the General Statutes (these are the laws that govern HOAs) . . . who performs only voluntary service for the nonprofit corporation, provided that

the person receives no remuneration (compensation) for the voluntary service other than reasonable reimbursement for expenses incurred in connection with the voluntary service." See N.C.G.S. § 97-2, which is part of North Carolina's Workers' Compensation Act.

If the nonprofit corporation employs a person who receives compensation, then that person would be considered an employee and would not qualify for the exemption. Currently employers that have at least three employees are required to carry workers' comp coverage. Of course, this does not prohibit homeowners' associations from choosing to obtain workers' compensation insurance for their directors, officers and committee members, but now there is no requirement to do so.

Elite Management

Professionals, Inc.
AAMC

•4112 Blue Ridge Road
Suite 100

Raleigh, NC 27612

Find us online at
www.elite-mgmt.com,
Facebook and Twitter
Phone (919) 233-7660
Fax (919) 233-7661

Office Hours

Mon.-Thurs. 8:30-5:30
Friday 8:30-1:00

Calendar of Events and Office Closings

MARCH

March 25th– Good Friday All Offices Closed

APRIL

April 26th– Spring Fling

MAY

May 30th– Memorial Day All Offices Closed

JUNE

June 30th– 6:00– 8:00 pm–
Board Education Seminar
held at Elite Management Professionals Raleigh Office

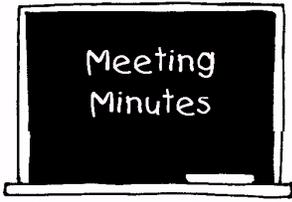
Come join us to review the important role of serving on the Board, how to review the financial statements, governing documents and review your com-

munity websites. Please contact Dawn Hatcher to register.

JULY

July 4th– All Offices Closed

About our Association Secretary



Most community boards have several officers including president, treasurer and secretary. The association secretary is responsible for preserving the association's history, maintaining its records and protecting it from liability. In some instances, the secretary delegates some or all of the secretarial tasks to the Community Manager. They include:

- Recording minutes for all association meetings—board meetings, special meetings, annual meetings and committee meetings.
- Announcing meetings and preparing agendas for board and members meetings as required by law.
- Maintaining association rec-

ords—keeping files organized, safe, accessible, categorized, identified and retained according to schedule.

- Witnessing and verifying signatures on checks and other financial and legal documents.
- Maintaining rosters of all association board and committee members, officers and members of the association, including their current mailing address.
- Verifying proxies at annual or special membership meetings and ensuring that proxies and ballots are kept in the association's records.

- Filing forms with state agencies—employment forms, incorporation documents and other official records.
- Managing correspondence to the manager, office, board members, committee chairs and others; ensuring that tone, form and spelling of all association correspondence reflect positively on the association.

The association secretary is a key officer on the board and is essential to the association's success.



Management Professionals, Inc
WWW.ELITE-MGMT.COM

Elite Management Professionals Update

Recording meeting minutes is the responsibility of the Association Secretary. Please be aware that Elite Management Professionals will now be charging \$125 for taking meeting minutes on behalf or in absence of the Board Secretary. Please contact your Community Manager if you have questions or need any additional clarification.

Winter Pet Safety

We love our pets, so keeping them safe in the wintertime should be a top priority. See below for some friendly reminders detailing how you can ensure your pet stays warm, happy and out of harm's way even on the dreariest of winter days.

Beware of sidewalk salt and de-icer. Pets' paws are extremely sensitive, so prolonged exposure to sidewalk salt can be problematic. If you walk your dog regularly in areas where sidewalk salt is used during inclement weather, wipe the underside of paws with warm water and a clean towel when you go back inside. Doing so also eliminates risk of ingestion if your pup licks its paws often. Keep an eye on your pet's toe pads for severe dryness, cracking or bleeding.



Bring pets indoors. Just as in summer months when temperatures reach extreme highs, pets should be brought inside during extreme wintertime lows. This applies for daytime and nighttime temperatures, so check your local weather daily and limit your pup's outside time if the forecast is looking chilly. And remember—if you're uncomfortable with the outside air temperature, chances are your pet is too.

Bundle them up! When pets do go outside during the cold winter months, those with thinner fur coats may need extra warmth. Your local pet store should have an assortment of extra layers for your dog—even winter boots for pups who need extra paw protection

from the cold and ice. Only add layers if your pet can truly benefit. If you're unsure, ask your veterinarian.

Keep your pet active and out of trouble. During inclement weather when you can't make it outside with your pup, set aside some extra time during the day to make sure they have some exercise—even 15 minutes of playtime helps. Paying attention to your pup keeps them engaged and happy, and ensures no bad behavior caused by boredom.

Winter Tree Pruning: When and Why By: Bartlett Tree Experts

Winter is a popular time to prune trees. Most leaves have fallen and the tree structure is clearly visible. With a direct sightline to the tree's interior growth habits, it is often easier for an arborist to identify structural issues and make sound pruning decisions.

There are many benefits to pruning during winter, but first consider all the factors involved. Is the tree close to a building, walkway or power lines? What is its condition? Are any structural defects or storm damage present? What are the landscape functions provided by the tree and how will pruning impact those functions? Is the tree too dense? Does it need shaping?

Pruning alters both the form and growth of the plant so questions like these should be addressed before pruning cuts are made.

A Reason to Prune

Removal of dead, dying or diseased branches helps promote tree health. Virtually all urban trees benefit from this type of periodic cleaning. Improved safety also results when weak branches are removed. Limbs that overhang buildings, parking areas or walkways should be given particular attention.

Trees and shrubs often serve a specific purpose in the landscape and pruning can preserve that function. For example, pruning can help maintain a hedge used as a border or barrier on a property. Appearance is another major purpose of trees and shrubs in most landscapes, especially on commercial properties. Pruning can help control size, improve a tree's form and keep plants well-proportioned – enhancing the overall appearance of the property.

For young trees, pruning aids in the development of a desirable and stable form. Most structural defects that occur in older trees can be prevented

by pruning when the tree is young. Proper care can establish a strong, central stem and help maintain branch size and distribution.

Whatever the objective, care should be taken to minimize wound size and loss of live branches. Younger trees fare somewhat better when live tissue is removed than mature trees. Condition of the tree can help govern to what extent it is pruned. Industry standards have specified that no more than 25% of the crown should be removed. For mature trees or those showing signs of distress, even less may be appropriate.

A Season to Prune

Pruning during dormancy (in winter) is common because it results in a vigorous burst of spring growth. Fresh pruning wounds are exposed for only a short period of time before new spring growth begins. Additionally, because there are no leaves to manufacture sugar in the winter, there is no interruption to the tree's growth cycle. It is less stressful for the tree and, as spring begins, all growth efforts are re-directed to buds on the remaining branches.

Pruning during winter can also play a role in managing insects and disease. Oaks are one example. Pruning wounds made during spring, when oak wilt diseases are active in many geographies, allow spores to infect the tree. Beetles that carry Dutch elm disease spores can also be attracted by fresh cuts. Pruning when these diseases are not active inhibits their spread. Understanding of the species and associated insects and disease problems in your area is crucial when making these pruning decisions.

Timing is particularly important for species that produce fruit or flowers. If the goal of pruning is to enhance flowering for trees that bloom in mid to late summer, winter or early spring are the best times. This includes species like rose of Sharon and crape myrtles. However, for plants that bloom earlier in the growing season such as magnolia or azalea, prune after they finish blooming.

Right Time, Right Place

Even if you knew a surgeon was a skilled expert, you wouldn't undergo a medical procedure without first understanding the purpose. So it should be with tree pruning, especially when the significant impact to overall tree health is considered. Knowing why cuts will be made is the basis for determining which cuts should be made. The ability to better see the tree's form in winter, and identify issues that might otherwise go undetected, makes now the ideal time for an initial evaluation.

