

CICA Board of Director's Meeting—Minutes
Annual General Meeting
August 24, 2003

The meeting began at 3:10 p.m. at the pavilion.

BOARD OF DIRECTORS PRESENT: Jim Abel, Dave Byler, Bill Dryden, Andrea Gilde, Rob Green, Ward Keever, Ken Knapp, Janet McKenna, Verne Orndorff, Mike Szep, Sr.,

ABSENT: Harry Hite

Committee Members & Guests Present: There were approximately 90 CICA Members in attendance.

PRESIDENT'S REPORT: All CICA members and guests were welcomed and items of the agenda were reviewed.

There was a moment of silence in observance of those CICA members and former members who have passed away this year: Bill McCurdy, Ron Sexton, and Bill Bofinger. If there are others who were not mentioned, our sympathies go out to their families as well.

Thanks and appreciation were expressed to all board members, committee chairs and volunteers. Those retiring from the board were also thanked. They include: Andrea Gilde, Secretary; Harry Hite, Town Watch Chairperson; David Byler, Legal Committee Chairperson; and Janet McKenna, who is running for re-election. Elaine Weber, who resigned her board position due to relocation earlier this year, was also thanked for her service. The board looks forward to working with new directors to be elected today.

Thanks goes out to all of the regular activities and repairs performed by members of the maintenance, harbor, beach, and roads committees. This work gets done almost invisibly each year, and it keeps Chesapeake Isle a comfortable place to live, play, or vacation. Many of us take the products of the committees' efforts for granted; we know that Chesapeake Isle would be a very different place to live without the good job that all the committees have done.

Highlights of the past year

- We have a new community entrance sign. Les Fritz led the project design team. Sal Tulumello was chief builder. There were others that helped – you can see their work in progress on the website (www.chesapeakeisle.org)
- We came through the massive snowstorm with flying colors – great job from the snow plow team and everyone who helped out.
- We attended hearings regarding the Episcopal Diocese of Philadelphia’s plans for developing the Wapiti site off of Rt. 272.
- Followed closely the NorthBay development at the former Bower’s Conference Center
- The Town Watch committee worked with the Sheriff’s Department to address vandalism and theft problems that were rampant this fall.
- Les Fritz, Bill Dryden, and Mike Szep, Sr. visited Hollywood Beach and spoke with some of their members regarding their transformation to mandatory membership. This was the beginning stage of our own efforts toward mandatory membership. The mandatory membership effort also brought the first use of “teleconferencing” to the CICA board.
- We have added a video segment to our CICA library.
- We held our first Christmas lights contest. The winners were Robinson’s, Harvey’s, Lalonde’s, and Walsh’s.
- We had many successful social activities, among them the Spring Dinner, 4th of July celebration, Halloween and Easter parties, and others.
- The clothing committee began stocking a Chesapeake Isle burgee
- We paid off the outstanding loans balances to those members who had lent CICA money toward the construction of the jetties; the jetties seem to be working very well.
- Our roads committee has improved many of our community roads through a better use of millings.
- Communication within the Isle has never been better. The newsletter committee put out 4 newsletters as usual. Ned Schoonover keeps the Community Announcement sign current, and there has been an increase of information posted on the website as well as distributed through email to members.
- We have welcomed many new residents and property owners to our community; the sad part is that we have had to say goodbye to good friends and neighbors that have moved on.

SECRETARY’S REPORT: The minutes from the 2002 Annual Meeting were approved as submitted.

TREASURER’S REPORT: Financial report for the fiscal year 2003-2003 was reviewed. For the past fiscal year, the proposed budget was \$40,315. We expected to generate income of \$36,350. Since our budget was unbalanced, we anticipated having to withdraw \$3500. Our actual spending was \$41,109; our actual income was \$38,791. We ended up taking \$2300 out of savings.

- Increased legal expenses were due to retaining an attorney to work on mandatory membership review.
- The social committee spent \$4,058 and received income of \$2,825. The social committee's only source of income is the Spring Dinner, which is entirely paid for by those attending the dinner. The money comes into the committee, and then is paid to the restaurant by CICA. We had an unusually large turnout at the dinner this year, accounting for both the larger expense and income of the committee.
- Insurance rates have increased. We have done as much as is prudent to keep these rate increases moderate, such as raising our deductible.
- Clothing – made larger purchase of items to receive a discounted price. We expect to have items in inventory for awhile and not place any new orders this year.
- Due to our hard winter, we had increased expenses for tractor repairs & equipment. We paid \$6105 toward our loans, with 13 payments remaining.
- We spent most of the roads budget on millings.
- Our miscellaneous category included: \$1150 spent on community entrance sign, a charitable donation made from the 4th of July Silent Auction proceeds of \$375 to the North East Fire company, and purchase of CPR manuals that did not get used by members during the training (we can use these manuals at a later training).
- Membership income was slightly higher than anticipated.
- Mowing revenue decreased, as anticipated. This decrease will keep occurring every year, as more houses are constructed on vacant lots.
- Donations – although we usually receive a few donations from members above their annual dues, this year we received more than usual due to members appreciation for the snow plowing.
- As we began the past fiscal year, we had \$22,800 in savings, CD's, and the checking account. As we begin this year, we have \$20,648. The decrease is due to paying off the jetty loans. The tractor remains our only outstanding debt.

The annual report was approved as submitted.

COMMITTEE REPORTS: (Contributor's name and/or committee chairperson's name shown in parentheses following report.)

Architectural Review: In the past year there have been a total of 9 new homes built, 3 additions, 2 sheds, and 2 decks. The 9 homes was one more than last year, but 2 of the homes were a result of a demolition with a brand new home built on the site. Also, 2 of the additions were redesigns to the point of appearing as to be new homes. (Barry Miller)

Beach: The 2003 beach season has been a good one. There have been no major problems reported.

- The jetties that were installed 3 years ago are accumulating more sand each year.
- The dirt berm that was installed in back of the beach area has stopped any storm breakthroughs and beach flooding.

- The geese that have been messing up the beach area seem to have disappeared, apparently thanks to the yellow balloons that were put up at each end of the beach to scare them
- Our pavilion room is now air conditioned, thanks to a generous donation.
- The white picket fence in the beach area was turned upside down, with the points in the ground to avoid an injury from someone falling on them.
- Approximately 1500 daffodil bulbs were planted along the beach road, thanks to Vera Finley, and Anne and John Bates.
- New siding is to be installed on the pavilion and once that is complete we have a beautiful Chesapeake Isle emblem (designed and built by Sal Tulumello) to be placed on the front gable end.
- New life rings are needed on the beach.
- Thanks to all the volunteers who have come out for clean-up days, and a special thanks to those who help me at the Friday Morning Clean Up crew. (Fred Berkeihiser, Ken Knapp, Ward Keever) (Jim Abel)

CICA Clothing: In the fall of 2002, CICA burgees were added to the list of available “logo” items such as t-shirts, sweatshirts, and polo shirts. The first order of burgees sold out quickly and a second order was placed, so we have stock on hand. An extra order of clothing was brought in to cover sizes we did not have in stock, as some items were given out as awards. As a result, we have a better-than-usual inventory of items.

2002-2003 Expenses -- \$1445.02
2002-2003 Income -- \$805.00 (Dotty Fritz)

Email & Website(www.chesapeakeisle.org): Thanks to Andrea Gilde for keeping website up to date. The website was moved to a commercial provider at a cost of \$8.95 per month. The website includes past minutes, newsletters, by-laws, announcements, forms, and photos. We are looking for new ideas for content and style. (John Reber)

Erosion: The remaining work (harbor plantings) to finalize our agreements with the state and county will be completed on Fall Clean-Up Day (Sept. 27th). We will need a lot of help to set 36 shrubs. We will also be organizing a group to cut back the foliage on Jacob’s Nose. This is done every few years to help preserve the integrity of the embankment. (Ken Knapp)

4th of July – very successful event thanks to committee chair Ginny Cobley.

Grass Mowing/Snow Plowing:

Grass Mowing – this year we are mowing 41 lots and have collected \$5265 to date. These numbers are down from the previous year (57 lots and \$6190), due to new homes being built.

Snow Plowing – the crew did a great job working at least 20 straight hours to keep the roads open during the blizzard last winter. Our thanks go out to them.

In addition, we contracted with 31 residents to plow private driveways and generated \$1275 in fees. The heavy snows also generated high expenses. This year the board has increased the fee for plowing driveways to \$60.00. This increase is based on the higher wage for tractor drivers that was approved earlier this year (from \$8.50 to \$10.00), higher fuel prices, and more tractor repairs.

Driveway plowing contracts will be delivered with the October Newsletter on or about October 10th. They should be returned by November 10th with full payment. Contracts will be accepted on a “First come, first serve” basis to only 35 properties. (Ken Knapp)

Harbor: The harbor had a quiet season with only a couple of tackle failures. We all need to inspect the upper part of the mooring tackle during the season. We planted 90 moorings this year compared to 75 last year, showing that the “Isle” continues to grow. The expanded parking area for the Sunfish was completed this year, and a second canoe and kayak rack has been constructed. Many thanks go out to all the residents who assist in keeping the harbor area running during boating season. It makes the workload easier.

Dates to Remember

Fall Clean UpSept. 27th
Mooring Pull and DeliveryNov. 1st
CICA Fall CruiseSept. 6th thru Sept. 14th (Bill Dryden)

Historical: This past year the History Committee completed files dating around 1960 – 1961 until the present. Information was gathered from the files of Audrey Buck, Mike Szep, Howard Zielke, Isabel Lynch & Marion Wells, Ray Perry, Al Nunnemaker, and Don Groome. On Friday Sept. 26th the committee will meet at the Buck’s at 10 am to complete the files on Legal Review. All are welcome. (Audrey Buck)

Legal: This year was quiet with no major legal issues. The legal committee’s budget was increased substantially in anticipation of attorney’s fees connected with the mandatory membership plans. (Dave Byler)

Maintenance: This year has been very active in supporting the various committees and functions in the community.

- We added some new tractor drivers and had to work training them; the new tractor drivers are Chet Hallett and Sonny Hayes.
- Ned Schoonover has been maintaining the community announcement sign at the entrance, and has been doing a great job.
- Sal Tulomello fabricated a new entrance sign that everyone is enjoying.
- Joe Turner & Jim Parrott installed air conditioning in the pavilion meeting room.
- Road signs at Racine Rd. and Diana Way were replaced.
- The spring at the harbor area came alive after 4 years and had to have a new overflow pipe and concrete cover installed
- The security lights at the harbor area required service and had bulbs replaced.

- Thanks to Vera Finley for daffodil bulbs (donated over 1500 bulbs).
- Kept very busy this winter with snow plowing and a busy this spring with grass mowing.

Thanks to all who helped with the maintenance this year, especially to those who worked tirelessly during the snowstorm. (John Bates)

Membership: There are 242 paid member families as of today, which is two memberships behind the record years which resulted in 244 memberships two and three years ago. We are half a dozen ahead of last year's total at this time. These annual figures never include those who have moved out of the Isle between January 1st and the annual meeting. There are 3 paid members for this year who have since moved, and there are 5 who were not paid yet for 2003 and have left since the year began. There are 58 unpaid residents at this time. The percentages are: 80.6% paid and 19.4% unpaid.

This year we received fees for 121 bathhouse keys (up from 98 last year) and 69 keys to the shuffleboard equipment closet, which is 20 more than last year. Both of these substantial increases are extremely good barometers of how engaged the residents of Chesapeake Isle are, and how they are making use of the available facilities.

There are now 246 home in our community with another 5 on the exempted portion of Mason Lane. This in an increase of 11 new and rebuilt homes since last year. We are aware of a couple of new planned homes that are slated to start soon, but for the moment we seem to have entered an era a replacement homes and major additions. There are currently only 6 homes for sale. A look at the potential for growth in the Isle shows us rapidly approaching the end of the new building era. There are 91 undeveloped building lots in Chesapeake Isle today. Three of them have been permanently split between adjoining properties and 36 of them are adjacent to a property that the owner has a residence on. Some of these can never be sold for development because of home location or waste management issues. The overwhelming majority probably will never be sold even when they are not so encumbered. There are at 13 lots that probably do not perk, leaving a total of 39 lots on which homes can be constructed.

Thanks go out to Jack Ferrick for getting CICA mailing tubes attached to every residents mail box post or separate post once and for all, making it easier to keep pace with new arrivals. (Les Fritz)

Newsletter: As usual, 4 newsletters went out to about 270 addresses each mailing. This number fluctuates as people opt to have their newsletter delivered through email, or return to hard copy. Thanks to the newsletter and membership folding and delivery crews for their help during the year: Dianne Abel, Anne Bates, Sue Clare, Karen Dryden, Dotty Fritz, Anna Green, Ruth Killian, and Sue Seeley presently makeup these 2 crews; and a special thanks to Andrea Gilde for all her computer help, advice, and visual enrichment of both the printed newsletter and the on-line version.

(Les Fritz)

Pavilion: pavilion use up 25-30% this year. (Gay Turner)

Roads: During the year approximately 20 loads of millings were delivered for grading & rolling on the community roads. Brian Clare has kept the community roller in good shape & has used it on the roads. Some trimming has been done this year, but a great deal more needs to be completed this fall. All property owners need to trim trees that overhang the roads in front of their homes. Tractor needs 9 ft. of clearance (John Bates)

Social: (Sue Seeley)

Summer Bingo at the Beach – We scheduled 5 sessions of Bingo at the Beach this summer. It was held every other Wednesday evening this year and we all had a lot of fun. One session had to be cancelled due to a “tropical deluge” that evening; the approximately 25-30 people attended each of the other 4 sessions. Many nice treasures were donated by residents to be used as prizes for each game.

We thank Immaculate Conception parish in Elkton once again for the use of their Bingo cards during our summer program, and we thank Donna Gebhardt for a wonderful job calling the games. (Dotty Fritz)

Town Watch: We would like to thank all the Watch volunteers for donating their valuable time this past year. Without your participation Neighborhood Watch could not exist. We also thank all our new neighbors who have signed up this past year.

We have had some problems with vandalism and theft during the late summer and last fall. This year, with a few exceptions, it has been a relatively quiet summer with little or no incidents. We would like to thank all of our neighbors for their caring and watchful eye for others and their property. Remember if you see or experience an act of theft or vandalism, please report it to the Cecil County Sheriff's Office and call Neighborhood Watch to alert us.

Again we ask for new volunteers to join CICA Neighborhood Watch. All it takes is to donate two hours on a Friday or Saturday night every month or two. A sign up sheet for all new volunteers is available, and new volunteers are welcome at any time.

(Harry and Joeann Hite)

Tractor: The committee was kept busy this year performing maintenance for the tractor, along with mowers, and blades used for road maintenance and snowplowing. There was more maintenance this year than planned:

- Spindle replaced on mower
- Rear window replaced on cab
- Mower drive shaft rebuilt
- Battery & radiator hose replaced on roller

- Bolts in 4-wheel drive unit broke off requiring major repairs by New Holland
- Belts on front end loader replaced
- New cutting edge installed on snow plow blade

In addition to the above repairs, an air compressor was purchased to support tractor maintenance.

Thanks to the help of many individuals the equipment was kept running to support the community. Special thanks should go to Jim Abel, Sonny Hayes, Brian Clare, Glenn Culler, Marty Smith, Tom Pollard for all their maintenance work & Eddie Earle for welding support. (John Bates)

NOMINATING COMMITTEE: Candidates for election were introduced and each gave a brief presentation. Committee was chaired by Ward Keever, and included Ken Knapp and Andrea Gilde. 4 will be elected, and one additional person will be appointed at a later date to fill the vacancy created by Elaine Weber's resignation. Members of the nominating will collect, and tally the ballots and announce the winners.

Candidates:

- Brian Clare
- Joan Ferrick
- Jay Gilfillan
- Harold "Sonny" Hayes
- Janet McKenna
- Christy Michaud
- Gordon Osborne

After the votes were tallied, our new board members for 2003-2006 are: Brian Clare, Sonny Hayes, Janet McKenna, and Gordon Osborne.

OLD BUSINESS

NorthBay Development Site at Bower's Conference Center – we hosted a representative from the Erickson Foundation, a staff member from NorthBay, and the mayor of North East at a recent board meeting. They presented their upcoming development of the site, which will be an environmental science educational program geared toward Maryland 6th graders. The board & guests were able to ask questions about the program. More information about NorthBay can be found by going to the Chesapeake Isle web site (www.chesapeakeisle.org) and clicking on the www.northbayadventure.com link. Our community liaison for the project is Rich Gilbert.

NEW BUSINESS

2003-2004 Budget – the proposed budget was presented for the approval of the group. There was a brief discussion about why the budget was balanced. More money was allocated to the Legal committee for work on membership, and additional money was

allocated to the roads committee to accelerate improvement of the roads through the use of millings. Proposed income and expenses were each \$38,900. Dues remain \$85.

A motion was made and seconded to accept the proposed budget as submitted. All present approved. The budget was passed.

Mandatory Membership – the president read a brief history of the formation of the Chesapeake Isle Civic Association and what has happened thus far towards the pursuit of mandatory membership. The text follows:

MANDATORY MEMBERSHIP

The community known as Chesapeake Isle was developed as Rolling Hills around 1960. The Chesapeake Isle Civic Association (CICA) was formed by property owners in 1966. The CICA incorporated in 1972 to preserve and protect the interests of property owners in Chesapeake Isle. CICA, Inc., acquired the community lands and roads and all first-party rights to enforce the restrictive covenants in 1978.

Historically, about 80% of property owners eligible to be members of the Chesapeake Isle Civic Association, Inc., have been members. Members underwrite virtually 100% of the \$35,000 - \$40,000 annual expenditures of the community. As a matter of fairness and practical finances, the Association has always sought to address the un-supportive 20% who receive the benefits of CICA, Inc., oversight and activities without bearing any of the cost or effort.

In 1995, the Board of Directors attempted unsuccessfully to address this by an "Equity Fee" approach which depended on forming a new organization, having property owners voluntarily bind their property to mandatory dues, and suing those who did not join.

Since the state of Maryland adopted the Maryland Homeowners Association Law, qualified associations have their bylaws on file in the courthouse. Property transfers where there is a Homeowners Association include notification to the buyers and payment of dues in the settlement sheets.

Last fall, we learned how Hollywood Beach, a community similar to Chesapeake Isle in many ways, successfully converted to mandatory membership and Homeowners Association Law compliance, kept their community friendly and private, and enhanced their ability to maintain and improve their community assets. The steps needed to clone this in Chesapeake Isle were studied and we have patterned our efforts on Hollywood Beach's positive experience. They changed their bylaws, enforced the provisions in small claims court, and have been sustained on appeal in Cecil County courts.

The Board of Directors is taking prudent steps to give the Association the greatest likelihood of success. We have placed Mr. Raymond B. Via, Jr., of Linowes and Blocher LLP, Bethesda, MD., on retainer. Mr. Via represented the Hollywood Beach Civic

Association in the appeal case they won regarding their conversion to mandatory membership. Mr. Via is in the process of reviewing all the relevant prior documents and CICA information so that he can advise us how to best achieve our goals.

Our proposed timeline would complete all necessary actions by January 1, 2004, the beginning of the new Association membership year.

The floor was opened up for questions and comments. One property owner commented that it is not good “community relations” to have the possibility of a lawsuit against those who do not pay their dues, and it is better to use a “neighborly approach”. The Membership Chairperson commented that he always uses a neighborly approach, yet there are consistently 20-25% of property owners that do not pay their dues. In some cases, this approach, though preferred, simply does not work.

The same property owner stated that Hollywood Beach does not allow membership to handicapped property owners because all its facilities are not handicapped accessible. The President responded that the speaker was factually incorrect: all property owners, handicapped or not, in Hollywood Beach must be members, however, properties outside but near Hollywood Beach, handicapped or not, cannot be members.

There were general comments made about fairness and equity among all property owners. An informal poll of the members present was taken. Almost all present voiced their support for mandatory membership. A few were not in favor.

BOAT SLIPS – sponsors of an effort to form an independent Chesapeake Isle Yacht Club which would own, build, and operate boat slips in our harbor distributed an informational flyer to those present.

The President explained that the Board's approach to this would follow the bylaws regarding how a major change is can be considered and voted on by the entire membership:

1. Representatives from the board will form a CICA committee which will meet with sponsors of the boat slip proposal.
2. Those representatives will bring their findings back to the board for discussion.
3. After the board has had opportunity to discuss issues and have their questions answered, the board will vote in the best interest of the entire community.
4. No proposal that does not have board support can be put out for a full membership vote, per bylaws. If a proposal can be developed which the board does support, per bylaws, such a major change in use or character must go out for a vote to all members.

CLOSE OF BUSINESS: Having no further business to discuss, the meeting was adjourned at 5:30 p.m.

Respectfully submitted,

Andrea Gilde, Secretary

CC: Committee Chairpersons
 Elk Neck State Park Rangers