

## Chesapeake Isle Civic Association Annual Meeting – August 18, 2013

### ANNUAL MEETING OF ALL PROPERTY OWNERS

The Chesapeake Isle Annual Meeting of Property Owners was called to order at 2:04 pm by President John Reber.

Board Members Present: Jim Carter, Phyllis Doyle, Karen Dryden, Joan Ferrick, Andrea Gilde, Diana Hawley, John Murray, John Reber, Justin Thomas

Board Members Absent: Troy Gunden, John Murch, Chris Shelton

John Reber led the Pledge of Allegiance and Moment of Silence.

#### President's Report (John Reber)

John introduced the other members of the Board who were present and thanked them for a job well done.

John then thanked all of the residents for their input during his tenure as President and the volunteers who helped set up this area, prepared the materials for this meeting and coordinated the pot luck dinner which will follow the meeting.

We plan to run this meeting the same way we conduct regular Board meetings. We have a written agenda that we will follow. I ask that you limit your discussion and question to the agenda item at hand. With that being said, we want everyone to have a chance to be heard and we have microphones set up for that purpose.

Last year one of the big topics was, "When is Comcast coming?" I am happy to report they are in the process of connecting homes in the Community. There have been some issues with slow connection times and trenching in our roads. We have been on contact with Comcast about the road issues, and they have filled most of the trenches.

Another topic last year was, "what is being done with the roads?" We appeared to be in a planning mode, but nothing was being done." During this time an aerial topographical survey was completed and the firm of Eric Sturm have been working closely with John Murray, with representatives of the County and environmental agencies to calculate the amount of run-off from the Community and what we would be permitted to do to correct this. By working with them, John has been able to come up with plans to begin work while keeping the disturbed areas below 5000 square feet which eliminated the need for multiple permits which we would need otherwise – more cost effective. John will be talking on this topic later and we will take any road related questions at that time.

Another major issue last year was the lawsuit with some of the residents of Mason Lane. The case was decided that the CICA was the legal owner of the roadway in question and that the CICA was to maintain and give proper attention to Mason Lane as it does with all of the roadways within Chesapeake Isle. The Court determined however, that CICA did not have to undertake the improvement project requested by the lawsuit and would be responsible to determine how to best maintain that portion of road along with other CICA roads.

Don Manges has been working with the County and various environmental agencies to decide what we can do about beach erosion. In the proposed budget we have allocated

\$21,000 towards beach erosion. This was based on the middle cost of estimates for various types of work. We are still investigating if there are any types of grants available dependent upon the various types of work. We will be going over and voting on the proposed budget as the final item on today's agenda.

Even with the addition of the beach erosion project to the budget, the Budget Committee was able to keep the budget the same as last year by cutting back in other areas, mostly Legal since the Mason Lane lawsuit has been finalized and there are no legal expenditures in the pipeline and funding in this area would not be needed until the next budget if there was.

I thank you for your time.

#### Secretary's Report (Jim Carter):

Just so everybody knows, you are being recorded as is the entire proceedings here today.

The draft minutes from the 2012 Annual meeting were posted on the website about a week ago with an e-mail reminder sent to the community so that they could review them prior to the meeting. Hard copies are available for review prior to and during this meeting. These Minutes need to be approved today as an accurate portrayal of what occurred during last year's meeting.

Are there any questions, additions, corrections, deletions requested to those Minutes? The floor is open for comments.

There being none, I will make a motion to approve the 2102 Community Maintenance Meeting Minutes.

The motion was seconded and approved unanimously by voice vote with no abstentions. The 2012 Minutes were approved.

#### Treasurer's Report ( Andrea Gilde)

We are going to go over the Community Maintenance Budget July 1, 2012 to June 31, 2013. I am going to report on all of the income and expenditures.

*Treasurer's reports were distributed at sign-in.*

If you have questions about anything.....please let me go over the report and if you have questions about anything please limit your questions to expenditures that we had in the last fiscal year not questions about what is upcoming in the next fiscal year – that will be covered when we go over the budget for the current fiscal year.

All property owners in Chesapeake Isle are required to contribute toward the Community Maintenance fee – these fees support any property within this Community or activities within the Community that are ..... that affect the common property of the Community things like the beach and the roads which are owned by the Community entirely, not by individual owners.

Andrea reviewed expenditure for each of the categories of expense; Beach, Harbor, Electricity, Insurance, Mosquito Spraying, Contracted Grass Mowing, Roads, Trash Collection at the Beach and Harbor, Tractor, etc.

Andrea thanked Bob Biedermann for all of the time he donated to rebuild the floating dock.

Questions included:

Q: What is the amount of liability insurance which we carry?

A: \$1,000,000.

Discussion ensued as to whether or not that was an adequate amount. Several property owners thought this was not enough. There are two separate policies, one covers the Community and the other covers any CICA activities. It was suggested that at least \$5,000, 000. in liability insurance be carried.

Q: So there is a separate insurance expense for CICA which covers the CICA activities?

A: Yes.

Multiple questions, concerns and comments were offered. John Reber proposed that we complete the Treasurer's report and take up the liability issue under New Business.

Treasure's report continued.

Tractor comment: Sonny Hayes commented that we bought the zero-turn mower to reduce wear and tear on the tractor, and it has achieved that goal.

Andrea emphasized that any monies collected for the Roads is dedicated to the roads, any unspent monies at the end of the fiscal year is immediately transferred to the Road Fund for use in the future for *road maintenance use only*.

Andrea noted that our income increased over the expected level. She commented this was because of the diligence of our Legal committee in collecting past due Maintenance fees. She noted there are still some property owners who have not paid their current Maintenance Fees.

Comment: One property owner, Brad Fager, admitted he was in arrears on his Maintenance Fees and stated that he was willing to pay those fees. He stated that he had requested a detailed accounting of the expenditures from a previous Treasurer and was told he was not entitled to that information. He further questioned the honesty and trustworthiness of the Board in handling the funds.

Diana Hawley countered that this owner had been given copies of every receipt charged against the Community Maintenance fee budget and that CD containing the information he had requested was given to him. The owner admitted that he had never opened the CD, but rather had given it to someone else for the purpose of copying.

Another owner proposed that we move on to other business – stating “enough is enough.” Applause followed.

A motion was made and seconded to approve the Treasurer's report. A voice vote was taken with all in favor except one opposed, no abstentions.

Andrea apologized for not having gathered the materials needed for a formal audit as she had done in the previous four years in her tenure as Treasurer.

The audit will be performed. One homeowner said that he wanted to see that audit. Andrea stated that in previous years she had brought the audit report with her to this Meeting.

Our auditor, Ed Turner, stated that the report of the audit will not satisfy the homeowner, the homeowner had already been provided the intimate details of every expenditure (which he failed to review), an audit report only provides an overview of expenditures and income and insures that those funds have either been spent or are still in the checking account.

The homeowner challenged the eligibility of the auditor to perform audits for this community and suggested that any audits be done by an independent auditor. The homeowner then claimed that a member of the Community made a personal loan to the Community. The existence of a personal loan having been made was denied, "there have been donations". The alleged "lender" denied any existence of a personal loan past or present but confirmed the instance of a donation.

#### Old Business:

#### **Mason Lane Lawsuit**

John Reber asked if there were any questions concerning the suit.

Q: Was the \$20,000. legal expenditure all for Mason Lane?

A: Yes.

Comment: John stated that other legal fees are reimbursed, such as liens, etc.

Q: Was all of the money spent for attorney fees or were there other expenses?

A: Andrea replied that she was not positive, but the vast majority was attorney fees.

#### **Road Maintenance and Improvements**

John Murray introduced himself as the Committee Chairperson.

Two things are going on with the Committee; the long range planning and the day to day maintenance - John thanked Sonny Hayes for doing that work along with Chris Shelton, Brian Clare and others.

John reported on three periods – where we have been, where we are today and where we hope to go in the future.

History: In 2009 the Community voted on whether or not to pave the roads – the proposal lost by the narrowest of margins. The BOD responded by setting up a Committee to look at the roads and develop a strategy for long term improvement.

John became the chair of this Committee. John is a licensed Landscape architect and is familiar with drainage issues.

In 2012, the Committee identified five areas which need to be addressed. Those areas were identified. Also in 2012, Mason Lane was added to that list as a result of the lawsuit and Court Order.

As you may have heard me say before....."you design from the top down and build from the bottom up." It is not surprising that the areas are at the bottom – not surprising – the water builds up as it runs downhill and causes the worst erosion near the bottom.

Here are the things we have been able to accomplish so far. We did one project at Rolling and Rollins. Then we did Mowbray and Rolling, Pine Lane re-grading. The reason we did these first and so quickly is that the site contractor brings out the equipment; the work is done, I check it and say yes or no, they redo if necessary and the project is completed. It reaches a point where I can no longer do that – they are more complex.

So why aren't you doing anything now? Things are being done, and I will tell you where they are.

The next project is Mason Lane which was never designed as a road, it was designed as a driveway. Cuts across a steep slope; oh, by the way it's right next to the Bay; oh by the way it is right next to a non-tidal wetland; oh, by the way it happens to be in a Critical Zone – that will take a little more time – working with MDE, Army Corp of Engineers, Cecil County, etc., etc. – it's really not more difficult – just takes more time, paperwork and documentation. It's really no more difficult than the other projects we have been involved in. Our approach is to do it as quickly and efficiently at the lowest possible cost that we can achieve.

The next project is Harbor, Rolling and Racine. It affects that mini-watershed which lead into it and lead to the Harbor. We hope to start construction soon. Nearby residents will see a lot of equipment and activity, however, the road should not be blocked.

The next project is Bennett and Rolling. This project should also start soon.

The next project is Cliffview and Gull Circle.

The sequence of events for all projects is: aerial survey (done for all), site design work, submit planning to Cecil County, receive approval of plans from the County, bidding for construction, construction stake-out and start construction.

John reminded all of the property owners the aerial survey is available to them for use in any personal construction projects on their own homes – additions, etc. The survey is Community property and its use is for all.

Where do we go from here? We will be applying for grants. The agencies we are dealing with have money and we will be trying to get some of it. You may be familiar with the "Rain Tax" – that takes money out of your pocket, puts it into the government's pocket where they will redistribute it for the purpose of erosion control and run off into the Bay.

We feel we are a good candidate for some of this grant money. John introduced Christine Michaud who can advise you about run-off from your own property – she will be available after the meeting to answer any questions you may have about controlling run-off.

We use "bio-swales" in our Community. Swale which is filled with plants to slow the water down and take part of it up as it makes its way to the Bay. Applause followed.

Comments & Questions:

Q: One resident commented that many communities have detention basins. Many of these have become overgrown and are no longer functional. Are we opening a can of worms by inviting environmental agencies to our Community and perhaps having them discover we have no detention basins at all?

**(Audio recording failed at this point and continued for an unknown period of time.)**

Once the failure was discovered; handwritten notes were taken as best the Secretary could keep up.

A: Contact must be made with all of these agencies in order to proceed with construction, therefore, contact is unavoidable. Kordell Willen at Cecil County advised us to keep the projects below 5,000 square feet of disturbance to avoid some potential problems.

Q: Is CICA paying for pipes at driveways?

A: In some cases, yes we have, in any new construction of driveways which requires piping, the cost will be borne by the property owner.

## **NEW BUSINESS**

### **Beach and Harbor Parking**

Jim Carter reminded all property owners present that CICA stickers are required to be displayed on any vehicle parked at the Beach or Harbor. We have seen an increase in trespassers at these areas and need to get it under control. We are placing notices on vehicles found without stickers and are maintaining a log book of vehicle descriptions and license numbers to track and document repeat offenders. Stickers are available at no charge to any property owner or resident at no charge from Karen Dryden. A supply of stickers is on hand and can be obtained after this meeting.

### **Liability Insurance**

The Board agreed to consult with our insurance agent and consider the need for and cost of increasing our liability insurance coverage.

### **Ballots for Budget Approval**

It was suggested that ballots be mailed to all property owners for the purpose of voting on the proposed budget. General disagreement was expressed due to the high cost of Certified Mail. Property owners are given the chance to vote at this meeting.

### **Short Property**

It was requested that the Short property on Racine be cleaned up. There is a dead tree present and the grass is almost always long.

This property is in foreclosure, Sonny has cut the grass several times.

### **Town Watch**

This Committee is currently inactive, due to a lack of interest and volunteers willing to staff it. Brad Fager volunteered to head the committee. He will be installed at the next regular Board meeting.

### **Announcement:**

September 7 is "Old Tire Day" at the landfill.

### **Road Crews**

Sonny solicited volunteers to act as Road Captains and additional volunteers for specific roads. The Road Captain would keep an eye on a specific road and then organize the volunteers to work with Sonny to repair their road.

### **Mosquito Spraying**

It was requested that mosquito spraying be increased to twice per week, it is currently once per week.

### **2013-2014 Budget and Voting**

Andrea presented the proposed new budget for FY 2013-2014.

The assessment remained constant from last year.

Questions and Comments:

1) Great job by the Budget Committee!

Q: How much has the beach eroded?

A: Don Manges reports that according to Joe Johnson at Cecil County, we have lost 15 feet of beach in the last year. If this is allowed to continue we will soon lose three large trees in the beach area.

A vote was taken via paper ballot; ballots were collected and counted by Janet McKenna, Sue Seeley and Bill Dryden.

Voting results as announced by John Reber: 51 in favor of the proposed budget; 1 opposed; the proposed budget was approved.

**Meeting adjourned** at 4:11 pm.

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**A brief recess was taken before the start of the Annual Meeting of CICA Members.**

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***Note:** Due to the lateness of the hour, this meeting progressed very rapidly.*

The CICA Meeting was called to order at 4:18 pm. by John Reber.

#### **President's Report (John Reber)**

John thanked the Committee Chairs for all of their volunteer time throughout the year and referred those in attendance to the back of the Agenda for the listing of all Committees and Committee Chairs, and encouraged everyone to consider volunteering for Committees. He noted there were several Committees without chairs including the Tractor Committee.

#### **Secretary's Report (Jim Carter)**

The draft minutes from the 2012 Annual Meeting were posted on the website about a week ago on the website, with an e-mail reminder sent to community members to review them prior to this meeting. Hard copies of those minutes are available at this meeting.

Jim reported that those minutes need to be approved at this meeting. An opportunity to ask questions or comment was made. No comments or questions were presented.

A motion was made, seconded and approved unanimously by voice vote to approve the minutes from the 2012 Annual Meeting.

### **Treasurer's Report (Andrea Gilde)**

Andrea reviewed the proposed 2013-2014 Budget and opened the floor to questions.

Q: How is "mowing" income?

A: Lots with no homes can be cut by CICA for a yearly fee.

A motion was made and seconded to approve the 2012-2013 Treasurer's report.

### **Committee Reports:**

Note: In the interest of brevity Committee reports were not read with the exception of the Beach Report.

### **Beach (Jim Carter)**

Jim reminded all property owners present that CICA stickers are required to be displayed on any vehicle parked at the Beach or Harbor. We have seen an increase in trespassers at these areas and need to get it under control. We are placing notices on vehicles found without stickers and are maintaining a log book of vehicle descriptions and license numbers to track and document repeat offenders. Stickers are available at no charge to any property owner or resident at no charge from Karen Dryden. A supply of stickers is on hand and can be obtained after this meeting.

### **Old Business**

There were no old business items.

### **New Business**

#### **Board Nominees / Election of CICA Board of Directors**

Diana Hawley, Nominating Chair, thanked the outgoing Board members for their years of service; Karen Dryden, Andrea Gilde, Diana Hawley and John Reber.

The nominees for the Board are: Mike Beiter, Ray Farnesi, Sonny Hayes and John Reber.

A motion was made, seconded and the nominees were elected unanimously by voice vote.

#### **Change of By-Laws**

A resident requested that a Committee be formed to investigate the possibility of changing the By-Laws to require or allow:

- Multi- year budgets.
- Absentee balloting.

Discussion followed:

Multi-year budgeting was generally thought to be impractical since there was no way to predict membership and therefore income.

Absentee balloting was cost / labor intensive.

- Committee would need to be formed.
  - Revise by-laws.
- Present for Board approval.
- Special mailing to just CICA members for their votes.

Comments included:

- The need for an attorney to be hired to review any changes as would any addendum to the by-laws.
- Today's by-laws are the product of a court case and would probably not be readily changed.

### Proposed Budget and Voting

The proposed budget which was published in the July newsletter was presented by Andrea Gilde.

The proposed budget is basically the same as last year with no change in fees. The only real change is the addition of the CICA 5K as a budget item included at \$1,000., however, this is a profit making event and the budgeted amount is just "seed" money.

The floor was opened to questions; none were presented.

A motion was made, seconded and a vote called to approve the 2013 -2014 proposed Budget. *Paper ballots were distributed at sign-in.*

The Budget was approved unanimously via paper ballot. 38 in favor; none opposed.

Ballots were collected and counted by Janet McKenna, Sue Seeley and Bill Dryden.

### **Meeting Adjourned**

There being no further business to conduct, the meeting was adjourned at 5:06 pm.

Respectfully submitted,

Jim Carter  
CICA Secretary