

Chesapeake Isle Civic Association Annual Meeting – August 23, 2015

ANNUAL MEETING OF ALL PROPERTY OWNERS

The Chesapeake Isle Annual Meeting of all Property Owners was **called to order at 2:05 pm** by President Chris Shelton.

Board Members Present: Mike Beiter, Jim Carter, Phyllis Doyle, Ray Farnesi, Tom Grieco, Sonny Hayes, John Murray, John Reber, Chris Shelton, Justin Thomas

Board Members Absent: Cindy Mistysyn, Tiffany Murch

Chris Shelton led the Pledge of Allegiance, an opening prayer giving thanks and remembering people who have passed this year (Sal Tulumello, Irene Hudson and Eddy Macadus were remembered) and Moment of Silence.

President's Report and Opening Remarks (Chris Shelton):

Chris thanked everyone for coming out to participate and reminded them that this meeting would be conducted in accordance with Robert's Rules of Order – it is OK to differ, just need to be respectful.

Chris thanked everyone for another great year in Chesapeake Isle, it is an exciting time to live here and be in a leadership position.

Chris thanked all of the Board of Directors both incoming and outgoing and all of the many community volunteers; his job would be impossible without all of the help from behind the scenes

Secretary's Report (Jim Carter):

Welcomed everyone to the meeting and informed the participants that the meeting was being recorded.

The Draft minutes from the 2014 Annual Meeting were posted on the website about a week ago with an e-mail notification sent to the Community members for review. Hard copies are available at this meeting. The Secretary solicited comments, questions, additions, deletions to the Draft Minutes and opened the floor for any comments.

There were no comments offered from the floor.

A motion was made, seconded and passed unanimously via voice vote to accept the Minutes of the 2014 Annual Meeting as written.

Treasurer's Report (John Reber):

We are going to go over the Community Maintenance End of Fiscal Year Report for July 1, 2014 to June 31, 2015.

Treasurer's reports were distributed at sign-in.

Budget Accounts: Beach, Tractor Replacement Fund, Electricity, General Maintenance / Erosion, Harbor, Pier Replacement Fund, Insurance, Legal, Maintenance – Tractor / Equipment, Printing / Mailing, Roads General Maintenance, Roads Capital Expenditure, Taxes, Wages, Mason Lane Funding, Book Keeping / Accounting.

There was one minor omission in the End of Fiscal Year Report for 2014 – 2015: There was no expense listed for Book Keeping / Accounting – the report was amended to show a \$ 317.35 expense for this.

John opened the floor to questions:

A property owner commented that the Reserve Account needs a full accounting.

- Andrea retrieved that information:

- Reserve Total = \$ 42,939.

- Total includes \$ 10,000. for the Pier Replacement Fund and \$ 20,000. in the Tractor Replacement Fund.

Separate accounts are maintained for the Tractor Replacement Fund, Pier Replacement Fund and the Road Fund.

Question: Do our By-Laws require a particular reserve amount?

Answer: There is no required minimum either in the form of a specific dollar amount or as a percentage of the total budget.

- This question is asked every year.

Bill Osborne made a motion to approve the amendment / correction to the Book Keeping / Accounting expenditure in the amount of \$ 317.35; seconded by Janet McKenna; approved unanimously by voice vote.

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

Committee Reports:

Rather than have each Committee report, Chris opened the floor to questions regarding specific committees.

(Beach) Jim reminded everyone that in order to park legally at the Beach or Harbor, a CICA sticker is required. Stickers are available at no charge from Karen Dryden or Jim. Chris reminded people that the sticker does not have to be permanently attached – just so it is visible from outside of the vehicle. Also reminded the group that license numbers are being recorded of vehicles without stickers.

There were no further comments or questions regarding Committees.

Old Business:

Road Paving (John Murray):

- The Mason Lane project is scheduled to start construction next week; estimated completion is about 2two weeks – weather dependent.

- There is an additional drainage project on Gull Circle, this project will follow Mason Lane.

- Both of these projects are to be completed before any Community-wide paving is started.

Fishing Pier:

The fishing pier was damaged last winter by ice. Repairs were made this spring; during the course of those repairs it was discovered that the pier is showing its age and will need to be replaced prior to complete failure. We suspect that if we were to let the pier

collapse, we would not be able to obtain the needed permits to rebuild it, however, we can obtain the permits to maintain it and replace sections.

The estimated cost to replace the pier is \$ 30 – 50,000. We have included a \$ 10,000. set aside for this project in this year's budget for this purpose – the "Pier Replacement Fund". The contractor who did the repairs estimates that we have perhaps 3 or 4 years before the remainder if the pier needs to be replaced.

The section of the pier which was replaced this spring will be preserved – the money already spent will not be "re-spent" at the time of replacement. Repairs were made with additional replacement in mind – nothing will be lost.

Comments & Questions:

- Meme Szep commented that the fishing pier was here before most of the houses – it is an asset and she is glad we are working to preserve it.

Q: Will the pier be the same design?

A: Yes.

Q: Can we use the pier to tie up visitor boats?

A: The pier can be used for "overflow" when there is heavy traffic at the ramp, but should not be used to tie up visitors.

- Visitors should be anchoring out if staying or, we frequently have many vacant moorings, with a bit of advance planning, one can usually find someone willing to lend their mooring for the night.

There was no further discussion concerning Old Business.

New Business:

NOTE: This section has been paraphrased and is not directly quoted.

The Road Paving Project was passed by a vote of 66.3% in favor. The votes were publicly opened, counted and recorded at a previous meeting.

- There is much information already published about the project and we are not interested in repeating all of that information at this meeting.
- However, we are soliciting specific questions at this meeting.

Road Paving Q & A:

Q: Is there a timeline yet?

A: We have about 2 weeks left in our 60 day window to publish the promised timeline.

What we do know now:

- Financing will be available for up to 24 months.
- We have established totally separate accounts for collection and disbursement of paving monies.
- We need about 50% up front to begin the project, so please pay as soon as you can.
- All interest charges and fees for loan service will be passed through.

Q: Have we had any luck with grants?

A: Unfortunately, we have not had any luck, most grant money is being directed to shoreline erosion and sedimentation projects.

Q: Are we adding to the run-off sedimentation issue by paving the roads?

A: Both gravel and asphalt are considered impervious, in terms of run off we have not obtained a gain or loss.

Q: Will Cecil County take over our roads after they are paved?

A: No, this is a persistent rumor which is completely untrue; the County has no interest in taking over our roads, and probably would not take them even if we offered.

Q: Will the speed limit remain the same?

A: Yes, it will remain at 15 mph. The Road Paving budget includes some funds for speed control IF NEEDED. Options will be explored if there seems to be a problem – problems can be created AND solved by residents! Provided the residents obey the speed limit, there will be no need for any additional speed control devices.

Q: Will driveway paving be available?

A: Yes, the contractor is interested in driveway paving. Any paving of driveways will be done after the roads. Individual owners need to negotiate their own arrangements with the contractor, CICA will not be involved.

- By show of hands, roughly 1/3 of the attendees expressed an interest in having their driveway paved.

Q: How wide will the roads be?

A: 20 feet, except the Beach Road and some sections of Mason Lane.

- Existing or new driveways will be tied in.

Q: The Community voted for a \$2200. maximum per lot for the Paving Project; the asphalt index is the lowest it has been in about for years; what happens if the project comes in below the estimated cost?

A: IF the project comes in below projected costs, any excess funds will be refunded in the form of a credit against Community Maintenance Fees in the 2018 budget cycle.

- Financing follows the person, NOT the property, so this would become a settlement table issue if the property would be sold before 2018.

- If you were to pay in full in 2015; sell your home before 2018; and there were leftover funds, the credit would go to the new property owner – settlement table issue.

Q: What happens if there is a large number of owners who do not pay the assessment? Will CICA come back to those who have paid for more money?

A: We estimate there will be 5 to 15 property owners who will not pay. We will file legal actions against them, the same as those who fail their Community Maintenance fees. This will result in a lien against their property and damage to their personal credit. We do not anticipate this to be a major problem.

- Chesapeake Isle is the assessment authority and this situation will not make any difference to individual property owners, we will not be back asking for more money.

There were no further questions concerning the Road Paving Project.

C.E.R.T. Training Q&A:

Community Emergency Response Teams

CICA has budgeted for and will pay for “free” CERT training for Community members. As an EMT this is a pet project of Chris Shelton. Given the relative isolation of Chesapeake Isle, the Board felt it would be a good idea to have as many trained first responders as possible in the Community.

CERT training consists of 2 to 4 professionally run training sessions which include training in CPR, first aid and A.E.D. (Automatic External Defibrillator) use.

Training would probably take place in the training room at the North East Fire Company.

Q: Doesn't training = liability?

A: NO! Due to the Good Samaritan laws of Maryland, there is no liability exposure for either the individual rendering assistance or for Chesapeake Isle.

Q: The Community would own an AED, where would we store it for accessibility?

A: Just as a suggestion, it could be stored on the front wall of the pavilion in a breakable box like a fire extinguisher. A detail to be worked out later.

Comment: We need a published and posted list of certified people; this program will grow over time.

Community Member Issues:

Comment: We have a new permanent Harbormaster! Marc Beckert, Arden Road, is the new Harbormaster. Thank you for volunteering!

Proposed 2015 - 2016 Community Maintenance Budget and Voting(John Reber):

Proposed Budgets were distributed at sign-in.

Unless otherwise noted, amounts are unchanged from 2014 – 2015 Budget

Note: “Mason Lane Funding” of \$40,000. was eliminated – project fully funded.

| | | | |
|-------------------------------|---|---------|---------------------------------------------------------------------------------------------------------|
| Beach | - | \$1500. | |
| Beach Erosion Repair | - | 1000. | new item |
| Book Keeping / Accounting | - | 750. | |
| Electricity | - | 350. | |
| General Maintenance / Erosion | - | 4500. | |
| Harbor | - | 1000. | |
| Insurance | - | 3000. | increase of \$500. |
| Legal | - | 15,000. | |
| Maint. – Tractor / Equipment | - | 2,000. | |
| Miscellaneous | - | -0- | |
| Fishing Pier Replacement Fund | - | 10,000. | |
| Printing / Mailing | - | 2,000. | |
| Roads / General Maintenance | - | 15,000. | decreased from \$ 70,000; combined “Roads General Maintenance” and “Roads Capital Expenditure” |
| Taxes | - | 500. | |
| Wages | - | 1,200. | |
| Tractor Replacement Fund | - | 3,200. | 80% / 20% split between |

| | | |
|-------|-------------------|------------------------------------------------------------------------|
| TOTAL | - \$ 61,000. | Community Maintenance and CICA decreased from \$ 153,900. |
| | \$ 188.85 per lot | decreased from \$ 476.47 |

John opened the floor to questions concerning the proposed budget.

Q: Why do we need \$ 15,000. for Legal?

A: It is a reserve in case of problems related to the Road Paving Project. Although we believe we have everything covered, we need to have a reserve "just in case."

Q: There is no funding for Mason Lane, why not?

A: Although the work is not completed, the funding is in place as of the last fiscal year.

Q: What is "Printing / Mailing" for \$ 2,000.?

A: Covers the cost of printing and mailing the newsletter and other Community business items such as letters to property owners who are overdue in their Community Maintenance fees. The reproduction costs of the materials which you were given when you signed in today was paid for from this budget item. It all adds up over a year!

There were no further questions.

Chris asked for three volunteers to collect and count the Budget Ballots.

- Janet McKenna
- Mike Szep
- Art Wood

3:19 pm voting and ballot counting began.

3:25 – the votes had been collected and counted and the meeting was brought back to order.

Results: **2015 – 2016 Community Maintenance Budget**

51 yea
0 nay
0 abstain

The motion carried as proposed.

Chris solicited more nominees for the CICA Board; there were none submitted.

The Secretary solicited a motion to adjourn.

A motion was made, seconded and approved unanimously by voice vote to adjourn this meeting.

Meeting adjourned at 3:30 pm.

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

The CICA Meeting was **called to order at 3:32 pm.** by Chris Shelton.

Opening Remarks:

Chris welcomed everyone to the meeting and commented that there is an additional item in the proposed CICA budget for this year, CERT Training, which may help save a life in the Community, please take that into consideration when it comes time to vote on this year's budget.

President's Report (Chris Shelton)

In the interest of brevity, the President's report was not restated – See "President's Report", Annual Meeting of All Property Owners"; above.

Chris introduced David Haines to the attendees; he will be filling out the remainder of Tiffany Murch's term so that Tiffany can spend additional time with her young children and family.

Chris thanked Tiffany for her service on the Board especially with the Paving Project.

Chris welcomed David Haines to the Board (Applause followed for David).

You may have noticed on your SmartPhones that we now have WiFi at the pavilion, "CICA Free WiFi" or similar, the password is "goodlife" all lower case.

Chris thanked all of the Committee chairs for their efforts this past year.

Secretary's Report (Jim Carter)

In the interest of brevity, the Secretary's report was not re-read – See "Secretary's Report", Annual Meeting of All Property Owners"; above.

Changes / additions were solicited to the CICA Meeting minutes; none were offered.

A motion was made (Polly Pyle-Carter), seconded (Bill Wood) and approved unanimously by voice vote to approve the minutes from the 2014 Annual Meeting as written.

Treasurer's Report (John Reber)

John reviewed the 2014 - 2015 CICA budget, income and expenses.

Treasurer's reports were distributed at sign-in.

Projected income was \$ 23,900.. Actual income was \$21,388.63

John noted that the Community Events budget was largely unspent because we have not yet held the Annual Dinner which is a large expense.

Projected expenses were \$ 19,585.. Actual expenses were \$ 15,053. leaving a remainder of \$ 4,532. with the majority of those funds from the Community Events budget due to not having an Annual Dinner. The 5K expense was offset by a \$ 1,000. donation of timing services which was counted as income. John corrected the Book

Keeping / Accounting expense to \$ 317.35 at this time (\$634.70 shown on printed copies).

- We made 12 payments on the Kubota mower for a total of \$ 2,346.60.
- 17 payments of \$ 195.55 remain.

John opened the floor to questions:

Q: Why is the cost of insurance so high for a social organization?

A: We have two types of insurance; General Liability, was \$2 million, we are increasing to \$ 3 Million. The second type which is the bulk of the expense is the Officers and Directors Liability policy – this covers a number of issues malfeasance, embezzlement to any type of misappropriation of funds – cost is about \$ 1900. We are competitively shopping both of those policies in September of this year when they both expire; we believe we will be able to realize some savings by changing vendors.

Q: People that are not members of CICA are not paying anything?

A: That is correct. Anyone who is not a member of CICA really has no vested interest in these financials because they have not paid the \$15. membership fee.

Questioner confused....

Q: The community land is owned by all, are you saying that people that are only Community Maintenance payers are not paying anything at all for insurance for anything that happens on that property?

A: No, because Community Maintenance has insurance as well. Community land is owned in common, CICA is the governing body that makes decisions regarding any of the aspects for that. CICA is the social aspect of that body, these financials pertain to that – that is what is in front of you right now. The insurance for the liability of the common ground has already been approved in the last meeting –this insurance is strictly for CICA and its liability such as officers and directors.

Right now we are at \$ 2 million, we will be upping that to \$ 3 million. It will be \$ 3 million acrossed the board, \$ 3 million single and aggregate. Which is standard for most businesses. A million does not go far in today's world.

Questioner still confused – thinks that non-CICA members do not pay anything for liability insurance. They do, it is included in the Community Maintenance fee paid by all property owners. Two different policies. Questioner said she understood.

There were no other questions on the Treasurer's Report.

The Secretary solicited a motion to accept the treasure's report as submitted and corrected (\$ 317.35 as corrected expense for Book Keeping / Accounting).

- Motion by Les Fritz.
- Second by Gail Berkeihiser.
- Pass unanimously, no abstentions.

Committee Reports:

There are no Committee reports, all Committees report monthly at the regular Board meetings. Typically there are no Committee reports at this meeting. The Minutes from every Board meeting, including those Committee reports, are posted on the website.

Pat Day:

Q: There is an advertised charge of \$ 10. for the upcoming Pig Roast; this is to pay for the pig. I think the cost of the pig should be assumed by CICA; if we are paying \$ 10. why are we also being asked to bring a dish?

A: Polly Pyle-Carter, Event Chair, responded: My understanding was that there was no budget being provided to pay for the pig, if we provide everything the charge will be considerably higher and I will need a whole lot more help; or we do it this way. *(General cross talk erupts)*

- Andrea added the cost of the pig is about \$ 500.

(The Secretary gaveled the meeting back to order.)

Jim responded to Pat (and others): This year the Pig Roast is more or less a replacement for the Annual Dinner which we have always charged for -- \$ 40. or so depending on the year; that was our thinking when charging this fee, in order to hold the price down we requested everyone bring a dish to share. I am not sure this is the appropriate venue for this discussion as I am not sure it is of general interest to the whole Community; a regular Board meeting would be a more appropriate venue. If we want to discuss this further, it needs to happen very fast as the Pig Roast is coming up very soon. Polly will look into this situation; Jim noted that it needs to be settled extremely fast.

There were no additional Committee questions.

Community Member Issues:

Several community members noted / complained about the plowing on Route 272. In years past, Rte. 272 has been better maintained. Can the Board do anything about this?

Chris knows the plow driver for Rte. 272. This year during some of the worst snow storms, there was only one truck and one driver assigned to Rte. 272. One truck was out of service and the one driver was working 16 hour shifts. Chris asked John Murray who is working with State and County officials frequently to gently remind them about Rte. 272. Rte. 272 is a State road. It was a County road until the 70's when the State took it over; lines were painted and guard rails installed when it became a State road.

Other residents complained about litter and the lack of roadside grass cutting on Rte. 272. The lack of grass cutting makes it harder to see the deer on the roadside thus creating a safety hazard.

The Board will relay concerns to the State when we are in contact with them. However, since "the squeaky wheel gets the grease" it was suggested for individuals to contact the State via their website or 410-398-1565 on the topic of roadside trash. Or the State Highway Department website for plowing and grass issues. The more people that complain , the better the response.

Old Business:

There was no Old Business on the agenda.

New Business:

Election of Board members:

The Secretary introduced the 4 persons nominated for election:

John Murray - returning for a 2nd term

Christopher Shelton - returning for a 2nd term
 Justin Thomas - returning for a 2nd term
 William "Bill" Wood - new

A motion was made to have the candidates say a few words of introduction and then proceed with voting.

John, Justin, Bill and Chris all introduced themselves and commented on the pleasure of living in this Community.

The Secretary called for and received a second on the motion; the four nominees were elected unanimously via voice vote with no abstentions. The Secretary welcomed them to the Board. (Applause followed)

Proposed 2015 – 2016 CICA Budget and Voting

The proposed budget which was published in the July newsletter and distributed before this meeting was presented by John Reber.

Projected Income:

| | | | |
|-------------------------------|----------|-------------------|-----------------------------|
| Boat Storage | - | 1,200. | |
| Community Events | - | 1,000. | down from \$2,600. |
| Donations | - | 100. | |
| Keys | - | 650. | |
| Membership | - | 3,400. | |
| Moorings | - | 2,500. | |
| Mowing | - | 6,000. | |
| Pavilion Rental | - | 800. | |
| 4 th of July | - | 3,000. | |
| 5K | - | 2,500. | down from \$ 3750. |
| Total projected income | = | \$ 21,150. | down from \$ 23,900. |

Projected Expenses:

| | | | |
|------------------------------|---|--------|---------------------|
| Tractor Replacement Fund | - | 1,800. | down from \$ 2,000. |
| Community Events | - | 2,665. | down from \$ 4,665. |
| Electricity | - | 500. | up from \$ 450. |
| General Maintenance | - | 3,000. | up from \$ 1,000. |
| History | - | 50. | |
| Insurance | - | 3,000. | up from \$ 2,500. |
| Legal | - | 500. | |
| Internet | - | 480. | |
| Maint. – Tractor / Equipment | - | 500. | up from \$ 400. |
| Mooring Services | - | 700. | |
| Pavilion | - | 500. | |
| Printing / Mailing | - | 200. | |
| Taxes | - | 500. | |
| Wages | - | 1,080. | |
| Web Page | - | 120. | |
| 4 th of July | - | 2,000. | |
| 5K | - | 1,000. | |
| CERT | - | 1,000. | |

Charitable Contribution - 500.
Book Keeping / Accounting - 750. new item
Total projected Expenses - \$ 19,845.

12 Kubota mower payments + 2,346.60

GRAND TOTAL = \$ 22,191.60

The floor was opened to questions. There were no questions.

No change to the dues, remaining at \$ 15.

Voting by paper ballot commenced on the 2015 -2016 CICA budget.

The meeting was recessed at 4:06 pm. while the votes were counted.

The meeting was brought back to order at 4:16 pm. and the voting results were announced:

The Proposed 2015 -2016 CICA Budget was approved by a vote of:

44 – yea

0 – nay

1 – ballot submitted with no vote marked

(Applause followed)

The Secretary solicited a motion to adjourn.

A motion was made, seconded and approved unanimously by voice vote to adjourn this meeting.

The meeting was **adjourned at 4:18 pm.**

Chris thanked all who attended for their involvement and attendance.

Respectfully submitted,

Jim Carter
CICA Secretary