

**HSIA BOARD MEETING
THE KEY SCHOOL
May 31, 2012**

BOARD MEMBERS PRESENT: Christian Elkington, Ray Sullivan, Helene Raven, Bill Anderson, TJ Hurlburt

ADMINISTRATIVE STAFF: Jean Somers

GUESTS: Michael Stewart, Kate Penn

Christian Elkington called the meeting to order at 7:12 pm. No quorum present.

Christian Elkington introduced Michael Stewart, resident at 636 Riverside Drive. Michael explained a storm water drainage problem on the easement between his property and his neighbor. Michael feels the County is responsible for fixing the storm water drainage issue. Michael received a letter from the County (attached) stating that this easement is not the County's responsibility. Michael has sustained damage to his seawall and wanted to make the Board aware of his situation.

Minutes from the April Board meeting were accepted.

TREASURER'S REPORT: Bruce Walker emailed his report as follows:

As of the end of April, all accounts balanced and HSIA has \$435,777.40 in the bank.

General Fund: (has \$206,463 in the bank)

1. Membership dues: As of April 30th, we have 608 members yielding dues of \$9125 (budget for 2012FY is \$9000). **For the new fiscal year (2013), we are up to \$8055 or 537 members.**
2. **HSIA still has to pay income tax** on the \$222,652 from the sale of the Beach strip sale to the 13 EBV residents.
3. The General Fund loaned Piers & Harbors \$50,000 to pay toward the dredging costs - P&H to pay back the GF \$10,000 per year for next 5 yr.
4. The General Fund is running ok to budget.

Piers & Harbors: (has \$101,874 in the bank with a debt of \$50k to GF)

1. Income is 107% of plan with 11 open slips. We have collected roughly 95% of fees (\$99,856) for the new fiscal year. Still need to collect for 10 slips.
2. The dredging project has been completely paid for (after borrowing \$50k from the General Fund). The total including the two new finger piers (paid for in April), came to \$207k vs \$210k budget. The Contingency/Surplus/L26 fund stands at \$9K.
3. The P&H Fund is running ok to budget.

Pool Fund: (has \$1,180 in the bank with a debt of \$1000 to STF)

1. Income: Last summer pool season total income was \$84,127 versus plan of \$94,400 (so deficit was 10,273 plus the \$19,134 planned overage for a total of **\$29,407 shortfall.**) This shortfall carries forward.
2. The second payment (\$12,388) to Anchor Acquatics for the new swim season was made in April. Also in April, three projects totalling \$6,189 were completed: Hot water heater replacement (\$4820), restrapping lounge chairs (\$719), motion detection lighting (\$650). The pool was also charged \$6920 in admin in April to adjust the year total to \$7700. This compares to \$6000 for the General Fund, \$7700 for P&H, and \$12,400 for the STF.
3. Through the end of April, **the pool collected \$58.5K of the \$108k it needs to collect. See below. This is a major concern.**
4. In March, the Pool paid back P&H **\$29,107 and does not have any remaining debt. However, as of the end of April, it also has no money.**

Special Tax Fund: (has 126,260 in the bank)

1. The ST Fund is running ok to budget.

Membership Status	2011		2012		
Pool Revenue update:	Budget	8/31/2011	Budget	3/31/2012	4/30/2012
Family memberships	190	168	198	96	99
Individual memberships	75	114	77	81	82
Youth	15	24	43	21	22
Non-member Coupon bks	120	34	35	28	33
Member Coupon bks	50	4	65	97	97
Nanny	0	7	7	3	4

Income Tax on sale of beach strip properties: Jim Schwallenberg is still researching and has been consulting with some CPA's -- conclusion right now is that we will have to pay much bigger chunks of income tax that I was hoping for. Apparently, corporations do not qualify for the 15% capital gains tax -- only individuals. Total Federal and State income tax may be as high as \$78,600 versus the \$50K I was originally predicting.

ANNAPOLIS NECK PENINSULA FEDERATION: The Board of Appeals meeting on the Reserve at Quiet Waters is June 5. Ray Sullivan passed out information. Christian Elkington received a letter asking that Hillsmere oppose the Reserve at Quiet Waters Park. Christian is personally staying out of discussion on this matter.

POOL: Christian Elkington reported that we don't have update on membership numbers for the pool yet. Swim Team and Key School Camp have paid. Swim Team practice starts June 11 and a parent meeting is scheduled for June 10.

SECURITY: Christian Elkington reported for Matt Franz that we had two felony arrests in the last two weeks. One was a door-to-door salesman and one arrest was for possession with intent. We have a significant problem with guest parking at the marina. Non-residents are crabbing there. Illegal crab pots are also a problem. Crabbers are peeling back the caps on pilings to attach crab lines.

NEW BOARD MEMBER: Christian Elkington is proposing that Noel Gasparin fill the vacancy on the board.

RULES CHANGES: Christian Elkington has an update on HSIA rules. We will need to schedule a Special Board meeting since we don't have a quorum at this meeting and Christian will present rules then.

CREDIT CARD TRANSACTIONS: HSIA is looking into accepting credit card payments.

LITTLE FREE LIBRARY: Christian Elkington explained the Little Free Library as a lending library. Hillsmere resident Emily Auerswald is willing to maintain a Little Free Library at the rain gardens at Phipps Lane.

HILLSHERE SHORES SIGNS: Christian Elkington would like to install old Hillsmere Shores signs at the marina. One spot is on the jetty or on a much-needed fence repair at the marina entrance.

PROPERTY: Christian Elkington mentioned we've been offered a piece of property with access to Lake Hillsmere. Christian seeks approval to continue negotiations with the property owner who is getting the property surveyed.

PASSAGE INTO QUIET WATERS PARK: Christian Elkington would like permission to hire Debbie Jones to contact the owner of the vacant lot on the corner of Phipps and Forest Hill Drive to see if HSIA could purchase it. The lot is not buildable. This would allow the community to have access to the Park.

DOVE LANE: Christian Elkington mentioned that Key School would like to acquire the property on Dove Lane. Bill Anderson mentioned if they own that property, they could expand. Key School owns four lots on Dove Lane and HSIA owns one lot.

PIERS & HARBOR: TJ Hurlburt presented plans for a new security camera project at the marina to replace the existing equipment and update the cameras. Much discussion about this project and it is tabled to the Special Board meeting that will be held in a week or two.

OLD BUSINESS / NEW BUSINESS: None.

There being no further business, the meeting adjourned at 9:15 pm.

Respectfully submitted,

Jean Somers
Administrator