

**HSIA BOARD MEETING
THE KEY SCHOOL
November 18, 2010**

BOARD MEMBERS PRESENT: Bill Anderson, Christian Elkington, Noel Gasparin, Mark Jones, Phil Jones, Kate Penn, Bill Shuman, Tracy Stanley, Ray Sullivan, Bruce Walker

GUESTS: Linda Elkington

Bill Shuman called the meeting to order at 7:15 pm

MINUTES: In the section on “Proposed Budget”, it should be noted that the first motion, by Bruce Walker, regarding approval of the budget, was approved (not unanimous). Also, the motion by Ray in that same section, Bruce recalls that he voted in favor of that motion, but is shown as voting against.

In the section on “Beach Strip”, Bruce Walker presented **bids** for a legal description.

TREASURER’S REPORT: Bruce Walker reported as follows.

General Fund: Overall looks good:

1. Dues income: through October we are 99% of the annual budget so far with 593 members.
2. We received another \$221 to from our 2007fy default renter complete payment of legal fees we incurred to recover the defaulted rent. YTD we collected \$787 toward the rent and \$743 for legal fee reimbursement. This completes all funds owed.
3. We paid the bill (\$1082 for the trees in October and will pay the sales tax of \$67 in Nov. We received income for sale of trees to community residents of \$1121 in September.
4. In October, we paid the \$400 rental house insurance policy. We moved the GF's portion of the fidelity bond (\$259) to GFadmin and off of the rental house insurance.
5. Property tax came in at \$3194 versus budget of \$4000.
6. Income taxes came in \$804 under budget

Piers & Harbors: Overall looks good: Contingency fund now has \$57,013.

1. Income: we are 113% of plan **with 100% of slip rentals, dingy racks, canoe racks paid!!!!!!!!!!** and ramp keys at 102% of plan.
2. In October we paid the second \$750 permit fee for the dredging project
3. Also in October, P&H lent \$13,186 to the STF to pay bills.

Special Tax Fund: Overall looks good except:

1. Security expenses ran higher than plan for July, August, September **and October**, which will cause future months within the fiscal year to be cut back.

Because of the increase in the amount of our liability insurance to \$5M, we will run slightly above budget on insurance but since that is rolled into admin, we will not be over on the larger category.

PRESIDENT’S REPORT: Nothing to report

BUILDING PERMITS: Nothing to report

SECURITY: Kevin Green presented the Security report (in absentia). Christian Elkington mentioned that there are increasing problems with Key School students speeding on Harbor in the morning. Kate Penn added that several times at the intersection of Harbor and Carroll drivers

have passed the school bus while picking up students and continued on to Key School. Traffic is also speeding on Tayman. Christian Elkington explained that the bus stop at Phipps is hazardous because the shrubbery obscures visibility at the intersection. Bill Shuman asked if this is the responsibility of the HPA or HSIA. It was agreed that HSIA should address this immediately.

Tracy Stanley reported a car was observed “herding” students on Edgemere Drive, near the cut through to Hillsmere Elementary School. The car matched the description of the car used for drug deals at the HSIA Marina. Ray Sullivan mentioned someone had driven on the lawn by the pool & left tire tracks. Bruce Walker asked if the security camera at the Marina recorded the individual who was illicitly sleeping on the boat.

STORMWATER: Ray Sullivan reported that pet stations will be provided for pet waste. An errant resident refused to clean up claiming that sewer station overruns are the cause of pollution, not pet waste. Some residences have storm drains going into the sanitary sewer, which would cause an overrun.

MARINA: Mark Jones reported that winterization is scheduled for the end of November. Mark Jones is working on a contract to install the 12 new ladders.

Mark Jones explained that the Gate does not open when the power is out; it remains locked. Christian Elkington observed that the magnetic lock did release, but the mechanical arm keeps the gate closed. In the event of an emergency when power is out, Mark Jones said a fire truck could break through the gate & the arm would release (or break). The joint could be modified to allow a manual override & Mark Jones will look into that.

BEACH: Kate Penn reported that ATCS completed the fencing drawings so American Fence could apply for permits for their work. Phil Jones added that American Fence is progressing with the permits; Bill Shuman signed the Critical Area part of the application. When ATCS completes the drainage part of the plans, Kate Penn said she would get bids for that portion of the work. She expects that work will be done in the early spring.

Kate Penn reported that she purchased a handicapped swing. Bill Anderson suggested installing the swing at the structure that used to be a bench swing.

Bill Anderson removed the three trees that were knocked down during the storm. Phil Jones will inquire if American Fence can remove the stumps.

Phil Jones mentioned that the stump we use to attach the existing gate has fallen down. We will have American Fence install a new post.

PROPERTY: Bill Shuman reported that Pete Cook, Annapolis Property Services, recommended we upgrade the Rental House kitchen. He explained that it would improve a more responsible tenant if we make some improvements. Bruce stated kitchen upgrades are not in the budget; however, there are sufficient funds to paint. The board members may tour the house Friday at 11 am to assess the need.

Bruce confirmed there is sufficient cushion in the General Fund to cover the cost, but the budget will need to be modified. Until the check from the County arrives, we do have a cash flow crunch because we are borrowing funds to cover Special Tax expenses. Christian Elkington pointed out that a \$6,000 renovation would take at least 2 years to recoup; is this the best use of the property.

APPROVAL OF SUBDIVISION COSTS: Bill previously approved an additional \$1,000 to investigate whether a subdivision is necessary. **Bruce Walker motioned the board approve spending up to an additional \$7,500 to take the property through the County subdivision process, if required. Ray Sullivan seconded the motion.** Kate Penn asked if this will be split with the EBV owners. Bruce Walker explained that HSIA is paying all these expenses up front & the buyer's shares will be paid at settlement. **Vote taken – unanimously approved.** We are planning settlement for December 22.

LAND SALE CONTRACT FOR EBV: Bruce Walker has submitted an “Unimproved Land Contract of Sale” for EBV buyers to review. The document would be specified for each buyer on description of property and terms of financing. They are meeting to discuss the document and approval is pending. **Bruce Walker motioned that the board approve the “Unimproved Land Contract of Sale” as written to use as a purchase agreement for the sale of the Beach Strip to the East Bay View property owners. Noel Gasparin seconded the motion.** Ray Sullivan asked if Mike Ragland has reviewed the sale contract; Bruce Walker confirmed that he did. If financed, the mortgage lien for the property will be secured on the Buyer's house, not the unimproved land. Phil Jones asked if it is sufficiently clear that HSIA is selling only its own rights & ownership. Bruce Walker explained that the “Quit Claim” wording is included in section 17 of the Contract. Phil Jones was troubled by the discrepancy between the description of the sale described in Item 4 and Addendum A section 1a. Christian Elkington asked if Bruce Walker was confident they would accept; Bruce Walker indicated it seemed likely, based on feedback so far. **Vote taken – approved 9; against 1.**

BLUEGUARD CONTRACT: Phil pointed out that based on the results of the General Meeting vote on security, we should respond by terminating the private security contract portion of our security coverage. **Phil Jones motioned that the contract with "BlueGuard" be terminated as soon as the contract allows and that no replacement private security company be hired and that those funds saved be directed to the hiring of additional off-duty county police, as the Board so desires. Christian Elkington seconded the motion.** Christian Elkington pointed out there are services Blue Guard offers that we are not making use of. As currently provided, he does not believe we are getting worthwhile security for our cost; however, with some improvements to the contract, we may be able to improve the quality of the coverage. Mark Jones agrees that as Blue Guard currently performs it is not effective. However, we have not made a significant effort to improve their services. Phil Jones said he requested a county police record of incidents to ascertain if crime has changed over the past few years. The count is roughly the same from 2008-2010. Kate asked the difference in cost between private security and off-duty police. Bruce Walker said it is \$25.50 for Blue Guard vs. \$36.50 for off-duty police. Tracy Stanley asked why those who support the Security patrols believe it is effective. Bruce Walker explained that we get more security exposure because it is less expensive. Also, having two services helps keep all costs down. Phil Jones explained that the Neighborhood Watch program is a formal arrangement with block captains, which increases the overall coverage of the area. Christian Elkington has subscribed to a service that provides crime reports specific to this neighborhood; he encourages that the Board subscribe to the same. **Vote taken - 2 approved, 6 opposed, 2 abstentions.**

Christian Elkington recommended BlueGuard attend a Board Meeting to present the option of services they provide, including hiring & supervision of off-duty police officers. The particular officer now provided is not satisfactory, and all options should be considered. Because there is such divergent opinion within the board on the right security coverage, it is important for them to come to the meeting to give an opportunity to a full discussion of their services. **Christian Elkington motioned that Blue Guard be invited to a closed meeting of the board to discuss the inadequacies of their current performance and the future of their contractual relationship with HSIA. Mark Jones seconded.** Bill Shuman agreed to work with Kevin Green to arrange the meeting. **Vote taken – 9 approved, 1 abstention.**

FY2010 BUDGET: Bruce Walker motioned the Board approve the FY2012 Budget as presented. Tracy Stanley seconded the motion. Phil Jones asked for confirmation that the security change was included; Bruce Walker confirmed. **Vote taken – Unanimously approved.**

ANPF/The RESERVE at QUIET WATERS PROJECT: Ray Sullivan presented the concept plan for a development project for Reserve at Quiet Waters. Bruce Walker pointed out that several community meetings were held, and both City and County planners agreed that further projects would be delayed until adequate public facilities could be provided. The environmental concerns are expressed in a letter by Erik Michelsen, SRF. Then next meeting with the planning commission will likely be in January. The developers have requested a meeting to discuss this project with the Hillsmere community. Bill Shuman asked if it would be a more constructive forum if we held a meeting with several communities. Ray Sullivan said Erik Michelsen is meeting with them tomorrow. Bill & Ray will arrange a meeting with the developer, and Bill will compose a response to be reviewed by the board prior to sending to all parties involved (planning board, ANPF, etc.).

PROPOSED GAS STATION: Ray Sullivan said Giant is requesting a zoning variance to allow a gas station to be installed at the Bay Forest Shopping Center. Giant did propose SWM improvements. Ray Sullivan pointed out this is not in the City's Plan, but they approved it anyway. Bill Shuman expressed doubt over writing a letter against the project when we haven't yet seen the proposed plan. Giant/Shop & Shop is presenting the plan to the Fair Winds Community on Monday; Ray Sullivan will be present at that meeting. Bruce pointed out that any zoning change is bad because it reduces restrictions on development. Also, installing this type of gas station would, by its nature, attract traffic that would not otherwise be here. Definitive action will be put off until we gather more information on the project.

OLD BUSINESS: None

NEW BUSINESS: Tracy Stanley asked if leaves are collected. This is not a county service & HSIA has been unable to locate a service to provide this.

There being no further business, the meeting adjourned at 10:03 p.m.

Respectfully submitted,
Kate Penn
Board Director