**HSIA BOARD MEETING**
**THE KEY SCHOOL**
**July 30, 2009**

**BOARD MEMBERS PRESENT:** Bill Shuman, Bruce Walker, Bill Anderson, Mark Jones, Noel Gasparin, Ray Sullivan, Kate Penn, Natalie Lobe

**ADMINISTRATIVE STAFF:** Jim Schwallenberg

**GUESTS:** Phil Jones, Jeri Singleton

Bill Shuman called the meeting to order at 7:00 pm

Minutes from the June Board Meeting were accepted.

**TREASURER'S REPORT:** Bruce Walker reported on the following:
HSIA 2009 Fiscal Year End Highlights: July 1, 2008 through June 30, 2009

**Overall**: We ended the year with cash accounts balances as follows:

| | | |
|---|---|---|
| General Fund: | $ 21,078 | increase of $ 5,097 |
| Piers & Harbors: | $104,738 | increase of $10,245 |
| Special Tax Fund: | $ 102,445 | increase of $17,761 |
| Total cash balance: | $ 228,261 | overall an increase of $33,103 |

We ended the year $33,453 better than the original budgets set due to Special Tax being $38,453 better than plan. Since 2003, we have reduced HSIA debt from $508,000 to $188,330.

**Specifics**:
General Fund: Net: $5,086 better than budget: Revenue was $1,650 better than plan. Expenses were $3,436 better than budget. The rental house made a profit of $4,025 for the year versus a plan of break-even (In 2008FY, the rental house lost $2,654 due to 4 months vacant and refreshing the house with new carpet and painting inside and out.) We added a dishwasher to the house in 2009FY. We also recovered $308 of 2007 default rent.

Piers & Harbors Funds: Net: $9,937 worse than budget. Revenue was $2,908 worse than plan as 4 slips were never rented out due to the Pier/Boat Ramps Project. Expenses were $7,029 over budget, **which included $46,410 of the Pier/Boat Ramps Project**. We had only budgeted $12,000 for the project assuming we would borrow the money to fund it. Instead we paid all cash for the $115,924 project absorbing approximately $80,000 in the 2008FY and 2009FY budgets. We paid down $5,522 of debt in addition to our bank loan payments. We completed the new Piers/Boat Ramp project right on budget. The Contingency fund/L26Fund ended the year at $22,589 (about $11,500 better than projected). In 2010FY, we will add an additional $20,000 to the Contingency Fund and in 2011FY, we will bring the fund back up to $50,000. Since 2003, we have reduced P&H debt from $296,000 to $81,500 (includes L26 accounts). Overall, with three new piers, one redone boat ramp, 26 new slips, and low debt, Piers and Harbors status has never been better.

Special Tax Fund: Net: $38,453 better than budget. Revenue was $1,570 worse than plan as the County had some tardy tax collections. In July, they sent us a check for $3,600 of the 2009FY collections. Expenditures were $40,023 less than plan mainly due to under-spending on the Beach projects budget by $13,827, under-spending on legal fees by $7251, under-spending of the security budget by $1830, under-spending the Ground Maintenance budget by $4,360, and under-spending Sea Breeze budget by $5,016. Approximately $50,000 of the 2009FY funds have been put aside for revamping the Beach parking lot, its fence structures, and its stormwater management. These projects

began at the very end of June. As promised, we slowed the Beach shoreline projects to a pace that will allow appropriate studies to be conducted, to allow good communication of proposals, and enough time to get quality feedback. Studies are underway on the wave action along the beach. The unspent monies will go toward reducing the 2011FY budget that will begin July 1, 2010. Since 2003, we reduced HSIA Special Tax debt from $212,000 to $97,330.

Over the last 5 years as we have steadily pushed to get competitive bids for work being done, our savings have been significant reducing costs from grass mowing to Sea Breeze printing, from armor rocks on the shoreline to rebuilding our piers.

**PRESIDENT'S REPORT:** Bill Shuman reported that HSIA received a letter from home owners along the beach strip offering a sum of money to pay for land and riparian rights. A special closed meeting will be scheduled in the next two weeks to discuss this offer. The letter from the lawyer representing the property owners stated that this is a one-time offer and if HSIA did not accept the offer, HSIA will be sued. Bill also reported that Hillsmere is exceeding recycling by exceeding County averages. The County average has increased from 30% to 35% and Hillsmere's average has increased from 30% to 40%.

**PROPERTY:** Noel Gasparin presented two estimates for removing trees. Total cost is $1200 -- $450 from Piers & Harbor and $750 from Special Tax. Discussion followed. **Noel motioned the Board approve tree work at Sunset boat ramp at $450 paid by Piers & Harbor Fund and $750 from Special Tax fund for tree work at the beach and at Hillsmere Drive at Magnolia Lane. Bruce Walker seconded the motion. Mark Jones objected charge to Piers & Harbor. Vote taken – 7 for, 1 against. Motion approved. Noel Gasparin motioned the Board approve tree work and trimming at rental house for $1100. Ray Sullivan seconded the motion. Discussion followed – hold to end of the year? Safety issues were discussed -- to do safety items at a cost of $325 and hold off on the rest. Amended motion to approve $325 at rental house. Seconded by Bruce Walker. Vote taken – unanimously approved.**

**SECURITY:** Kevin Green not present. Kevin sent a report of a stolen flower pot on Holly Drive. Bill spoke to the resident and told her to report the stolen pot to the Anne Arundel County police. Bill asked Bruce about usage of $80K increase in budget for security and how we are spending these dollars. Bill will ask Kevin for a monthly history of Blueguard coverage for the previous month.

**BEACH:** Kate Penn reported that there was a pre-construction meeting at the beginning of the month on the parking lot and work should start the first week of August. A resident had contacted Kate to request reserving the beach pavilion for this Saturday, but the beach is already reserved. Kate will inform the resident that guests are limited to eight.

**PIERS & HARBOR:** Last Saturday night, lightning struck and caused live fuses to fail. Bob Emmet still owes $250. **Mark Jones motioned the Board approve taking legal action to collect the outstanding balance and to prevent him from future abuse of monies. Ray Sullivan seconded the motion. Vote taken – unanimously approved.** Plans are in the works for a September pig roast. Will be announced or communicated by email. Bruce Walker mentioned that we still have 9 open slips with one unpaid. Will and Muffie Heyer are working to fill slips.

**STORMWATER:** Ray Sullivan reported that he would have a draft storm water plan next month. Ray would like to have a presentation at the September General meeting. Bill Shuman asked about the progress on the Steffey Drive issue. Ray is disappointed on the lack of community interest in the purchase of the lot. The County has stated that we can use Special Tax money to purchase the property with 50% of the lot owner's approval.

**ANPF:** Ray Sullivan has been going to mayoral debates.

**POOL LEASE:** Bill Shuman was to ask the Pool Association to give an annual report at this meeting. Bill asked them for a report at 4:30 today. The Pool Association was not able to reply with short notice and would like to report at the end of the season. Bill Shuman would like to get both boards together to discuss further progress with the pool lease. Bill Shuman spoke to Bill Malamphy (Pool President) to set up a meeting for the second week of September. Bruce Walker added that only two people took the offer for $250 memberships.

**OLD BUSINESS:** None

**NEW BUSINESS:** Bruce Walker would like to highlight the good that HSIA has done in the past five years. Bruce will work on this.

There being no further business, the meeting adjourned at 9:08 pm.

Respectfully submitted,
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