

RIIA BOARD MEETING MINUTES

February 17, 2014

The meeting was called to order by President, Charlotte Crain, at 7:05 PM at All Saints Center. Introductions were dispensed with.

Board Attending: Charlotte Crain, President, , Anne Scea, Treasurer, Sarah Brown, Secretary, Trustees: Jud Morris, Mike Hirko, Trish Burnett, Jim Cushing, Dave Paly and John Rosendahl, **Absent:** Rich Swenson, VP.

Members Attending: Island members Tom Straub, Bob McCoy and Scott Wood.

Request to add agenda items: None

Member's Request to Address Board: None

Approval of Minutes: Minutes of the January 17th, 2014, Board meeting were approved as amended by email. Revised minutes will be posted to the website

Treasurer's Report: Treasurer, Anne Scea, submitted treasurer's reports by email to Board members on February 14, 2014. In response to a question from Charlotte, Anne explained the reason for differences between bridge and general assessment percentages paid to date on the Budget vs Actuals report. Some discussion points:

- Anne said utility bills have gone up quite a bit due to additional electricity to the construction trailer. She will break the totals out for us.
- The Secretary said that the Bridge Replacement Costs report was now too lengthy to print legibly so Board members will have to review online report instead of printed report in future.
- Scott Wood, Roads Chair, reported that there will be additional expense for a contractor to clean out our roadside culverts. This will be discussed later in the meeting.
- Anne noted that the next year's budget must include bridge replacement costs for the fiscal year and that dues may be increased. Trish suggested that we have an article in the Newsletter with a Q & A format on the subject of these bridge replacement costs to make things clear to members. This format has worked well in the past. Trish will start that project by throwing out a few questions by email.
- The board accepted the Treasurer's report

Managers Report: Juanita Carbaugh, Island Mgr emailed report to Board members on February 14, 2014. She reported that notification has gone out on the filing of civil suits against certain lot owners and that as there was no response during the comment period, the action will proceed. No other critical items were noted.

Bridge: Charlotte reported on bridge construction progress based on a progress report from Roger Hansen, Owner Representative.

- Next week more work will be done on the Pile Pier Caps to prepare them for the concrete tech beams/girders which should be ready by mid March.
- Tom Straub and Rich Swenson met with a Landscape Architect regarding the land area on

either end of the bridge. Jim Cushing said part of our agreement with the landowner at the north end already mandated certain landscaping details such as tree plantings that do not obscure their view. Charlotte said this project could be an opportunity for future improvements for South Beach. Some problems have to be overcome such as unstable land in certain parts of the area.

- Puget Sound Energy has a proposal for their utility relocation through a subcontractor, InfraSource, which is very high. Roger and Karl Karcher of Exeltech are trying to get this number reduced to below \$200K with further meetings and written communication. We need a couple of additional lower bids to help resolve the issue.

Disposition of BRF Funds: Mike Hirko, Investment Committee chair and Anne Scea, Treasurer, led a discussion of total bridge costs, our options for loan repayment and the estimated annual cost per lot. We have some 650,000 left in the BRF which could be used to reduce the USDA loan balance, saved for future bridge replacement or used towards another project, such as road replacement. These funds can be maintained as present in Vanguard stock or could be sold and placed in a secure investment such as a money market account (a taxable action). Anne recommends that we retain 100K as a reserve fund used, if necessary, to meet monthly deadlines of the USDA loan. This is in addition to the reserve mandated by USDA. She circulated a report showing four scenarios of loan repayment based on different levels of need for a third approved USDA loan (up to \$1M). The numbers are estimated – we'll know the true annual costs when the loans are finalized upon bridge construction completion.

Dave Paly moved and Jud Morris seconded a motion that we instruct the Treasurer to divest all but \$100K of the remaining BRF and move the funds into a money market fund. There was lengthy discussion: For the move: the stock market is risky for short term investment; we'd know exactly how much money was available; we should use the money only for bridge replacement, to help keep costs low. Against: keeping the money in investments is safe; the tax consequence of sale of our investment is high (30%); the Island could vote to use the remaining funds otherwise. The motion passed with a split vote: Dave, Sarah, Jud and Anne voting "yes", John, Trish and Jim voting "no", Mike abstaining and one person absent.

Discussion of Long Term Loan Financing Options: Bob McCoy, Island member, circulated a sheet describing the option of up-front payment of a lot owner's long-term loan obligation. There followed a discussion about monthly payment vs. up-front payment. Bob said that some lot owners may wish to take care of their entire obligation to avoid paying interest and to keep their property debt free, as many have done in a similar bridge replacement on Treasure Island. The final loan amount as well as each homeowner's share will not be known until construction is completed.

Committee Reports:

Parks and Recreation: No report

Roads: Scott Wood, committee chair, reported that our storm water drains should be

cleaned out and/or repaired. He will get a quote for the culverts. The Madrona/Rhododendren Rd. culvert appears to be broken. Charlotte asked Scott to get a quote for repair.

Security: No report.

Emergency Preparedness: No report.

Communication: The spring newsletter should be ready the first week of March. Board members are urged to get their articles in. There was discussion about revamping the website as the current website design structure is quite difficult to manipulate or update. Perhaps moving it over to a new vendor will have to be considered. Charlotte will discuss with Gene Barkin, our web master.

Old Business:

Document storage: Anne said she has volumes of past records she is currently storing in her home and wants them moved out. Document storage is an unresolved issue – we'll discuss with Juanita.

New Business: A nominating committee is needed for next year's Board. Charlotte will ask RJ West to serve on the committee.

There being no further business, the meeting was adjourned at 9:05 PM

Respectively Submitted,
Sarah Brown, Secretary