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## **RIIA SPECIAL MEETING MINUTES**

**July 21, 2014**

**South Beach Park, Raft Island**

The meeting was called to order by Vice President, Charlotte Crain, at 7:10 PM . The members of the Board introduced themselves. The purpose of the Special Meeting was to vote on the disposition of the remaining Bridge Replacement Funds (BRF). Ballots went out with annual packages in June. Members were advised they could vote by mail or at this meeting.

**Report on Quorum:** Sarah Brown, Secretary, reported that we had 41 ballots received by mail and at least 40 ballots collected so far at the meeting. This was more than enough for a quorum (25% of eligible voters, or 53 ballots).

**Bridge Update:** Charlotte went over the significant points of Roger Hansen’s Progress Report, dated 7/19/14. As we know the demolition of the existing bridge is in progress. The asphalt paving on either side is to be completed last, with some traffic delays predicted. A complication is that Quigg will not be able to take out the old bridge pilings with the small crane they have, so there will be a delay in pulling out the pilings and completing the project until mid August when use of a larger crane may require the new bridge to be closed to traffic for two-hour intervals during the week of August 4th. They are hoping to complete this part in 3 days. There will be more information to come and advance notice of any closures.

**Ballot Discussion:** There was a lengthy discussion of the ballot issue. Charlotte, Trish Burnett, Jim McReynolds, Jim Cushing and Anne Scea, Treasurer, provided background information and answered questions from the attendees. Some highlights were:

- We have about \$59,000 in money market funds and \$189,000 in investments in the general fund at this point.
- We don’t have a line item in our budget for a “reserve” fund but we do have a 10% line item in our bridge payment, as a “bridge reserve”, a separate item. This money will be used to make up any shortfall caused by delinquent dues.
- USDA will have a loan servicing fund and a separate reserve as well.
- By the end of August, we have to either pay down the loan with the remaining BRF - or – vote to move the money to the general fund. That is the reason for the vote now. A “no” vote means we keep the money in the BRF to pay down the loan.
- The question was asked: Do we have an estimate of the final cost of the bridge? Anne said it is just under \$6.7M. We’ve spent \$1.25M of our own money from the BRF.
- The annual dues we now pay are about the same as what they will be after the loan is in place.
- The question of roads will be asked at the annual meeting next year. The original cost estimate of \$2.2M was high, according to Jim McReynolds, because the total

length and widths of the roads were overestimated. A more recent estimate is close to \$1.5M.

- In answer to a question about the rate of return of our investments, Mike Hirko said about 10% for the General fund and about 6.6% for the BRF.
- Jim McReynolds said that saving for road replacement is easier than for bridge replacement as there are fewer unknowns such as environmental requirements.
- Any new road will be built on an adequate base of crushed rock, will not have curbs but will be paved around drains. Some annual maintenance will be required.
- Anne mentioned that if we decide to move the BRF funds for other purposes, there would probably be a committee to decide what investment would be best until such time as they are required. The difference in our future annual dues - paying down the loan vs. taking out the remaining BRF for other purposes - would be about \$160.

**Ballot Counting :** Charlotte asked for three volunteers to count the votes: RJ West, Holly Blashwood and Kathy Swenson volunteered to do so. The Secretary will report the results after careful counting by the volunteers.

**RESULTS OF VOTE:** Counting of the votes continued during the Board meeting which followed the Special meeting. The vote count as verified by the three volunteers is:

YES: 66 votes

NO: 19 votes

More than two-thirds of the voting members voted “yes” to moving up to \$596,000 from Bridge Replacement Funds to General Funds so that “ the funds can be used for replacement of the roads on Raft Island.”

There being no further business, the Special meeting was adjourned.

Respectfully submitted,  
Sarah Brown, Secretary