

**RIIA ANNUAL MEETING**  
**May 18, 2009**  
**All Saint's Center**

Greg Scea, President, called the meeting to order shortly after 7PM.

**Board Attending:** Officers: Greg & Anne Scea, Ted Smith, Trish Burnett. Trustees: Gabrielle Gibbert, Charlotte Crain, Ann Webb, Sarah Brown, Rich Swenson, & Isl. Mgr., Cathy Driscoll.  
Absent: Jud Morris.

**Members Attending.** The meeting was opened with more than a quorum of member's lots represented by ballots. All members received a ballot, 2009/10 Budget proposal, & a Bylaw change proposal by mail 30 days in advance of this meeting. Additional copies were available at the meeting along with the agenda & 2008 Annual Meeting minutes.

**Previous Minutes:** The minutes of the May 19, 2008 Annual Meeting were approved.

**President's Comments:** Greg welcomed all members & Board members introduced themselves. He also advised the membership that we now had more candidates for the 2009/10 Board who were unknown at the time of mailing the ballots. Charlotte Crain volunteered to run as President & Margie Hinton offered to run as Trustee in Charlotte's position. Both could be write-in candidates.

**Treasurer's Report:** Anne Scea explained that she now has a draft of the financial statement as of December 2008, prepared by an outside accounting firm for review. This process had been extended due to a death at the firm. She also addressed questions about the Budget proposal that had been mailed to the membership anonymously: 1) increased legal funding is in anticipation of boundary line issues along the access road in connection with the County constructing a new Island bridge. Also, the possibility of difficult collections as a result of the economic climate may require more legal assistance, 2) Miscellaneous funds are primarily our Quick Book on-line fee & the Island's web fee. In the past the Treasurer & Island Mgr. used different systems that were merged with Quick Books two years ago.

**Member Questions:**

**What dollar amounts are in the reserve account?** The General Fund has \$109K in the money market account, the General Operations has \$134K, & Bridge Replacement upwards of \$585K. Mike Hirko clarified that as of May 15<sup>th</sup> the Bridge Replacement had \$635-640K. Overall investments took a hit along with the economic change in the Country.

**What is the Bylaw change? Does this not refer to the Bridge Replacement Fund? The Bridge Replacement Fund should not be included.** Mike Hirko, author of the change, explained that this change is strictly non-Bridge Replacement funds. In fact this change would return us to the original Bylaw language.

**What is the intent of the Bylaw?** Mike went on to say the funds this affects are used for ongoing expenses that, in his opinion, should not be allowed in long-term investments. Long-term investments often carry more risk & the potential for too much loss. In addition, the investing could be the result of each Board's temperament.

**Raymond James is not Bridge Replacement. Is it insured?** No. If the Bylaw passes these monies would be moved to an account having minimal earnings & may not be easily accessible for the long-term Island projects such as roads or when we improved the boat ramp. John Rosendahl agreed that we should allow better investment options for these long-term projects.

Anne also mentioned the benefit of something like the Russell Fund for a ten-year term. The Island cannot afford to spend everything. We need the opportunity for better investments along with a dues increase to rebuild our reserves, & as Treasurer, she would recommend continuing with our current Bylaw.

**Where do we stand on collections?** We recently collected the full Pettibon note. Those lots in arrears have received lien letters earlier than the past. There have been 5-6 homes in foreclosure that we were unable to lien; most others are now being processed.

**Why do we project only \$80K for income?** If we collected from all lots billed the amount would be around \$88K. Liens do not assure payment.

**I would like to hear about Security & the Project Manager.** This year a Security Committee met to try to find some new ideas, but implementing them has been difficult. Contact was made with Fox Island regarding their procedures & found that they pay an off duty officer a flat fee. We first need to formalize our rules & have significant signage for enforcement; i.e., no jumping from the bridge, no trespassing, speed, etc. Consistent signs are planned. The \$10K budget amount will not necessarily be used. A job description of the officer's parameters has been written & a meeting is planned with the sheriff's department to identify possible improvements. In the meantime we will temporarily hire an officer as needed. It was again questioned what we pay our off duty officer. In the past it has been \$40-45/hour. Participation by our officers living on the Island & others in the upcoming meeting with the Sheriff's Dept. was encouraged.

**Why is there a huge increase in security when we don't yet know what we're planning? Can tickets be written for speeding? Why is an officer scheduled when it's raining?** Teenagers are a lot of the problem at South Beach. In order to issue a speeding ticket the speed needs to be changed to 20mph. This change is planned for the bridge; 20mph/cars & 15mph/trucks. Tickets have been issued for negligence or reckless driving if going twice the speed limit on private property. We are hoping to pay a flat fee for an officer, but any officer has to be scheduled in advance so the weather can change. Reasonable consideration from both sides is important.

**Why not private security?** This option will be explored but may be more limited.

**If the request to waive the audit passes, is there a way to formally ensure a review by an outside firm?** The Board fully plans to have an outside review done. It was moved & passed by the Board to have an independent review of 2009.

**We are being charged an investment fee by Raymond James. Do we have to stay or can we leave?** Generally all investment companies have a fee. This fee is in line with others but now that it is a line item we are more aware of the cost. Joe Downey explained that the fee incurred should be for the advisor & is typically ¼% of the portfolio balance. Mike's specific objection is that this kind of fund is too risky & is generally not tracked. Anne advised the membership that RALSX is the symbol for our Russell Fund. The April statement reflects about a \$90K loss with the market fall.

**Do we have an Investment Committee other than for Bridge Replacement?** John Rosendahl had been involved in past years.

**Greg suggested that we continue with Committee Reports.**

**Bridge:**

Ted Smith explained the rationale for the bridge Project Manager & the goals, & provided a power point presentation about the bridge. A great deal of time was spent by the Board discussing whether to maintain, build a new bridge, or research the possibility of having the County assume responsibility. Because of the enormity of the task, no one member could dedicate the needed

amount of time. It was then decided to create a description & post the job. As a result of Mike's research with the County, a property issue along the access road surfaced. The County would require 50' for a public road; we currently have 38'. There has been a 6-8ft. gap identified along the access road that may give us an opportunity for the added footage if needed for a right of way. It was also determined that a fee of \$100/hour was comparable. All of the documentation is available for review to anyone interested.

Ted indicated that there is value to engage with the County as there will be higher risk going forward. The engineers indicated in 1996 a 20year life span. In 2005 it is still 20 years with diminishing return. Part of the Project Mgr. responsibility was to look at funding & assessments. It also needs to be recognized that Mike gave many years doing what no one else wanted to do. He has done a superb job accumulating the information.

**How many years are left for the bridge? We may be spending money that is irrelevant.**

The Island needs to make some decisions & we need a viable plan.

**One hundred dollars an hour is excessive & spending \$10K a year too much. Mike did 7-8 years free, why not now?** What he is doing now requires too many hours.

**The fee of \$100/hour is too much. Should we have voted on a fee?** The fee was discussed at several Board meetings.

**Do our insurers look at the engineer's assessment & require for insurance?** Yes.

**Will the membership make the decision? When will that be?** Ted hopes it will be this year. We have enough information collected.

**One member commented that this conflict is losing sight of the tons of work that has been done, & wanted to express their appreciation.**

**One member voiced going to FEMA for emergency money when/if the bridge goes down.**

**How are you involving people? Can we post requests on the bridge, or email requests?**

It was decided that every third Board meeting will be dedicated to bridge overview.

#### **Parks & Recreation:**

Gabrielle Gibbert explained that the boat ramp had been completed along with needed planting & signs. She also reminded all members that the upkeep & safety of the Island is not just up to a few people. We are a community & it is everyone's responsibility to become involved & share the responsibility!

**Roads:** Rich Swenson reported that potholes will be filled this summer. A member asked about the speed bumps being changed. Rich explained that for many years residents had complained about the abruptness of our current speed bumps along with the excessive number. As a result, the Board included money in the budget to make improvements. He had been evaluating a couple of options & there was a current sample in front of the Island Manager's house. His intention was to make sure it was an improvement so there was a possibility they would not be done. Another member reminded the Board that all too often promises were made for projects, money available, but the projects were not completed. There was considerable frustration expressed that this would become another one of those situations that to them was unacceptable.

**Election & Ballot Results:** Trish Burnett reported that there appeared to be a record number of members voting (110 ballots counted) which was great news. Following were the results:

- **All Officers & Trustees were elected.** Charlotte Crain, President; Jeff Davis VP, Trish Burnett, Secy.; Holly Blash-Wood, Treas.; Jesse Stamper, Sarah Brown, Tina Shoemaker & Margie Hinton as Trustees. Charlotte Crain resigned as Trustee.
- The **Budget passed** by more than a simple majority with 62 in support.
- The **Bylaw Amendment** to change how operations money could be invested & needing 2/3 support, **failed** with 54 in support
- The request to **waive the audit** needing 2/3 support, **passed** with 74 yes
- The request to **increase dues** requiring 2/3 support, **failed** with 55 supporting

**Additional Comments:**

**One member indicated the dues increase was not sufficiently explained & they suggest a better breakdown of the figure.** Jesse Stamper mentioned that essentially the proposed expenses would require an additional \$240 per member, so he had suggested that we have a balanced budget approach rather than using our reserves. He also finds it very frustrating that the membership will continue to approve the budgets, but not the dues to match it. Trish also pointed out that it could likely continue since the budget required only a simple majority, but dues increase need 2/3 support.

**For the coming year we will need a Parks Chairman, Bridge Chairman, a Finance Committee, & more people on the Security Committee. All members are encouraged to participate!**

The meeting was adjourned around 9:30pm.

Respectfully submitted,  
Trish Burnett, Secretary