

RIIA BOARD MEETING
October 18, 2010

Board Attending: Charlotte Crain, Trish Burnett, Anne Scea. Trustees: Rich Swenson, David Paly, Dawn Stanton, Mike Neil, Russ Ranger & Isl. Mgr, Cathy Driscoll. Absent: John Rosendahl & Sarah Brown.

Members Attending: Tom Straub, Scott Wood, Sean Taylor, Jeff Davis, Kandi Horton, Bruce Difloe, Ted Smith.

The meeting was opened at All Saints Center & those attending introduced themselves.

August minutes were approved to include additions from Sarah Brown, and September minutes were approved as written.

Request to add agenda items: None

Members Request to Address the Board:

- Jeff Davis, Sean Taylor & Scott Wood offered a maintenance proposal to address the hazard of tree canopies that obstruct a drivers vision & removal of dead trees & limbs.
- They reviewed the Island map for right of ways, our CC&R requirements, & referenced the Pierce County codes.
- They met with Nevatane, tree arborist, for a bid to trim, chip & haul as necessary around the Island. The estimate is \$950/day for approximately 2-3 days.
- Charlotte asked about our insurance in the case of dead or hazardous trees. Typically if we are not aware of a specific hazard, the insurance company would cover damages. However, it might also be possible to become liable in a case of errors & omissions.
- RIIA has a right of way of 25' from the center of the roads. The planned maintenance will be trees/limbs 2-3' on each side of the road.
- Volunteers can help pickup brush/limbs & homeowners may also opt to do some maintenance themselves.
- It was decided to: 1) Identify specific areas & first ask the homeowners to maintain, and 2) the Board will evaluate remaining needs. Jeff, Sean & Scott will identify the highest risk areas & report to the Board.

Treasurer's Report:

- The Bridge Replacement Investment Committee explained their concern about our General Fund investment in Raymond James & their belief that the risk is too high if we may need the funds in less than five years.
- Anne explained that now that our budget is balanced we will no longer use our reserve funds for our operating expenses.
- The Board was reminded that at the time the Raymond James account was established the market was entirely different & the intention was to earn a better return on money that would not be used in the short term.
- The Investment Comm. was requesting permission from the Board to move the Raymond James dollars to a more stable investment such as Vanguard mutual funds or ETF's.
- It was moved & passed to sell the RJ shares on October 19th & deposit in a money market account until the November meeting at which time the Investment Comm. would make a proposal for the funds. It was agreed that 25% of these funds, not to exceed \$50K, should be considered liquid & the remaining amount would be considered invested for five years or more.

- The Committee will try to advise the Board prior to the November meeting to allow members time to evaluate.
- The Investment Committee needs two more members.
- Anne advised that we have our tax return & a \$10K refund that will be used to pay our estimated taxes this year.
- Because of questions in the past, Anne prepared a spreadsheet of the assessments received by month during 2010 so the Board could see when most of the dollars are paid.

Manager's Report:

- Twenty-six members are making payments; hopefully they will all be paid in full by June.
- Fourteen members have made no contact so new liens will be filed.
- Two liens totaling approximately \$10K should be referred to the attorney for collection.
- As of June, bankruptcies are still responsible for dues in arrears. Cathy will contact Lucy to confirm the ruling.

Bridge:

- Ted Smith discussed some recent conversations with our insurance broker who was recommending a change in companies.
- A risk evaluation by a new company could be adverse.
- Liberty NW reduced our premium by \$900 after questioning their coverage.
- A change in underwriters could incur a 10% fee.
- We should receive credit from Liberty NW for liability. The bridge is currently insured for \$3M.
- Ted recommends that we revisit whom to use as a broker along with a review of coverage in total.
- John Rosendahl discussed the wire fence erected by Hiatt with our attorney. He recommends that the Board approve 2-3 hours in legal fees for her to negotiate with Hiatt before proceeding further. Dawn suggested that 5-6 people remove the fence since we had stated that we would take it down. It was agreed to wait and discuss further with John. Trish reminded the Board that for the future, implementation of a plan should be decided **before** letters were sent.
- Dawn reported that the USDA denied our application for bridge funding. Although it is still considered active, we did not score high enough because of the average income for our population. Native American Tribes received 60% of the funds. Mr. Whittle will help support a government- backed loan. The work that was done for the USDA application will be beneficial as we shop for loans. Paly urges shopping for money within the next six months while rates are low.
- Ted reported that maintenance permits are completed & work should commence in March.

Roads:

- A car went into the ditch on Alder so we will need to rebuild; it was last done 7-8 years ago.
- A few more potholes will be filled.
- #16 has filled in the ditch along the road so we need to be watchful of any adverse impact during heavy rains.
- Our insurance company is handling the lawsuit from the off-Island bicyclist.

Security:

- Mike is proposing new speed signs of 20mph & 15mph for trucks posted on the bridge in conjunction with entering into an agreement with the Pierce County Sheriff to enforce speeding violations.

- The Board agreed with the recommendation. As part of the PC agreement, Trish asked when the membership would be advised. Charlotte will write the notice to members explaining the new authority for the newsletter.
- Mike would like to get bids for security cameras to use in various locations around the Island. He will prepare a presentation perhaps for the Annual Meeting. Herron Island just approved some cameras.

Parks:

Russ is still evaluating how to repair the tennis net cable.

With no further business, the meeting was adjourned at 9:30pm.

Respectfully submitted,
Trish Burnett, Secretary