

RIIA BOARD MEETING MINUTES
September 19, 2011
Meeting held at All Saints Center

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Board Attending: Rich Swenson, President, Anne Scea, Treasurer, Sarah Brown, Secretary, Trustees: Dave Paly, Dawn Stanton, RJ West, Trish Burnett, Judd Morris, John Rosendahl.
Absent: Charlotte Crain, VP

Members Attending: Bob McCoy, Gabrielle Gibbert, John and Tina Shoemaker, Ted Smith, Mike and Debra Allen, Tom Straub, Ken Kessler, Jim McReynolds, Ellen Metsker, Richard and Tammy Torgeson, Doug Van Doren

The meeting was called to order at 7:06 PM by President, Rich Swenson. All those attending introduced themselves.

Approval of August Minutes: Additions were made to the Bridge/Legal section of the August minutes to state that the Board had approved retaining Barker-Martin to represent RIIA in HOA/Bridge matters and that the Board authorized Barker-Martin to render an opinion to Heritage Bank about RIIA's ability to assess, collect and borrow money for the bridge. The minutes were approved as corrected.

Request to add agenda items: None

Members request to address Board: None

Treasurer's Report: Anne Scea previously emailed four reports to Board members (reports attached). Discussion of why we've collected just 57% of assessment amounts at this point. A large percentage of Island members are electing payment plans. Others are overdue. Island Manager will be able to come up with the numbers. The Treasurer's Report was accepted.

Manager's Report: Island Manager not present. August 2011 report was emailed to Board members on 9/8/22 (copy attached). Rich Swenson summarized highlights. In future meetings, the secretary will distribute copies of minutes, treasurer's reports and manager's report to Board members.

- 58 members have not paid 2011-12 assessments or made arrangements for periodic payments.
- Discussion was held of two recently discovered lots that have not been billed for assessments. Letters to lot owners were drafted, approved by Rich and mailed.
- A response letter was received from lot #272 appealing payment of the entire back assessment amounts and requesting a substitute payment of \$2000. This additional lot was created by combining then re-separating the lots. Consensus was reached that, according to our By-laws, if you divide property, you will owe back dues on the additional lot from the date of division. Island Manager will write a response to the lot owners.

- The letter to lot #197A has not been answered. Apparently we have never billed the owner for this second lot. The owner may have ignored this oversight. We will ask the Island Manager to send a bill for the entire overdue amount.
- Audit Preparation: Treasurer commented that all forms requested have been sent to the auditor.

Parks and Recreation: Chairperson, Gabrielle Gibbert, reported that the tennis court has been power washed. An estimate of repairing the broken net is \$125. The committee decided to wait until next spring. A member requested that we take down the net for the winter as it is a nuisance that lures neighborhood kids to jump on it. It was decided to take down the net but to leave the court unlocked for basketball practice and other uses. Gabrielle will work on trimming overhanging limbs of trees surrounding the tennis court.

Bridge Committee Updates and Discussion:

Jim McReynolds, **Bridge Finance Committee** Chairman sent an update to Board members by email. Discussion of the status of our financing of bridge followed:

- USDA (Farmer Mac) will discontinue the guarantee on 30 yr fixed loans. In the future interest rates will be reset every 5, 10 or 15 years. This doesn't affect our direct loan with USDA.
- Construction loans: Heritage says another lender might be better for the short term financing of a construction loan. However, that might result in three origination fees (another 40K)
- Heritage doesn't want its name used at the USDA reception in case the agreement doesn't go through.
- Umpqua and Columbia banks are now worth looking at. They have a couple of bank executives in Seattle who are now studying our loan needs and who also know HOAs.
- Dave Paley asked what would happen to the Heritage portion of the loan if Heritage backed out. The response from the committee is that we could negotiate. Heritage could assign the loan to another bank.
- These loans don't start until the bridge is built. If 50% or 60% pay their assessments up front, we could basically pay for the construction loan ourselves. At Treasure Island, 20-30% may pay up front. We should pay attention to what happens at Treasure Island.
- The question came up about our individual bridge obligations being based on 2011 assessed valuation of our homes. How would the number be determined? This subject will be discussed later in tonight's meeting.

Dawn passed out the agenda for tomorrow's USDA ceremony. She reported that USDA's Mr. Whittle is very much behind this activity. He set the date (one of several such ceremonies) and the agenda. We will try to assemble a half hour before the ceremony. About 13 from the meeting said they would attend. A vote was taken to pay for up to \$75 for refreshments.

We discussed the October 3rd information meeting. It will be an update on all factions of the bridge process – everything we've learned up to now. It will include information about payment options for homeowners. Dave mentioned the discussion with Barker-Martin about the loan repayment. The loan will probably be a lien on our properties; that is the way most HOA's do it. RJ said we should prepare a chart which shows the approximate amount of total costs for the different pay back times on the loans – 5, 15, 20 or 30 years. We need a few people from the Board and Committee to plan the meeting. Several attendees volunteered. It was mentioned that Charlotte may be able to videotape the meeting for those who cannot attend in person.

RJ West reported on the progress of the **Legal Committee:**

- The contract for our Project Manager should be prepared by a contract attorney. Barker-Martin doesn't specialize in this type of legal work; the Oles Morrison Firm in Seattle and Jason Wandler, Construction Attorney, have been recommended.
- RJ said she researched the job: this firm was recommended by at least two sources. And they are interested. Dave Paley had another recommendation from a local firm, however, the Seattle firm is highly regarded, experienced and can keep us out of trouble. It was moved, seconded and passed that we engage this firm for our contract needs.
- RJ was appointed to be our primary contact for the law firm. The firm will speak to the Board through her. RJ will be able to delegate another to speak for us if necessary. Dave Paley will be the back up.
- Each Bridge committee should have at least two Board members on it. So far, that is the case.
- How can Board members keep up to date on the progress of the committees? We have a Share point website available.
- Rich brought up the question of whether each property owner's payment of the bridge loan could be based on the assessed value of their property instead of equal shares for each property. Our HOA lawyer, Barker-Martin has advised against this plan as it would require 100% of the property owners to approve the change in our assessment method. Other barriers may be in the new HOA law, HB1309.

Engineering Committee:

- Eleven Project Manager candidates have signed up for the upcoming walk through. We'll probably have a total of 12 apply for the job.
- How will the interview process work? Interviews will be conducted by Board and committee members. We will have a block of dates of two 45 minute interviews a day. The committee will do a first cut after reviewing RFQ packages and conducting technical interviews with the contractors. At least three committee members should be at every interview for consistency. The entire committee will review and fact check. This should cut down the pool to 3 or 4 for the Board to consider. The Board

will have a final vote after interviewing all finalists. The preceding process was approved. An enormous amount of time and effort will go into this process.

- Tina Shoemaker introduced Doug Van Doren who gave a Power Point presentation: a basic primer about the duties of a Project Manager and a macro-level view of the organization of a communication plan -- communication cannot be as informal as it has previously been. Doug reviewed the roles and responsibilities of members, the Board, a Project Manager, the sub committee and a sponsor representative who would represent the Island. Two models emerged: the Organization Model which includes two entities working in tandem – the Project Manager and the Sponsor Representative. Or, a model in which the Project Manager handles all aspects of the project.
- Doug emphasized that it is worth spending time up front on how we are going to manage the project. We will need a Master plan, milestones, a timeline, a Gantt Chart which is a type of bar chart that illustrates a project schedule. Dave Paley asked what if the Sponsor Representative, the Board liaison, doesn't perform? Doug answered that the committee would be the backup Sponsor Representative. At this time we do have a volunteer from the committee: Richard Torgeson.
- Dave questioned whether Phase I which has been approved and funded included the Project Manager? If not, we may have to redefine what Phase I does include. We will need approval and possibly additional funds to move forward to the next phase.
- Tina asked that the Board consider increasing our E&O Insurance to include the Bridge Committee chairs.

Other Committee Updates:

Roads: Nothing to Report

Security: Nothing to Report

Other Business: There was no discussion regarding the Website or Newsletter and no additional New Business was brought forward. With no further business and owing to the lateness of the hour, the meeting was adjourned.

Respectfully submitted,
Sarah Brown, Secretary