

SLS Special Board Meeting

March 3, 2022

Zoom 6:30 PM

In attendance: Lois Craig, Ron Roberts, Dave Heron, Beth Binger, Brian Pulk, Duane Smith, Ron Roberts (audio only), Billie Alcott

Community Members: Eric MacDonald, Steve Hucik

After showing the power point that chronicled the actions leading to this meeting and the pier gate decision, the discussions occurring during the meeting are transcribed here:

Recording missed about 30 seconds into the discussion -

Eric MacDonald: So, with the 7 and a half foot gate with wings, people wanted more security on the dock? Is that the truth?

Duane Smith: I think we had just the one wing on the side where the lock and the handle is at, so they can't reach around that way. The other side, we don't need a wing or anything. We just need something by the lock to protect that.

Eric: The point being that the lock, the 6 foot, and the wing are based on the wanting more security for the boats that are on the dock, not from a liability standpoint.

Steve Hucik: I probably disagree with that. I think you need the protection against young kids reaching around to try to open the lock without the code. So that's the key. To prevent kids from sneaking in.

Eric: But that's not what I read from what the insurance guy sent back. So I would love to If that is the case, absolutely if the insurance says hey, we really need all of this stuff and it is not just a security issue, then there is no argument from me – you got to do what you got to do for liability issues.

Steve: I'm not sure the insurance company will ever tell you black and white cause they don't want to be liable for saying "We told you so and now we are wrong." That's the problem with insurance companies.

Dave Heron: The insurance company itself probably authorized the maximum you could put in, the maximum there, so that covers them. That's why we did not go to the insurance company, we actually went to the person that gave us some recommendations on liability.

Lois Craig: Eric, What I got out of his letter was, we are not a big marina trying to protect our boats, but we are trying to protect against unauthorized usage and kids climbing over. That's what I understood him to say. Even though we have had a few things stolen from the boats, not that often since we are seasonal.

Eric: the other big questions that I had was – this gate needs to be supported by piers, right? So it will be....I can't remember where the first pilings will be – like twenty feet down?

Ron Roberts: that not true any more.

Eric: It's not?

Ron: No, when we had the guy, when we had Tim out here going over the drawings, he said it would be cheaper for him to fabricate brackets to bolt the mechanism anyplace on the dock, rather than weld it in place.

Eric: Okay

Dave: So we could put that right at the entrance of the dock?

Ron: Yeah. Right now, I have it about 6 feet from the entrance because we don't want the gate and the stair up to be in the exact same place.

Eric: Yeah, and then the other question I had was...

Brian Pulk: (interrupting)....I think Duane had his hand up and then I did as well.

Lois: Duane and then Brian. Duane?

Duane: Okay. Well, one of the things about the gate, basically it is just to keep people off the pier. Now if anyone wants to steal anything or do anything else, all they have to do is walk down into the water or around. I mean we are not trying to secure anything else but try to prevent kids from going down the pier or people on the pier itself. And that....anybody can go into the water, so we can't make it 100% secure.

Lois: Brian?

Dave: People could put a ladder from the beach and climb with on, I mean it is not that...

Lois: (interrupting) Brian's turn....

Brian: I was just going to comment I agree I don't think we can interpret the insurance consultant as giving us specific direction. We are not going to get specific direction, so the question is – Do we want to do what is the absolute minimum or do we want to do something that is better than the absolute minimum? And if we want to do something....OR is there a different between the absolute minimum and what is better than the absolute minimum? For example, if we were to put a 4-foot gate that somebody could just climb over, would that protect us? And would that be what we want? I think where we need to head with this, in my opinion, we need to have some options and then present those options to the community.

Dave: So I can speak up here because I am kind of the fly in the ointment of not wanting the \$7200 gate. And I was onboard with that until we really thought about how much this actually is and how big it actually is. So, I in my mind have gone back to the original bids from Mantle to get a four- or five-foot gate for around \$1000. We can hire a contractor to put it in because I know you have a problem with us drilling holes and putting it in and having a liability on that. And maybe it is \$300 to have it installed and I think that the original gate was set up with just a padlock. And I had put forth a suggestion with a

padlock with a dial and a code that could be changed. Ten dollars. I have had one on my shed for 2 years and it is fine, but you probably would have to change it every year. But for \$10, we could have a bunch of them. Right? So right now, I think there is really no difference between a \$5100 gate with no installation that we hire a contractor to put in and a \$7200 gate that is as deluxe as we can come up with the wings and everything installed. Right? So I think we are talking the difference between a \$1000 gate, maybe it comes out to about \$1500 after tax and installation and \$7200. And right now, I think I would prefer to have... and the picture was on what Lois had there as an example....We can get more into the nitty gritty of what it looks like, but it comes from Mantel – it matches our dock, and it swings, and it has a padlock, and I think that's where I am pointing. And I don't believe we need to spend \$7200 on this commercial style gate for the dock.

Brian: And I think..... I appreciate that but I don't personally agree with you. I think if we are going to do it, why don't we do it right? If we are going to put in a gate, why don't we put in one that serves all purposes it can serve. But I think that maybe we should all be content with if we have a couple options with the cost that goes along with them and we present those options to the community, let the community decide.

Eric: I absolutely agree with you Brian – a couple of options. But I would take that one step further saying these are the costs, these are the gates, and these are the liability issues that come along with those types of things. I would just add that little piece on and then bring it to the community and that give me, just a community member, not a board member, and option to go, "Look, what am I willing.... What liability am I willing to take on and um....The only one other option that I am trying to think about in trying to stop anybody from being on the pier on the actual float itself....If it is the float itself, then I would just throw out there maybe a gate all the way down at the ramp where you've already got support from pilings – the pilings that go all the way up for whatever height you want to make that gate, you have that support. I'm just throwing it out there and brainstorming what might be best on the gate and the community.

A lot of voices.....

Dave: For the liability, we need to keep people off the gangway to the float and that was decided pretty early on. I understand your point Eric, but I think we do need to prevent from the staircase on to the dock. Needs to be where we start it.

Lois: And Steve, I know you were going to say something.

Steve: Yeah, I was just going to reiterate, if you've got small kids, you don't want them walking along the pier before getting to the ramp. So you are trying to protect essentially once you get on the pier and for that 6-8 feet down, that is probably okay because that is probably not in the water.

Eric: Yeah, I get that.

Lois: That is a good point. I am hearing a couple people, say.....Go ahead Brian

Brian: So if we have this meeting, are we going to allow proxies?

Eric: Allow what?

Brian and Lois: Proxies.

Ron: Yes, I think we should.

Lois: That would be good.

Brian: Lois, we have talked before. If we allow proxies, what we are saying is people who do not have the benefit of the conversation are making a vote without the conversation. So that being the case and having a level playing field, I think we need to have the options presented, the advantages of the options – the pros and cons, all that good stuff presented. OR cancel all proxies.

Lois: So you are talking about having a narrative go out with the proxy that gives a pro and con about each of the options?

Brian: Or maybe the pro of each option – however you want to put it.

All chuckle....

Dave: Sounds like we have two options – a high-priced options and a low-priced option. Right? Unless somebody else has another idea.

Brian: That makes it simple and sounds like a good way to go.

Ron: Well, I would prefer to think of it as a “high liability and a low liability”. We are not really arguing the cost, we are trying to find the right decision that will achieve the liability issues that we want to achieve.

Eric: And the cost issues, right? It is a balance between the cost and liability

Lois: One of the things.... We want to keep this for 30 years, when I am not around anymore..... and so we have long-term reserves designed especially for this kind of stuff. And so I know the pricing is high right now, but even as Brian said – this might be the time we do it right and put a little more into it if we need to have it last and have it secure with the liability that we want. So there is that to consider, also.

Steve: And when you get involved with lawyers and liabilities, \$1500 goes in a matter of about 3 hours.

Beth Binger: I was just going to add to that, I think Steve is on to what I am thinking that liability is kind of tricky to calculate or define because ultimately it depends on the judge that you get. It is not a problem until it is a problem and you have a lawsuit, a child is involved, whatever, and it really is dependent on what that court and what that judge thinks at that time. So it is almost impossible to anticipate how that could go.

Brian: Can I just say one thing? We are focusing a lot on liability issues and that’s important, and I get it, but a couple years ago we started this whole conversation because of all the people who were not a part of the community, who were using our facilities. And part of what we want to do is prevent that.

Beth: I think in that case then, I think you are making the case for the lower profile gate with the sign in front of it that says Members Only. You are not allowed on the pier...

Brian: Or well, maybe. If you have a gate that you can climb over, that’s not keeping them out.

Duane: That’s why we went to at least the six foot.

Beth: Yeah

Duane: We don't need the wings on both sides, just basic six foot with the wing by the handle.

Brian: I make that point and I don't want to preclude, set aside the liability issue. I really like the idea of two options. Dave's option and the other option. And if we write it up and schedule a meeting for the community and let the community decide. Let's be happy with what they decide.

Steve: I put one warning in here is that, if you do, you are going to put this on paper and in fact this is being recorded, so this is part of an investigation if there was ever a claim in the future. If you're weighing liability versus dollars and this is in a court and you've got an expert witness that's saying it should have been 10 feet tall and barbed wire and everything else versus your 2 and a half foot bar room door swinger, be careful about what exactly we are doing here and making sure we are not trading what would probably be considered a minor cost for a future liability cost that could be in the hundreds of thousands.

Lois: This is about safety so there is no tragedy that happens.

Steve: Exactly.

Lois: That's the biggest concern – we don't want anyone injured.

Eric: I'll just throw out one concern that I have that I was hoping would be a moot point based on what the insurance company came back with – just aesthetics. Putting it 30 feet down the dock or the first pier was an aesthetic issue for me. But if it came down to a liability issue, we have to cover ourselves and like you said Lois, you don't want the tragedy, right? And if the six foot and we can put it four or six feet in, I think that is a better option than having it 20 or 30 feet down the pier that really blocks when you are sitting at the fire, when you are down on the beach....

Ron: Eric, That is the current plan

Eric: Yeah, okay. I just want to throw that out there that you are balancing dollars versus liability, but there is also an aesthetic issue about how gorgeous that beach and firepit and the whole place down there and throwing this....that's another reason why I mentioned putting it out where there is already an obstruction, and I understand and totally get that's not a good option. You want to keep people off the pier itself. I would maybe address that when you send it out to the community. I don't know how you would address it. I am running it through my brain and it is not coming out yet.

Dave: So here's the thing – so can I talk for a minute, Lois?

Lois: Yes.

Dave: Okay. Let's get a consensus of the board right here to decide if anything has changed or if everyone, besides me – I haven't decided yet, I am still waffling here now that the location of the gate has been revealed closer to the shoreline – Is everyone for spending the \$7200 getting the commercial-style gate on the board?

Duane: I thought there was a \$5800, where we install. I thought there was a third price?

Dave: No, I think what there was designed by James and modified by Ron. I think the difference between \$58 and \$72..... The install was about \$1000 and it was fairly deluxe, so I think we are at \$72 or X. So what is each person's feeling about spending - the \$72 at this point for maximum liability and

some security for the dock? If it has a wing on one side and not the other, you could just step up on the railing and swing yourself around – I mean it is not secure. For getting around....

Duane: You could walk in the water, too.

Dave: Well, yeah. It is easier to walk on the rails, so we

Duane: So we don't need that one wing on the other side

Dave: And you could drop on the rocks (chuckle) Maybe we could go one by one to find out at this point? Can we do this, Lois?

Lois put up the slide from the power point that showed Mantle's bid with their sketch.

Duane: There you go - \$5816.

Lois: So I want to say, Dave when you went back to Mantle here was their picture – can you see on my screen share?-(answer is yes.) So here was Mantle with the handle on the other side – the south side, with the same kinds of idea and here was James's (showing the two sketches from the power point)

Dave: So what I don't like about Mantle and what we went away from – sorry to interrupt you – but the newest design does not restrict the entry to the gangplank. The Mantle one was inside the pilings, inside the rails with the same problem of losing 6-8 inches. I am not at all for that design. If we are going to spend north of \$5000, I very much like what Ron and James have worked out for the gate. So that's where I am, so I am not in between – I am either spend \$1500 and a padlock or spend \$7200. I am kind of questioning why we actually purchased the lock without having a consensus on this but that is here or there at this point. So can we get the opinion of the 6, 7 board members?

Lois: (has slide of the first Mantle bid with picture up). I want to go back to this one picture that you sent said they could make this design in a six foot tall gate but they would have to have some kind of support for it. Correct?

Dave: With my conversation with Mantle, they decided they did not want the risk of the hinge giving out and they decided it was either four or five foot on that so disregard the six foot. I think I did not mention that to you because my talk with them and with Trevor at Mantle, we kind of decided that was a risk we did not want to take having it wear out. So, that's where I am – either four or five feet at \$1500 paired with hiring a contractor to install it. I am sure they are online or we can find one. And then a padlock for that. That did not incorporate the lock we already bought. I am kind of getting back to if everyone is on board with the \$7200, I am possibly back on board with saying let's present that as the option to the community with all the reasoning. I am softening with that. I didn't like it 30 feet out on the first pilings, that was a biggie for me. And I am not thrilled with the price of it, but it is distributed between 53 owners. Some that never go down to the dock at all, but that's okay.

Brian: It gets distributed between more than about 73 owners.

Dave: 73? I am sorry, Brian. I'm mistaken.

Billie Alcott: It is not like there is a special assessment. We already have funds to pay for this and to clarify the reason the lock was purchased, we had already entered into an agreement with Rex that was approved by the board and he needed the lock in order to design and build the gate. Because of

circumstances, the cost went up extraordinarily and then his time frame of the window to continue the project for us closed because he had other more pressing business that came along during those months.

Dave: His 3 grand seems like a bargain at this point.

Brian: I think Dave is giving us another option, which is back to where we were a couple weeks ago, which was the board was making a recommendation to the community and asking the community's approval for that recommendation. We weren't presenting options to the community. And it sounds like if the board is unanimous on that, maybe we go back to where we were a couple weeks ago and say, "This is our recommendation, yes or no." And if the answer is no, then it is back to the drawing board, I guess. Or we present a couple options.

Eric: That's a great point Brian. Like if you presented me with exactly what was happening with me as a community member, exactly what was happening and where it was going and this is the recommendation of the board and offered me the vote on whether not that one, then you wouldn't have to have a special meeting and a couple options. And I think in your back pocket, you could have okay if this doesn't go through then here's our special meeting. And here's our options.

Brian: We still need a special meeting because the board does not have the authority to spend over \$5000 without community approval on non-water system projects.

Eric: Oh, you can't get that approval without the meeting?

Lois: No.

Eric: Okay, I got it.

Dave: So back to my original question then. Does any of the 6 board members think that we, after more information, so with the \$1500 route with the padlock or are we all on, all the rest of you on for the \$7200? Does that include tax? I don't even know.

Lois: I think so.

Dave: Okay. Anyway. I am okay with that. Does anyone want to say anything to me?

Lois: I am in favor of spending the money now, upfront. I am going back and don't need to talk that much, but I know even getting that new pier and dock was contentious. Not everyone wanted to do that, but now it is in and is one of our amazing assets. I would like to protect it and spend a little more money. I know the insurance man said nothing will be 100% foolproof. Nothing. But I would rather spend the money and get it done right, be solid and hold up to the weather and will prevent a tragedy and protect our liability. If our rider is used up and there is a litigious thing going on, they will go after homeowners. I don't want that to happen to anyone. We have the money in our long-term reserves – that is the point of it – and I am in favor of spending the \$7200.

Brian: I am what she said.

Beth: I concur.

Dave: I will propose a motion to accept the bid and work that has been done for the \$7200 installed and to have a special meeting and then to have a vote with the community. Does anyone want to second that?

Brian: I will second that.

Dave: Everyone in favor? (Lois laughed...)

Beth: I am in favor. And do want to mention I loved Eric's comments on aesthetics. I am absolutely in favor of spending the money. Can we make it as attractive as it can be? That's my only thing. But yes, I am in favor.

Dave: We will paint it with some blue seagulls...(chuckling around)

Beth: Could we make it like see-through? Invisible mirror?

Eric: Like an invisible barrier?

Steve: The seagulls will pain it soon enough..,

Lois: When we send the letter out, we add more information. Eric, you made a good point. More information might have helped you understand more about what we were doing and why.

Duane: So everyone is not going by hearsay. There is that group and it always changes.

Eric: I will say I appreciate you guys letting me attend this board meeting, even though I am not a board member. I did have a bunch of questions and I am much more leaning toward the \$7200 option now that I have gotten some of this information. So, I appreciate it. Thank you, guys.

Dave: Well, you are a good perspective because you have not been in all the meetings and gotten all the bids and all the discussion and that type of thing. And that's true with everyone in the community, so that gives us information about what information they are likely to have. And what information they might want to have to make the decision on that.

Eric: I am always open to giving my opinion, so invite me to these meetings anytime.

Dave: Lois, I think we are at a point when we can vote on it.

Lois: Yes, there is a motion on the floor to accept the bid from North Cross and seconded by Brian. All those in favor of accepting the \$7200 bid and putting that to the community for their approval. Thumbs up? All show thumbs up and Ron voiced his in favor since his video was not working. This motion is carried. Ron, what did you want to say?

Ron: Eric's comments about thank you for letting me attend the meeting, makes me want to make sure we need to communicate to all members that they are always welcome to join this board meeting. And that's why we put out the agenda ahead of time so they can pick and choose what they are interested in.

Lois: I put it out two weeks before, and at our last meeting, two community members came. So that was good.

Steve: Lois, I would recommend when you get the write up prepared that will go out for the community, you send it around for review.

Lois: Always...

Steve: I would be happy as a non-board member to make a few comments if you like. I would be happy to do that.

Lois: Sure. Eric, would you be interested in that also?

Eric: Absolutely, Yes.

Lois: This is the narrative that will go as the board recommendation and proxy.

Lois: All right! That was all we had tonight – the stated purpose was: Determine next steps in the manufacturing and installation of pier gate. And then the next question will be: When would be the best time to have the meeting? Do you want to go two weeks? One week?

Duane: Probably need two weeks to get it all written and reviewed,

Dave: Let's go with two weeks. We want to get this process going, so North Coast or Cross can get moving on this. And I'm sure there might be some other price increase. Do we have a timeline on the bid, where the bid holds?

Ron: I talked to Tim and he did not want to give a fixed price like that for so many days, but he did not believe there was a significant risk increase.

Brian: I have a question....

Dave: And We can certainly let him know we've reviewed these and are working out the final details getting a vote from the community, so we will let him know as soon as possible..... that will make him not be antsy.

Brian: I think two weeks is a little soon. According to the by-laws you need two weeks notice on the meeting. (Lois agreeing) So now you will need a week or more to get ready to send that notice. At least three or four weeks notice, I would guess.

Lois: I think though we need to keep pushing this forward, if we are going to get this installed by this season.

Dave: Does the community vote happen at the meeting?

Lois: Yes.

Dave: Okay. So can we do three weeks?

Lois: March 24th?

Brian: Can you be ready to send with all the information in one week and then a two week notice?

Lois: Yes. I can draft it tonight and send it out to everyone.

Dave: You have a pretty good outline

Steve: Do you still have the proxy?

Lois: Just checking - Do we still send the proxy vote? A proxy will miss the discussion, but we'll will try to send everything in the narrative.

Duane: But with the proxy, they will not be hearing all the conversations of the pro and con. So they are going once again by hearsay or scuttlebutt as far as what is going on. So I would say no proxy.

Many voices....

Steve: They would go from the writing.

Dave: Can we refuse to accept proxy on this?

Lois: I don't think we can. I think....

Ron: If the board is united and we put in the conversation that we have gone through all these options and this is our recommendation, I can't see people... where we will have a lot of people making bad decision without data.

Dave: Only if they have a proxy and they look at the dollar figure and vote against everything.

Duane: That's what I am saying. If they don't have the knowledge..... Now didn't we have at one of the meetings, it could pass with only those present if the majority of the people attending the meeting are in favor?

Lois: That is in our by-laws and that is correct. However, we cannot deny the right to vote for those who want to vote. I don't want to ever deny that right.

Brian: Do our by-laws allow or disallow or say anything about proxies?

Lois: Yes, our by-laws do say something about proxies. Hey Steve – you went over the by-laws 5000 times....

Steve: Yes, its there. And the thing is, if you have a very good write up, and that is the basis of the proxy vote or the visible vote and I am assuming this meeting will be on Zoom so you can have some presentation, most people will be on Zoom. Maybe it is 10% or 15% who are voting by proxy because they can't get on Zoom – that's one way of looking at it.

Lois: I had someone even before we postponed the community meeting, request a proxy. I thought if someone requests, I do not ever want to deny someone's right to vote.

Ron: It's all about transparency.

Steve: My mom will vote by proxy; she's not coming to any meetings (Steve's mom is 98 or 99 now)

Dave: Bottom line is we are going to be sending a proxy with the explanation before the meeting. Correct?

Lois: We cannot say we are only sending it to those who request it.

Dave: On no, no. You have to send it to everybody.

Lois: Yes. It is all or none.

Dave: Brian, can you weigh in on that?

Brian: Like Lois said, Steve has them memorized and we give everyone the opportunity to vote.

Lois: To recap – we approved the North Cross bid, and the plan is to draft the narrative and get that out for feedback from all those present at this meeting, send it to the community with a proxy, and we will meet March 31st at 6:30 over Zoom to get the community approval.

Ron: Does the board mind if I get a hold of Tim and tell him we are still working on it and tell him we will be damned disappointed if his price changes.

We all agreed and Steve suggested Tim should know we would welcome a price drop.

Lois showed the initial slide with the meeting purpose, and we have accomplished the objectives.

Motion to adjourn. Duane second. Meetings adjourned at 7:25 PM.