

Transcription of
Special Board Meeting for the Pier Gate Funding
March 31, 2022
Zoom 6:30 PM

The power point slide show can be referenced on the SLS website under the tab INFORMATION and the drop down menu for MEETING MINUTES 2022+. The power point can be seen in the file "Pier Gate Proposal Presentation & Vote Tally"

Zoom meeting recording was not started until Slide #24. The transcription of this meeting begins as Lois is recapping the timeline of the actions surrounding the pier gate proposal.

Lois: (Slide 24) Since the cost of this pier gate was more than \$5000, according to the by-laws, a special meeting is required for community approval of non-water system expenditures. For those that do not know, the state requires that the water system of a community lives with the Board of Directors or Board of Trustees. So on February 16 of 2022 a community letter was explaining why this pier gate was needed along with the Rudolph drawings. The special meeting was set for March 3rd over Zoom.

Lois: (Slide 25) This was the three day weekend of President's weekend, and I heard that a couple community members were not please with the size and the cost of the proposed pier gate. That was one thing I heard and initially some people asked for proxies because they would not be able to participate in the Zoom. I wanted to be able to present the information for those people in favor and those opposed to the pier gate proposal to be sent with the proxy form.

Lois: (Slide 26) After I met with Dave Heron and Ron Roberts February 21, 2022 to address the opposition to the pier gate proposal. I felt instead of letting this fester in the community, it would be better to postpone the general membership meeting until the Board had a clear consensus on what we were going to present, and the design and cost of the pier gate.

Lois: (Slide 27) I also during this time because there were questions from an insurance standpoint, I contacted our insurance consultant and asked if there was some standard criteria for a pier gate and as an insurance person he said that no standards exist. That we could have a small gate, a les foreboding gate all the way to a full-blown barrier. But whatever we had decided, the risk is now documented and exposed and we could not ignore it.

Lois: (Slide 28) So the Board met again on March 3rd and a couple community members, Eric MacDonald and Steve Hucik joined us to discuss a plan of action for presenting the pier gate information to the community. And after quite a bit of discussion, questions and input, it was unanimously decided that we would stay with the North Cross bid and present that as the Board recommendation to be voted on by the community.

Lois: (Slide 29) So a second letter with a proxy was sent March 11, 2022 to the community along with the Zoom link for us to meet tonight March 31, 2022 at 6:30 PM to have a discussion and then vote on

the pier gate. Proxies were due by March 30 and I wrote either by snail mail or through email, and I have the copies of 15 proxies here with me.

Lois: (Slide 30) And I wanted to say as a reminder the Board of Trustees has a fiduciary responsibility, that means a trusting responsibility, to act in the best interest of the community for the safety of all members and the protection of the community assets. So preventing a tragedy and protecting the community's liability is what's driving the installment of the pier gate.

Lois: (Slide 31) So that's really a recap of what we have done so far. You will notice we do not make fast decisions. It is something that has occurred over time with a lot of considerations. In terms of the agenda, we are at a point where we have questions and comments before we call for the vote. (Showed slide 32) I've done a lot of blabbing and that's where we are right now and I'd like to welcome questions and comments and either through the chat....I can only see 4 people on my screen that is shared, so I could stop share....

Billie Alcott: Steve has his hand up

Lois: Should I stop the share, would that help everyone?

Screen share is turned off and the Zoom participants are visible on the screen

Billie: Yes

Steve Hucik: This is Steve Hucik. One thing I noted in your presentation Lois, I thought it was good, the two quotes that were looked at – the one from Mantle and I think the other one from North Cross – the one from Mantle did not include installation and the one from North Cross or whoever they are did include a full turnkey. They would design, purchase, build, and install so I think there's a difference between those two quotes. I think about \$2000 difference but that's a significant difference in the installation.

Lois: And if I remember our conversations for that topic, we wanted someone to install and be accountable and be bonded and all those kinds of things to make sure installation went well.

Lois: Fran, did you have a question?

Fran McCarthy: First of all, I want to thank everybody for the work. You guys are doing the work I don't have time to do, and I appreciate it. Obviously, there is quite a long time span between when we got our first bids and thinking about what we needed to do and now. Did anyone ever give any indication about why this so significantly went up in cost?

Billie: I'll take that question. Because during that time, especially during the spring/early summer of 21 when the supply chain became so congested, most of the product aluminum stuff comes from China and in that area and there was just a true shortage. Rex, who we were working with first of Greenbank could not even get to the materials. When August came, he said he could not even fit us into his schedule since he wasn't able to access materials at that point. And the prices have skyrocketed enormously for steel and aluminum.

Fran: That's what I thought – just blame it on COVID. (people chuckle)

Billie: Supply Chain!

Fran: that's what we do at work – we go , “Oh it was COVID!” (people smile and chuckle)

Jeff Koon: Thank you guys for doing this work. There's a couple questions I have just because I haven't been privy to a lot of things going on. My first question is you prefaced these people having no business being here. Who are these people and where are they coming from?

Lois: We weren't sure, and others can add, but maybe during the pandemic other places were shut down. We had cars drive up and unload kids to play in the playground area and did not know who they were. We had people driving down to the pier and unload their crabbing equipment and a couple that I talked said, “Oh well, we saw that this was public...” We had people from a neighboring development and an AirBNB that saw these people jumping off the pier railings. And a lot of different things that summer and it was very bizarre.

Jeff: So have we..... I know we addressed some of the signage. What about putting signs up that say Private? Can we put signs up by the main entrances into Shangri-La Shores saying this is a private community, no trespassing, violators will be prosecuted, blah, blah, blah? Have we address that?

Lois: We considered that also. But tried to get the first ones up – on the pier, on the boat launch, in the picnic area, and the paths and we didn't get back to the whole community.

Brian Pulk: I just wanted to say our roads are county roads, so we could not restrict people from coming into our community.

Steve Hucik: We do have that new gate to the entry of the road that goes down to the pier, and right now, at least the last time I used it, it does not have a lock on it. So probably the thing we need to do is put some sort of a coded padlock on that the community members know how to unlock it. Right now, you just pick up the pin and open it so that's probably why people are getting down there when they shouldn't. the sign says private – they ignore the sign, they pull the pin, they open the gate, so my recommendation would be we get a lock on that gate and that will prevent cars. People can still walk down, but that will prevent the cars and bigger traffic to go down.

Jeff: Okay, which is great. I apologize if we have already addressed this, up to the left of that gate you were just speaking of, can we post a larger sign that says private use only. Must be a member or guests? Is there something we can post there to discourage people as well as who is policing this? If you see people who may or may not belong down there, are we policing it? Are we saying “Hey, Who are you people and why are you here? You can't be here. Or are we just letting it slide under the rug and say “Well, I don't want confrontation and people are mean and we just poo-poo it?”

Lois: I will speak for myself I ask, “Hey, where are you staying?” and that kind of thing. Some people take great offense to being asked and we have others who are coming on a short-term basis. And I can ask, these are great questions Jeff, and I really appreciate them, but I also want to keep our focus on the pier gate right now. But your concerns and suggestions will be brought up at our Board meeting. So if you have a couple more questions about the pier gate, that's where we need to focus.

Jeff: And I apologize, I digress. So my last and final question involves insurance and putting in the gate. So the insurance company said you have a liability, this is a hazard, you put up a gate and does our policy adjust down now? Or are we creating more liability because we created a hazard that someone has to try to get around and have we created a higher liability?

Lois: That's a great question. Brian, do you want to address that one?

Brian: First of all, we did not ask the insurance company. You never ask the insurance company because you will always get the answer that is most conservative which is why we have a consultant that Lois talked to. And I think the primary point of the consultant was we have on record emails and meeting minutes that discuss the hazard and we have an "attractive nuisance". We have that and it has been documented and we know about it. If we ever did get a claim against us, they could possibly have an argument for now covering it. Now, I am also aware that we have never had a problem and well we have never had our house burn down either, but we have fire insurance because the house might burn down. So we want to have this insurance and we want to make sure we that we are covered.

Beth Binger: I think it is a great question for the insurance company – If we now do have signage and we do have coverage on these gates – could that affect the policy downward and maybe we would pay a little less insurance. It is a great question that we should at least ask. But to the point of having just signage alleviates us from having the insurance issue. So I think the gate is necessary even with signage.

Randy Nollan: Yeah, I think any gate would do. I don't think we need to spend \$7000 on a gate just to try to keep people out. You are not going to keep anybody out, no matter what you put there. I know as a determined kid when I was around, I saw a gate and I would want to get over it (lots of laughter) and this just makes it a bigger hazard because you've got people climbing over this thing. You know you've got a kid, he wants to get over it, he's going to get over it, then he trips and falls going over the thing, lands on the rocks below and then we've got another liability there. So spending \$7000 having something like this going on is ridiculous. The most we should spend is about a grand. I spent \$6000 on 190 feet of fence with a four foot gate. \$7000 for just a simple gate? Come one, you've got to be realier. That's my rant.

Steve: Yeah, I think whether the gate is 10 feet tall, barbed wire around it or what ever, people are going to try to get around it. If you just put a chain or something small, people are going to try to get around it. I think from a liability standpoint more so in a court of law if you make an attempt to have a reasonable approach to stop people and especially young kids from getting onto the dock and down to the lower dock, you'll have a better change in court than if you put a small gate that everyone knows you can climb over. The judge may say you have negligence involved and you may not do very well in court. And I think the question is – Do you want to spend \$4000, \$5000, \$7000 to minimize the chances of a very large liability that goes way beyond the insurance covers and could impact each of us as residents and owners? That's the real question I have in my mind. You've got to pay Peter to avoid having to pay Paul and it could become very expensive. I think in one of the meetings I attended, I know lawyers and you could spend 4 hours with a lawyer and you possible could spend \$5000. So I think what you want to do is to put up a gate that has been in other areas where they have the same concern of restricting people from coming through. And you make it tall enough and strong enough and wide enough to prevent kids from trying to crawl around it and you've done your best to try to resolve the issue and reduce the nuisance liability. You'll never get rid of it completely unless you tear the dock down. And unfortunately, in this day and age with litigious concerns of many people, I think it is an investment we in the community have to make to protect ourselves.

Edyfinn Tausen: I agree with Steve there. We are talking a \$100 per homeowner. This is a lifetime investment. We do not want to have to spend that ever again. We are trying to do two things – take every precaution to prevent kids and adults from accidental drowning, okay? And try to take every

precaution for this community to not be faced with a massive lawsuit. You are talking \$100. To put things in perspective, I can spend \$100 for gas in my truck. At some point down the line, we are going to have a gate and it is not going to be less expensive than it is today.

Randy: You all make good points here about spending all kinds of money to make a bigger gate and all this but you are never going to eliminate the whole problem. You put any gate there you've made an attempt to discourage people from going out there to that pier. So we also have a community area there with swing sets and everything else. What if somebody slips and falls there? What if they slip and fall going down to the gate? You know? You can go on and on about this. Yeah, I admit we do need a gate there, but I don't think a \$7000 gate is going to do any better than a \$1000 gate.

Fran: So just because I live my life in litigation, what the courts will look for if we were very unfortunate enough to have a serious accident down there, they will look for industry standard as the rule of law. And it sounds like you have done your homework in terms of other situations where communities/marinas have the same issue. And I think not just to protect ourselves but to protect the general public who maybe don't belong there – don't have the common sense not to be out there when they shouldn't be, but we need to look at the industry standard and if it means we pay a little more, it's better than having someone get seriously injured. They do look at attractive nuisance and they look at deterrents, but the deterrent standard of law is whatever the industry standard is and I would really encourage us – sure, we could put a chain link fence there but that is not the industry standard. That's not going to protect us or the general public.

Steve: Just a quick comment. Lois, I think you may have mentioned, but this is covered by our current budget. There will not be an assessment to anyone.

Lois: We wanted to give everyone an opportunity to have conversations and see where this is all going. Does anyone else have anything they want to say or comment.

Randy: On the proxy form. On issues like this, is there any way we can have an actual vote by mail instead of this proxy business? I know people who are confused with all this proxy thing and they just sign it and send it up and say, "Oh yeah, we will do whatever the Board wants" when actually if they had a choice they would have voted no on it. So I think on these forms need to have a yes or no - I vote yes or I vote no on them. Or I give my vote to the board or whoever.

Lois: Well, the proxy votes we have been using have that – I give my vote to the Board or I give my vote to someone else.

Randy: Yes, but there is no yes or no on there. There is no way to vote no – I just want to vote no on it. I don't want to give my vote to anybody. I just want to vote no on it. But I won't be able to attend this meeting, or something like that.

Lois: I know our by-laws call for us to have proxies,

Brian: I can comment. This process is following the by-laws as they are written. And to have a yes or no vote coming from people who are not aware of the discussion or discussion that we have had today or the background that you have presented, they should either give their vote to the Board or give their vote to somebody they trust who will attend the meeting. So that's why that process is the way it is spelled out.

Randy: Okay, So for my people that I am voting for – their proxy, they need to have a recording of this meeting so they can understand that.

Lois: Okay, I'm not sure how to send the recording, but I will see what we can do.

Jeff: I do have another question. If we vote tonight and we are going to have some people who vote yes and some people who vote no, if it gets voted down, the liability is still there for every single community member and it does not go away. You are rolling the dice for everyone else comfortableness or liability or whatever word you want to interject there. What then? Do we reconvene? Do we bring it up again? The liability is never going away and for those community members who vote yes and rationalize \$100 is lunch to reduce or minimize our liability – it is almost a no-brainer. But so where does this go if it is voted down?

Lois: (Brian's hand is up) Brian, go ahead.

Brian: I think that is a very good concern, but my suggestion would be to cross that bridge if we come to it. Listening to this discussion, I don't think we are going to come to that – that would be my best guess. So rather than talking about that what if, I would suggest we talk about it if it becomes the result.

Lois: At this point if there are not more comments, I would call for someone to call for a motion to vote think the best way is to vote is a roll call of yes or no and if you are representing others, I have all the proxies right here (she lifts them up for all to see), that would be the easiest way. Unless there are more comments or discussions or questions (The screen was shared of Slide 33 listing the proxies received)

Brian: I move we go for the vote

Billie: I'll second

Lois: Board members, at this point we will vote to carry out this motion. And because I can see all the Board members except for Ron, to have a show of thumbs up. Board members put thumbs up.

Brian: And as a Board member, I have two votes (double lot)

Ron: (video not working only audio) Obviously you have my vote and I also have a proxy for Drew Williams

Lois: Right. But I have not done the roll call yet, this is for the Board to vote on the motion to call for a vote on the pier gate. The motion to vote on the pier gate is carried. What I will do is call for a vote and I will write it down. I will call out name of those present and proxies.

Russ Cunningham yes Amy Shatskin yes Fran McCarthy yes Nancy Reed/Rob Marsicek yes

Kristi Ingram yes Lisa Visintainer yes Steve Hucik yes and proxy for Marjorie Hucik yes

Edyfinn Tausen yes Julie Koon yes Ron Roberts yes and proxy for Drew Williams yes

Randy Nollan no and three proxies Janet Lee no, Cathy Ellsworth no, Steve Seachrist no

Duane Smith yes Billie Alcott yes Brian Pulk yes, yes Lois Craig yes Beth Binger yes

Dave Heron yes Amsler yes Dodge yes Jaderholm yes, yes Kendall yes

Krallis yes Rudolph yes Sterling yes Trompler yes Hucik, Stephanie yes

Lois: At this time, there are 26 in favor and 4 against. The majority has passed this and this vote is carried and the next steps Ron Roberts will get a hold of Tim at North Cross to get this moving forward. Thank you all for your time. This was all we were doing today. Jeff, know you have some great suggestions and we will talk with Beth about further signage to get that moving also

Fran: I have a question about the lock. Would we be able to change the lock?

Lois: Yes.

Fran: God because if not, all of Coupeville would have it in a month.

Lois: I have called seven different marinas about how the coding works and Edyfinn did a great job of sending me information about how this works with a code. But I thought first get the gate moving forward and then how all this code works. Some marinas don't ask anyone to sign documents and other do, but we haven't had that discussion yet. If there are no other questions, Board if you could stay on.

Billie: Steve has a question...

Steve: I just wanted to reconfirm the Board will consider putting a lock on the upper gate on the roadway down to the pier to provide a little more blockage and that should also be a coded gate I would assume. Or you could have a thumb wheel lock or have a series of numbers and a master lock will pop off. Probably a \$25 item.

Duane: I know we have talked about that for the future, yes.

Lois: That's it. It is 7:17 and we have had some discussion and we have had a vote. I just appreciate everyone who participated, and sent proxies and were proxies for others. Having a vote – everyone should have the opportunity to vote no matter what. I appreciate it. That's it. Board can you stay on? Thanks - for next steps.

Note: Slides 34, 35, and 36 show the results. After looking more closely at the tallying, the final count was 29 for and 4 against.