

JIPOA JANUARY TRUSTEE MEETING MINUTES - January 16, 2010

TRUSTEES PRESENT: Bruce Libey, Todd Kroehle, Skip Morrisson, Jim Miller, Dave Klugman, and Gary Zdolshek. Jim Krueger, Vickey Carey, Andrew Ebner, and Tom Kowalsk were excused. Bruce called the meeting to order at about 9:00 am.

Todd made the motion to approve the October minutes, seconded by Skip, all aye.

Communication: Discussion was held on communicating the positive changes and events of the past 12 months to our islanders. There are many good things that have and are happening on our island that everyone may not be aware of. Using the newsletter and our upcoming meetings to communicate these good news topics and our options as we move forward as an organization was discussed and agreed to.

These are:

Absence of litigation – There are no lawsuits between parties on JI. This is a first in many years.

Center of the Island Protected – The conservation easement is done. The center of the island is permanently protected from development.

Long term roads plan developed and budgeted – We have a plan to upgrade our roads and drainage over the next 10 years that is budgeted, engineered and the first year is funded.

Cost Reductions have translated into lower dues – 2010's homeowners assessments represented a 40+% decrease in dues to \$ 230. Based upon reductions in our new contracted trash removal costs and looking closely at all expenses, 2011 could see another significant reduction in our assessments for JIPOA.

Trash: Skip, Vickey, and Andrew are on a committee to develop a proposal for security cameras at the trash area. The proposal will include specifically what equipment will be recommended, the installation configuration, and a total cost breakdown. The proposal should be ready to present at the May Property Owners meeting.

One recent quote placed the cost for commercial equipment only, without installation labor or a mounting pole, at about \$6000. The consensus was that with the improvement in reliability of the newer electronics, the cost could be substantially reduced. Skip has a number of customers who use the video surveillance and will contact them to get information of the types of systems in use and their costs. Dave mentioned that the Road Committee spent \$800 on a recording device that would hold up to a year of recordings, connect to as many as 16 cameras, burn dvd's to take off sight, and offer internet access with the right connection. It was generally agreed that the recording equipment could be housed in the clubhouse.

Other questions that need to be answered are the location and mounting of cameras, source of power supply, and the connection to the recording drive.

The other trash issue was the new contract that was recently just executed . This is GREAT NEWS for the association and Dave Klugman is to be congratulated for negotiating a contract that will represent huge savings to JIPOA. It will begin on February 1, 2010 and run through August 31, 2011 with our existing supplier, Allied, and includes better pick up scheduling to make the most of the containers in use. Due to the close attention of Dave, and previous Trustee Jerry Thompson, the association's trash costs are down over 20% from 2008 and after the installation of cameras this year, the costs will be less than half of what they were two years ago. THANK YOU DAVE AND JERRY!

One side note; in an effort to reduce costs, there were not enough dumpsters to handle all the trash a couple of times over the last 2 months. The number had been reduced to lower costs as we transitioned from peak summer use to low winter use. This is our learning year in terms of matching capacity and need and the future schedule will reflect this better understanding. Also, our new contract is more flexible than the old one in adding or reducing the number of dumpsters.

Buildings and Permits: Bruce reported there are no new requests at this time.

Treasurer's Report: Andrew previously forwarded balance sheet and income statement reports for both 2009 and 2010 year to date. Bruce reported that he made a \$15,000 pre-payment to the Road Commission towards the 2010 obligation. Following the pre-payment, JIPOA has no taxable income for fiscal 2009. The payment has implications for future obligations and a discussion was held about seeking new financial advice to pursue the possibility of a tax free status for the association. As the subject was raised at the last annual meeting, the Board intends find out if a savings can be realized. Historically, certain parts of the association's revenue were taxable due to the nature of their source (ie: toll gate receipts). Circumstances have changed and the issue will be reviewed to see if there is a potential savings JIPOA can realize.

The subject of hiring a bookkeeping service for the association's business was discussed. The initial quote received since the last meeting needed clarity. It was agreed that Jim would review the requirement again to get a new, more pertinent, quote from the service contacted.

Treasurer's Report - Future Budget Considerations: Dave Klugman presented a series of budgetary projections for the association for 2010 and several years into the future. The discussion gravitated to the subject of future dues structure and the use of what excess funds the association may have. The three most probable uses are; 1. The reserve fund as required by the Code of Regulations; 2. The improvement of JIPOA amenities or 3. The further reduction of dues.

A reserve is necessary due to potential risks that exist. JIPOA's D&O insurance policy

lapses on March 15. As we reported at the Annual meeting, we have received threatening correspondence from a small group of Islanders regarding potential lawsuits over payment of dues (for 2010, it is \$230 plus the Road Payment), a report needs to be filed with the insurance company under our current policy. Reports have no affect on rates, but claims do. A lawsuit against JIPOA could have significant costs from both the deductible that would have to be paid by the association and plus the increased future D&O insurance rates.

The Board will continue to explore possibilities for improvements, communicate them to the Property Owners, and seek discussion, feedback, or new ideas on the subject. .

Legal: Certain liens have already been filed against those who have not paid dues that were specified by a court ordered settlement. Liens against other past due Property Owners are being considered and will be delayed temporarily pending communication to the Property Owners of the developments in JIPOA's financial structure with the hope that the past due amounts can be rendered without litigation. Until such time as those potential conflicts are settled, a reserve is prudent.

There being no further business, Skip made the motion to adjourn, seconded by Gary, all aye.

Respectfully submitted,

Todd Kroehle
JIPOA Secretary