

ANNUAL MEMBERS' MEETING MINUTES

ELECTION OF BOARD DIRECTORS BALLOTS COUNTS, JUNE 13, 2015

Call to Order: Gary Wanzong called the meeting to order at 12:00 noon.

Roll Call: Gary Wanzong, President Co-Treasurer; Janet Podell, Vice-President; Pat Zazzo, Co-Secretary; Dianne DeGood, Co-Secretary; Mike Graham, Co-Treasurer; Claudia Ellsworth, Island Manager.

Annual Members' Meeting Minutes: Minutes of the 2014 Annual Members' Meeting were approved in July 2014 so that they could be published in a timely manner.

Opening Remarks by Gary Wanzong, President:

The main focus for today's meeting is the Election of Board Members and the Budget.

Correspondence: There was no correspondence to report.

Island Manager Report:

Ramp Painting/Dolphin Replacement: Claudia acknowledges that the Ramp Painting and Dolphins projects being discussed simultaneously is confusing.

Pump Station: The change to the zoning language by Pierce County to allow contractor equipment to be stored in zone R-10 is a really positive step. We can now have a contractor site at the pump station for legally licensed contractors who are in compliance with County ordinances. Pump Station has been cleaned up and has storage for roads materials. The reservoir has been cleaned.

Roads: Road grading has been accomplished. It has been a long, long while since road grading was done and most of the roads are in fine shape.

Parks: Parks improvements include fencing of the sport court at Goodpastor Park and installation of the swings. These improvements make it possible to have our insurance premiums stay flat. Infrastructure improvements reduce HMC liability. Claudia reports these improvements to the HMC insurance broker. Claudia thanked the volunteers that made that happen.

Water Department: The HMC Water Department volunteers spent hundreds of hours to assess the data and determine a tiered rate structure for our water billing. Fred Fath may have spent thousands of hours since he wrote the software to take the meter readings and convert them into water bills. A truly professional job was done. If HMC had contracted out this work it would have cost \$20,000 to \$30,000. Cross control was implemented as required to prevent contamination of our distribution system. Six HMC Members must have backflow valves and an annual inspection. The Sanitary Survey is due this year. This inspection is done every six years and makes certain that we have no contaminants (animal or otherwise) floating in the reservoir.

Volunteers, again: Terry Kraft put up Christmas lights in the N Beach Pavilion. John Farris installed a solar light at N Beach so that the flag could fly all year. These are both very nice additions to N Beach.

HMC Office Activity: Carolyn and Claudia work hard and fast all day to get everything accomplished in a three-day workweek. 40 to 50 pieces of mail are processed daily. 60 to 70 emails are processed daily. A number of personal visits and phone calls are taken daily. (Service to Island Members comes first.) 26 payrolls are processed with all the variables on fifteen employees. Claudia makes 250 bank deposits a year. Claudia also does a lot of business on the mainland. She picks up printing and buys supplies. She also picks up the mail on her way to the Island. Carolyn reconciles 3600 ferry receipts by day/by trip. Bills and payments are processed for 3,676 accounts for HMC and Water combined. HMC issues over 1900 auto decals and volunteers give a lot of help getting these ready for HMC Members. Carolyn takes care of 20 property transfers per year and there is a lot of paperwork involved in taking in new Member accounts. Carolyn also compiles quarterly ferry log book data for the Department of the Army report. HMC ferry carries about 32,000 vehicles and 66,000 passengers per year. (Thanks to our ferry crew.) More than 700 books of ferry tickets are sold every year. Multiple insurance policies are reviewed and renewed. HMC runs two highly regulated entities - the ferry and the water department. During the course of the year HMC deals with the IRS, the FCC, the U.S. Coast Guard, the Army Corps of Engineers, Fire District 16, the State Health Department, Tacoma-Pierce County Health Department, Employment Security, Labor and Industries, the Department of Ecology, the Department of Natural Resources, the Secretary of State, Pierce County Planning/Public Works/ Noxious Weeds Assessor/Treasurer/ Sheriff/Fire District and code enforcement. We also deal with contractors, the Financial Auditor, Reserve Auditor, NW Water Systems, our Roads' contractor and the Inland Boatman's Union.

Volunteers, Again: Claudia again thanked all of the volunteers and stated that this is such an interesting place to work because of all the work that's done by people that care about Herron Island.

(Claudia's Manager's Report ended with applause from a grateful audience.)

Budget: Gary Wanzong asked if there were any questions about the budget. None were offered at that time.

Motion given by Gary Wanzong to reject the original budget posted on the web and accept the second budget that includes \$156 shortfall of the Ramp Painting Project. Motion Carried. Vote was 4-1.

Membership discussion ensued after the Board accepted the latest proposed budget. Gary explained that the new proposed assessment of \$2,264 includes \$350 for Dolphin Reserve, a small increase in the general budget, and \$156 for shortfall in funding for the Ramp Painting Project.

- A Member asked if the engineers on the Dolphin Project would be the same as the engineers for the Ramp Painting Project. The response was "no", the engineers are different.
- A Member asked about HMC Reserves. HMC reserve at 14% currently. 10% is required by law and any loan from a reserve has to be repaid within two years. Reserves for Dolphins, Ramps, Piles is one large account that is broken out on paper. Other reserves are separate accounts.
- A Member asked about the possibility of a USDA loan. Discussion of the possibility and scope of a USDA loan took place.
- A Member questioned the budget increase for the ferry in order to get the inspections on a four year cycle. This Member expressed concern that the four year inspection schedule would shorten the life of the ferry.
- A Member suggested that the proposed Budget have a column that shows previous years' budget numbers as well as actuals.

- A Member suggested that all the budget information (previous budget, actuals, current budget) be placed on the website.
- A Member questioned whether or not the budget could be posted on the website and a summary mailed out to the Membership.
- A Member asked for clarification of several budget line items and noted that previous Finance Committee Chairs had presented an overview of the budget and explanations of expenses.
- A Member asked about the oil spill prevention expenses. Every effort has been made to avoid this expense.
- A Member discovered a line item error on the 2013-2014 Budget for cable replacement on the ramps.

New Business:

- A Member asked if a “Members Only” tab could be added to the website. This was done in the past and was hard to manage. Another Member suggested that perhaps the advances in technology could make this possible in order to avoid communication that announces extended ferry outages being accessible to the world at large.

Election of Board Members:

***Ballot Validators:* Dorian Brown, Linda Crowe, Carolyn Snyder, Rondi Akers, Mark Anderson.**

***Ballot Counters:* Mark Anderson, Bob Garcia, Lisa McCormick, Ferd Reichlin, Sue Pottorff, Andy Thompson.**

***Ballot Tally:* Carolyn Snyder, Rondi Akers.**

Ballot Results: Presented by Janet Podell

Gary Wanzong	125	Sherri Anderson	119
Sam Argo	63	Robin Kelly	57
Kathy Deuster	51	Ben Burke	27
Mark Anderson	7	Lita Monaghan	4
Robin Wright	2	Nick Huff	2
Merry Kogut	2	Joseph Pentheroudakis	1
Eric Bergson	1	Anita Bray	1
Tom Ritchie	1	Dana Gruber	1
Steve Kramer	1	Robin Anderson	1
Matt Hansen	1	Dianne DeGood	1
Robin Olson	1	Jonas Ray	1
Ferd Reichlin	1	Fred Fath	1

Presentation of Officers: Janet Podell reporting. Due to the absence of Sam Argo, final Board positions will be determined and announced at the continuance of Members' Meeting July 11, 2015. Gary Wanzong will remain as President and Co-Treasurer, Janet Podell will continue to serve as Vice President, Mike Graham continues as Co-Treasurer, Sherri Anderson serves as Member-at-Large as does Sam Argo until that time.

- It was suggested that the write-in candidate elected be asked to fill out a Board Candidate application in order that the Membership can be introduced to the person that was elected to the Board.

Gary moved that the meeting recess until continuance of the Members' Meeting July 11th to ratify the budget. Motion carried.

Respectfully submitted,

Pat Zazzo, Secretary