

**HMC Management Board Meeting Minutes**  
**April 13, 2013**

**Call to Order:** Janet Podell, Vice President called the meeting to order at 10:00 AM.

**Roll Call:** Janet Podell, Vice-President; Dianne DeGood, Secretary; Pat Zazzo, Treasurer; Sherri Anderson, Member at Large and Claudia Ellsworth, Island Manager, [IM]. Excused absence – Mark Anderson, President.

Janet announced that the meeting would be recorded for the purpose of completing the minutes.

**Previous HMC Management Board Meeting Minutes:** Janet Podell moved to approve the March 9, 2013 HMC Management Board meeting minutes. Motion carried.

**Correspondence:** There were two items of correspondence from the office:

- A note from a Member asking for “5MPH/No Wake” buoys to be added at the Northeast corner of the new swimming area at North Beach.
- An email from an Author writing about the Puget Sound Islands and requesting to visit with a long time Member about Herron Island.

The Board received four additional emails:

- From a Member asking about whether there would be a Special Assessment for the new Basketball Court.
- From a Member asking about the changes in the Summer Ferry Schedule.
- From a Member requesting to move a water meter.
- From a Member asking how much money was spent on the corner of East Madrona and South Herron Blvd.

**Finance:**

Pat Zazzo reported that as of March 31, the Ferry Revenue was at 43.09% of the budget assumptions. With summer coming and more traffic, we should reach our goal for 2012/2013.

The Assessments as of March 31 were at 49.34% of the budget assumption. The second half of the Assessments are coming in April and are due April 30<sup>th</sup>.

The water base fees are at 76.89% with the extra revenue coming from those Members who had paid their Water Assessments for the full year. However there are several Members who are delinquent in paying the Water Fees.

In the bills to be paid there is a significant bill for the deposit for the Ferry engines and transmissions. The bid came in a little above the estimate we received last May, but we had planned for this to happen. The first half will come from the Reserves and the Special Assessment will go out June 1<sup>st</sup> and will be due June 30<sup>th</sup>. Monies from the Special Assessment will pay for the remainder of the Engine/Transmission installation billing.

**Pat Zazzo moved to take the money from the reserves to pay the deposit of \$81,541.00 for the Ferry engines and transmissions so that they can be ordered soon. Motion carried.**

In the Water bills to be paid there are two bills which need further clarification. One was from Birch Electric and the other from Steve Kramer. These bills were for work done on a water service issue that may not be HMC’s responsibility.

**Following her report, Pat moved to pay the bills for the HMC Management General Fund and the HMC Water Department with the exception of the bills for Birch Electric and Steve Kramer, which need to be clarified. Motion carried.**

**Pat also made a motion to write off an outstanding bill of \$88.73 for fees in collecting an \$8,000 reimbursement from a delinquent account, since it would cost more than this to try to collect it. Motion carried.**

**Administration:** See Island Manager’s report for the full report of Administration issues.

The IM thanked the many volunteers, especially the Roads committee and Leslie Sanderson who helped with the road cleanup and disposing of the vegetation debris in the roadways. She also thanked the Chapin family who come in twice a year to assemble all of the auto decals which are distributed when the Assessments are paid. Judy Greinke was acknowledged for cleaning the flower beds around the Community Building.

Members who are dog owners were reminded to keep dogs on a leash when walking them.

**Reserve Study:** Mike Fleming of Association Reserves has spent many hours reading HMC Reports and Minutes and interviewing Board Members and Employees to prepare a preliminary report by next week. We have requested to have it before the Finance Committee meeting on April 20<sup>th</sup>. At that time the items for which reserves need to be established will be defined. The final report should be ready to submit with the new budget proposal for 2013/2014 for Members approval in June. The final summary will also be on the web site for Member's review.

**Signs:** Members who wish to post signs on their's or other's property must comply with the Pierce County Zoning and Sign Code regulations. Construction signs can be no more than four square feet and must not be placed on HMC property without prior approval in writing. Unauthorized signs will be removed by HMC Management at the owner's expense.

In addition, Members were reminded that if HMC road signs are down, report it to the Office or the Roads Committee, so that they can be fixed.

**Records Retention:** Water records retention requirements are defined by State regulations. Charles Smith has been helping to work through those and also archiving the water system construction materials.

**Water System Maintenance and Operations:**

The latest coliform water test came back clean. So hopefully this issue has now been resolved.

There are times when Members will contact the office with problems turning on their water. Charles Smith has been available to resolve these and will continue until we are well into the summer season and by the time most Members have turned on their service. HMC will not resolve issues on private property. This is the responsibility of the property owner. Contact HMC only when there is an issue with the meter or water service to the meter.

As more Members come out during the summer there will be incidents when they will have a problem with the water. The Water Committee is developing a "Request for Service" form for Members to fill out and return to the Island Manager or HMC office.

There have not been any offers for the surplus plumbing parts in the inventory; however NW Water has indicated that they might be interested in some of them.

A Member also volunteered to add some plantings of flowers and shrubs around the pump station but the Water Committee decided to table it for another year.

**Water System Project:** Last month, the Board approved by Resolution a Security Agreement with USDA which allowed the HMC President to sign the closing documents. During the two weeks following the Board meeting, the Board took additional actions in response to requests by the Title company. These included authorizing the HMC President and Secretary to sign the Deed of Trust and other necessary documents for the loan. These actions, some of which were electronic are noted in the minutes of the March 9<sup>th</sup> meeting.

Ninety-two Members prepaid the full Capital Cost amount of the \$4,475 (including processing fee). We have not yet received the recorded Acknowledgement of Payment and Release of Lien from the Pierce County auditor, but when we do, each pre-payer will receive of copy for their records and a copy will be place in the HMC property file. HMC Management entered into a loan amount of \$1,342,000 with semi-annual payments of \$26,639.

**Land Use:** HMC Management has received a firm Purchase Agreement to sell the property at 317 E. Madrona for the price voted by the Membership. The HMC Board will need to approve a Resolution regarding the signature authority for Real Property conveyance documents.

**Janet Podell moved that the HMC Board of Directors adopt the "Resolution of HMC Management Regarding Signature Authority for Real Property Conveyance Documents" and a copy of the Resolution be placed in the minutes of the regular meeting of the HMC Board of Directors. Motion carried.**

**Emergency Preparedness:** Pat Zazzo reminded everyone of the "CPR for Family and Friends" class which would be held today at 12:30 and everyone was invited to attend.

**Parks:**

Judy Greinke asked for permission to move the Siren behind the Community Building today while the Parks Department has the equipment rented for moving the Small Boat Docks. It would be another way to utilize the equipment while it is rented. The Water truck will have to be moved out and the Siren would be moved up to the Water Department lot which is the only spot that has three-phase power. The Board Members all agreed that this

would be a good time to move the Siren and gave approval to do it. This will help when the BOOSTERS have the new doors installed between the Community Center back wall and the outside patio. .

Tracy Anspach commented on the Parks budget being scaled back and at first thought it would be workable, but he is afraid that they might get a little short, and suggested a budget of \$750 instead of the \$200 originally anticipated. They are going to have to replace a spreader bar and possibly some other equipment

Tracy also presented three bids for the Basketball court, with the lowest bid at around \$9,000 and an additional \$1,359 to Steve Kramer to prepare and compact the site by bringing in more gravel and a compactor so that the concrete can be poured. The total of the bid would be about \$10,500 plus the cost of tearing out the old concrete, which was \$11,000. They will be building an elementary size multi-court so that it can be used for tennis, volleyball and basketball. To increase the size to a multi-court it increased the cost by 33% but will make it more functional. If approved, the concrete trucks are scheduled to come on May 15<sup>th</sup> because the tides are an issue. Ground work will have to be completed before that date.

It was also suggested to fence the area around the court, but with only one bid from KIWI fence, it was decided to put it on hold and consider it at a later time.

**Dianne DeGood moved that we accept Tracy's proposal for completing the basketball court and proceed with the work as planned, putting the fence project on hold as suggested. Motion carried.**

A Member asked about adding wood pilings down at the North Beach where an area is being washed away. This is under Parks maintenance and would be checked out.

The Docks are being put in at North Beach today and the bill from United Rentals for the fork lift is \$914.03. **Pat Zazzo moved to pay this additional bill for the equipment rental for the dock installation. Motion carried.**

**Roads:** Charles Smith reported that they are looking into when Caseco could come over and work on the roads adding additional gravel. But they need three days of dry weather and a few additional days to do the work. So far, the weather hasn't cooperated.

Charles also added that there are traffic cones out and asked Members not to remove them or run over them. On East Herron there is an exposed telephone line right at the top of Ferry Road. The Roads committee has been working with Century Link to get this fixed and so far Century Link hasn't done anything about it.

Pat Zazzo also reported that the schedule for bringing the gravel over on a barge may have changed, since there is a concern with the fuel costs going up and also having to coordinate with Caseco on this. She asked that the Roads Committee report back to the Board when the pricing has been firmed up

**Rules:** The HMC Board and IM had an informal work session last week, spending three hours going through each Member's input and suggestions. There are still a few things that need to be checked out and these are issues that have to do with State law. Mark Anderson is incorporating all of the accepted changes into the final draft.

**Herron Island Ferry:** The Special Assessment for the Engine and Transmission replacement will be sent out June 1<sup>st</sup> and will be due by June 30<sup>th</sup>.

**Legal Liaison:** We currently have 16 delinquencies, of which eight are with the attorney for action. We just received one settlement for \$8,000. Eight of the new delinquencies are for small amounts tied to nonpayment of water bills. The delinquency rate is at 4.2%.

### **Committee Reports:**

- **Water Committee** -Judy Greinke reported that the committee met on Friday and made a few changes to the Water Financial Policy, taking out the reference to RCW at the bottom of the page and changing the text relative to prepayment. The corrected copy was given to the Board today for review and signatures.

**Janet Podell moved to adopt the Herron island Water Department Financial Policy as presented before the Board today. Motion carried.**

Judy also invited Members to join the committee which meets on Friday mornings. Other items they discussed were maintaining the new system, talking about how it affects the budget and designing a notification card to let Members know when the water will be turned off. Members will be notified via the web site and a notice on the door knob.

- **Finance Committee:** Pat Zazzo announced that the Finance Committee will be meeting next Saturday, April 20th at 8:30 at the Community Building.

**B.O.O.S.T.E.R.S:** Janet Podell reported that the BOOSTERS would be meeting tonight at 6:00 pm with a potluck dinner. They are raffling two books of Ferry tickets, Herron Island Apparel and Herron Island Calendars. They will also be talking about summer events and BOOSTERS officers for next year. Everyone is invited to attend.

**Beachcomber:** All items must be sent electronically to the Beachcomber Editor at [beachcomber@herronisland.org](mailto:beachcomber@herronisland.org) no later than 5:00 pm on Wednesday, April 17<sup>th</sup>. The next Beachcomber will be the April issue.

**Rumor Control/Membership Questions:** A Member asked about how long the Ferry would be out when the Engines are replaced and how soon the Membership would know the dates. It was reported that the plan is tentatively scheduled for the last couple of weeks of September, but could change and Members would be notified as soon as possible.

**New Business:** Pat Zazzo reported that anyone requesting a reimbursement for something they purchased for HMC, must present a receipt and have it turned in to the office by the Thursday before the Board meeting, otherwise reimbursement will be delayed by one month.

**Executive Session:** The HMC Board of Directors met in an Executive Session to discuss legal matters. To resolve these, the Board is continuing to work with the Island Attorney.

**Since there was no further business, Janet Podell moved that we adjourn the meeting. Motion carried.**

Respectfully submitted,

Dianne DeGood, Recording Secretary