

HMC Management Board Meeting Minutes (December 12, 2009)

Call to Order: Fred Fath called the meeting to order at 10:00 AM.

Roll Call: Fred Fath, President/Treasurer, Kathryn Deuster, Vice President, Janet Podell, Secretary; Judy Greinke, Asst. Treasurer,

Fred Fath reported to the membership that Pat Pitt submitted a letter resigning his position as an HMC Board member effective 11/8/09. The Board accepted his resignation.

Fred reported that there will be a change in policy that addresses communication from the audience. After each section members will be able to speak if they wait to be recognized and identify themselves. Also, if discussions get too long the President will cut short continuing discussions.

Previous Board Meeting Minutes: Judy Greinke made a motion to accept the November '09 meeting minutes. Motion carried.

Correspondence:

- Four pieces of correspondence were received during the month. These were discussed as each subject arose during the course of the meeting.

Finance:

- The Treasurer reported that we have 16 total delinquencies; five of which are long term and have been turned over to the island attorney. The remaining eleven are in the collections process.
- **Fred Fath made a motion to fund our Vanguard reserve account in the amount of \$30,550 in accordance with the current member-approved budget plan. Motion carried.** All other budget items are currently in line with the plan.
- **Fred Fath made a motion to pay the bills. Motion carried.**
- A Finance committee meeting will follow the Board meeting today. Discussion will be center on budget planning for next year's budget.

Administration:

See the Island Manager's report for miscellaneous Administration issues not directly mentioned here.

- Surplus equipment – A total of two bids were received for HMC's surplus equipment. The remaining items that did not receive any bids will be donated to charity if no bidders come forward directly following this Board meeting.
- The Island Manager reported that an issue has surfaced concerning the condition of the mainland bus shelter. Mike Shettlesworth is recommending that the shelter be changed into a 3 sided structure to discourage inappropriate use of the shelter by mainland parties. He further stated that only two HMC school children use the shelter and then only once a week. The rest of the time it is used by the mainland children. **Fred made a motion to convert the shelter to a three sided structure. Motion carried.**
- There was discussion about the crew shed that will need to be re-painted but this will be scheduled during the summer months.
- The Island Manager mentioned a storm water drain outside of the Community Center that is not aligned properly and needs to be fixed.

Legal:

See the Island Manager's report for miscellaneous Legal issues not directly mentioned here.

Land Use:

See the Island Manager's report for miscellaneous Land Use issues not directly mentioned here.

- Mike Shettlesworth suggested that we combine the Community Center property with the parcel to the immediate right. Dallas Amidon will look into what is involved in getting this

accomplished. That parcel does perk and could eventually be used to house off-island ferry crew.

- The LUC committee charter is still in work.
- Discussion on land use responsibility – does it extend to encroachments? It was pointed out that we could provide both committees the option of providing input on encroachments since the final decision resides with the Board. The Board decided to table the discussion for now.

Transportation:

See the Island Manager's report for miscellaneous Transportation issues not directly mentioned here.

- We are a couple of months away from taking control of our own oil spill containment process and the crew will undergo training. This is estimated to save the island \$18000 per year.
- A Request for Proposal will be published in the Daily Journal of Commerce on Monday soliciting bids for a marine survey in support of our dolphin replacement project.
- The Island Manager reported that the Inlandboatmen's Union (IBU) has now contacted us to schedule crew negotiations. She then excused herself from the following discussions and left the room. Fred summarized the circumstances that have brought us to this point with the crew and what drove their request for union representation. He explained that we contacted an attorney to find out what our exact responsibilities were and discovered that HMC is now responsible to negotiate with the union and not directly with the crew. In fact, it would be illegal for us to negotiate directly with the crew which could subject us to an unfair labor practice charge. Fred felt it would be prudent to obtain legal advice and support during the negotiations. The office sent out several Requests for Quotation to local law firms who specialize in labor relations. Two firms responded to our RFQ. One of the responders was the firm of Davis, Grimm, Payne & Marra of Seattle. The other response was from Mr. Lynn Ellsworth who is "of Counsel" with the firm of Gordon, Thomas, Honeywell. Mr. Ellsworth is also our Island Manager's husband.

In order to ensure complete integrity and to avoid the appearance of any impropriety, these proposals were discussed openly with the members present. Discussion was solicited from the membership and members' input assisted the Board in determining our plan to move forward. The prices quoted were very high from the firm of Davis, Grimm, Payne & Marra. (\$315 per hour) Mr. Ellsworth quoted \$175 per hour in an effort to help HMC control our legal expenses. The selected attorney would not always be a direct participant in the negotiation process but would often act behind the scenes providing advice and counsel upon request. This approach is intended to control legal fees as much as possible. Fred emphasized the need to treat the crew as fairly as possible and hire an attorney who has a proven record of success in this field. Mr. Ellsworth has had significant experience in marine contracts. His experience extends to representation of both union and management which enables him to see the issues from a total perspective. Additionally, he is located in Tacoma and does not charge for travel time. (The other law firm is in downtown Seattle and does charge for travel time.) The members of the Board understand that there may be a perception of conflict since he is the Island Manager's husband, but when weighing the issue from a "best value" perspective, it was felt that Mr. Ellsworth is the appropriate choice. **Following extensive discussion with the members, Kathy Deuster made a motion to hire Mr. Ellsworth to be our legal advisor during the crew negotiations. Motion carried.**

Rules & Regulations:

- The Rules Chairman (Eric Bergson) has resigned his position as chair of the Rules committee but will remain as a member. The Board will now have to find a replacement member to chair the Rules committee.

Emergency Preparedness

See the Island Manager's report for miscellaneous Transportation issues not directly mentioned here.

- Following a request from the Island Manager, Fire District #16 has proposed a revision to our service contract that would allow the fire truck to remain on the island. They have proposed that they would no longer pay HMC \$50 monthly rent and they would remove the ambulance. Additionally they would like us to pay the insurance on the building which

is \$342 per year. This is the rate they get and compares very favorably with the \$1663 quoted to HMC (without the engine present). This is considered a temporary condition. When the economy improves and when their levy passes, we will expect to return to the service levels we currently receive. **Janet Podell made a motion that we accept the proposal. Motion carried**

- The Natural Hazard Mitigation Plan is currently underway with Pierce County. The final plan will need to be approved by the Board.
- The Island Manager reported about "Fire Wise" which is a county program that talks to homeowners about keeping their properties safe from fire hazards.

Water:

See the Island Manager's report for miscellaneous Water issues not directly mentioned here.

- The Island Manager and Steve Chapin reported out that the Water Project Committee met last Tuesday. On Wednesday, five HMC members attended a Pierce County, Department of Health and US Dept. of Agriculture meeting about water funding and found that there may be Stimulus money available for us. If we decided to apply for funds the terms could be as low as 4.75% for 40 years. This is an extremely attractive option. She is asking for the Board's permission to initiate activities that could result in HMC receiving these funds. The Board granted permission. It was also suggested that we could separate the issue of installation from the maintenance and operation of our water system.
- Steve Chapin spoke up about the accomplishments of our Island Manager to date. She has been involving herself in every aspect of our island operation. Steve also gave a shout out to Judy Greinke, thanking her for the level of support she has provided to help him in the progress of our new water system. Steve is planning to bring all options to the Board for consideration by next April. Fred suggested that we pursue the application prior to having all options identified. This way we would be out of the gate early. The cost of applying for stimulus money is reimbursable when the funds are granted. **Judy Greinke made a motion that the Island Manager gather information on everything that is involved in filing an application for government stimulus funds. Motion carried.**
- Next WPC meeting is on January 7th.

Parks:

- No Parks report

Roads:

See the Island Manager's report for miscellaneous Road issues not directly mentioned here.

- Doyle Parnell spoke about a proposal to have HMC to sponsor litter clean up on Herron Road (on the mainland). The company who would manage the litter pick up is Envirocorps. He is requesting that HMC sponsor the cleanup quarterly or monthly and have the honor of a sign on Herron Road identifying the island as the sponsor. The cost is upwards of \$1800/year. He felt this would improve relations with the community on the mainland. Discussion followed about the commitment of the mainland residents to help keep the road litter free. General discussion by the members in the audience followed concerning the program's benefits to the island. Fred reported that we have not budgeted for this type of activity. The Finance Committee could look at it for the possibility of implementing this next year, but nothing this year. Mr. Parnell is also requesting that a notification be placed on the website and in the next Beachcomber. Fred asked Mr. Parnell to write up a notification for the website.
- South End drainage issue. The island manager has invited Pierce County Public Works & Utilities to come the island on Friday January 8 the review our drainage issues. Fred reported that we plan to address the issue of the drainage system before we can then resolve the issue of the road encroachment.
- There was discussion about island trees to be removed that are considered potentially dangerous. A contractor has been hired to remove the trees on Dec. 18th. The wood is going to be made available for members at the site location.

Technology: No Technology Report

Rumor Control:

This is a new agenda item that the Board felt would be of service to the members to help get accurate information about island operations. The members had no rumors to ask about today.

Old Business:

- Jack Wells asked the Board's plans for a replacement Board member. There is no By-Law requirement that dictates the selection process for replacement Board members. It is at the discretion of the Board. Fred reported that he contacted Steve Chapin (next on the list of vote getters from last summer's election). Steve declined in favor of the effort he is working on the Water Project Committee which he felt would absorb most of his available time. Fred has approached several other qualified members and hopes to identify a replacement for Pat Pitt shortly.

New Business:

- Dallas Amidon reported out about an event that occurred on the ferry over the Thanksgiving holiday. A member did not follow the instructions of the crew and Dallas' car was rear ended. Dallas wanted to know if HMC would revisit the idea of requiring proof of insurance by members. We discussed that this had come up several months ago and was dismissed as an option at that time. The Board decided then that it would not be within our jurisdiction of authority to require this and the administrative costs to maintain current records would be prohibitive. The Board needs to look at the consequences when a member violates the instructions of a crew member.

Action Item Review:

- The Board reviewed the open action items, updated status as appropriate, and added the actions that were identified from today's meeting.

Beachcomber:

- The next Beachcomber will be the January/February issue. Inputs are required electronically no later than 5:00 PM on Wed. Jan. 13, 2010. The Beachcomber Editor is beachcomber@herronisland.org.

Adjournment: Janet Podell made a motion to adjourn the meeting. Motion carried.

Respectfully submitted,

Janet Podell
Secretary