

HMC Management Board Meeting Minutes (December 11, 2010)

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

Roll Call: Fred Fath, President/Treasurer, Janet Podell, Secretary; Gary Wanzong, Asst. Treasurer, Mark Anderson, Vice President, Judy Greinke, Member at Large, Claudia Ellsworth, Island Manager.

Gary Wanzong made an opening statement:

"I would like to welcome back Fred after his trip. In addition, I would like to welcome back Mark. As you may know, Mark attended the November meeting, but did not participate as a member of the Board. Prior to that meeting, a situation arose that involved a potential conflict of interest for Mark in his dual capacity as an attorney and as a member of the HMC Board. To protect the integrity of the Board and its proceedings, Mark excused himself from the November Board meeting. The particular situation has since been resolved, so we welcome Mark back and thank him for safeguarding HMC interests."

Previous Board Meeting Minutes:

- **Fred made a motion to accept the November '10 meeting minutes. Motion carried.**

Correspondence:

- There were eight items of correspondence received during the month. These were addressed if the subject matter came up during the course of the meeting.

Finance

- Fred Fath reviewed the budget for November and reported that everything is on track with the plan. Current bank balances exceed the budget because of a carryover from last fiscal year. The Reserves have been used as planned to cover the September Dry Dock and engine overhaul activity. Water system reserves were spent as planned for our water service provider and the engineering firm hired to perform the dolphin assessment at North Beach.
- An additional bill was received covering flags for the ferry that does not show up on the bills to be paid listing. **Fred made a motion to pay the bills. Motion carried.**

Administration:

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

- Interviews have been conducted for the backup Office Manager position. A decision is imminent.
- Mainland mooring line – The Island Manager reported that the County only allows one line per parcel. HMC is out of compliance with this requirement. There are currently three mooring lines on the parcel and it was discussed that two may have to be removed. Significant discussion followed. Butch Everett stated that one of those lines is his and he was prepared to remove it if necessary. The Island Manager is waiting for a letter from the County providing more explanation. Dallas Amidon suggested that there is no risk in being out of compliance. Mark Anderson discussed the issue of HMC liability unless the owners of those mooring lines were to sign an indemnification agreement that protects the Association. Ralph Everett asked that if the lines are removed will the Association provide alternative transportation to the members during such times that the ferry is out of service? Fred responded that HMC is not liable for providing alternate transportation. The decision was to leave things as they are for now.
- Unsigned ballots – Discussion from members in the audience about having HMC contact members who sent in their ballots but did not sign the envelope per the balloting instructions. Because of the concern, the Board agreed to send a notice to those members who had not signed their ballots and give them a chance to send in valid ballots for counting.

Legal:

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

- There are currently fifteen delinquencies. Three are presently with the Island Collections Attorney.

Land Use:

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

- There are letters being prepared to notify members who may be encroaching on HMC right of way in preparation for the installation of new water lines. Pat Pitt stated his opinion that the Board was profiling members inappropriately. Mark Anderson responded about the association's right to access HMC right of way. Pat stated that trespassing onto private property has been happening. Mark went on to say, with regard to the draft letters to members, there are legal issues relative to how long the encroachments have been in place and advised that there are different legal issues that will require different approaches. Pat suggested that we publish a plan about how to proceed with these issues. .

Transportation:

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

- Possible changes to the ferry schedule – Discussion followed about member input and other alternatives. There is a possibility that we could add an earlier run on the weekend and eliminate the 1:30 – 2:00 run on Sundays. This would result in crew schedules that increase by two hours during the winter and one hour during the summer. The Board will consider this plan and decide on this issue for possible implementation in April when the ferry changes to the summer schedule.
- Regarding ferry noise, the IM reported on recent communication from a mainlander who emailed us that the noise appears to be reduced. It was concluded that we have done what we can do and will not address the issue further.
- We have had standby crew resignations and will be recruiting for two replacement standby positions.
- Allen Moren asked if we could get a copy of the KPFF report posted on the website. Mark Anderson stated that he will help to accomplish this.
- A discussion followed about adding an instructional tab on the website to describe acceptable ways for non-members to access the ferry for business and real estate transactions.

Rules & Regulations:

- No Report

Emergency Preparedness:

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

- There will be a meeting of the Emergency Preparedness Committee on Dec. 14th.
- Another meeting will be planned concerning emergency transportation for members when the ferry is out of service.

Water:

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

- Judy Greinke reported out that we are now looking into commercial financing as well as the USDA financing option for the upgrade of our water system.
- Retain or Transfer issue – Responses to RFI are scheduled for 12/21 and our contractor will be assessing those responses.

Parks:

- No report

Roads:

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

- The Roads committee has been clearing the roads of branches and other debris left from the recent wind storm.

- There are five alder trees on the on the east side of Yew that are on HMC property adjacent to the Kelly property and could be at risk of falling over in a bad windstorm. Members suggested that we contact Pen Light to see if they would take the trees down since they are in danger of taking out power lines if they were to fall. In the event that Pen Light won't remove the trees, we should authorize Dick Mowry to cut those trees. **Janet Podell made a motion to proceed with this plan. Motion carried.**

Technology:

- Terry Fletcher will be sending out the specification that Fred Fath wrote to vendors of electronic ticketing systems including the possibility of implementing an iPhone application.

Rumor Control/Member Issues:

- John Farris asked about denial of ferry access for delinquent members. The crew is confused about how this policy is being applied. Dallas spoke up about this issue as it relates to real estate issues. Because of this policy we may be inadvertently excluding potential properties from exposure to the public. It's possible that there should be certain exceptions that will allow banks, and/or realtors access to a property for the purpose of preparing the property for sale. There was discussion about how we would do that. The Board stated that advanced arrangements must be made in order to permit ferry access to these individuals. Carolyn Snyder reported out on the current process that exists but it is always handled in advance. It quickly became obvious that the general membership is not familiar with the processes that are in place relative to delinquencies and foreclosures. Mark Anderson spoke up about the legal ramifications that apply under these circumstances and the restrictions that the general population should be educated about. It was suggested that a written article be posted for the members on the HMC website.
- Alice Nelson asked about the definition of "advanced notice". It was recommended to her that 24 hours advanced notice would be appropriate.

Executive Session:

- It was reported that the Board was going to go into Executive session to discuss some current real estate issues.

Old Business: None

New Business:

- Janet Podell suggested that we no longer mail hard copies of the Beachcomber to the membership. They are available on line or a hard copy can be picked up at the office. This year alone we have spent \$4,164.26 on printing and mailing Beachcombers to members. This is an unnecessary expense given the ease of online accessibility. We could put a notice in each assessment notice about a new plan to address this. Discussion followed about having the members subscribe for written mailed copies. Members would have to specifically request this option otherwise they would not receive a hard copy. Process for implementation will follow.
- Alan DeGood stood and wanted to discuss a letter he sent to the Board about a property that is currently in foreclosure. Fred stated that on the advice of our attorney we are unable to discuss this issue with him. Mark Anderson spoke about the fact that interactions between HMC and our attorneys on these issues are subject to attorney/client privilege. Discussion with third parties could jeopardize that protection. On the subject of who has the authority to engage the island attorneys, Fred reiterated that all legal liaisons are channeled through the island manager as instructed by the Board. He went on to state that no single Board member can or will independently engage in discussions with the island attorneys. Mr. DeGood requested an accounting of the legal costs that have been expended on the property in question. Since attorney/client privilege may still prevail, HMC may not be able to honor that request unless approved by the island attorney. Discussion followed. To the extent that such information is not protected by the attorney-client privilege or other applicable privilege, that information will be provided as requested.

- Scott Rich stood to discuss the dolphin replacement report prepared under contract by KPFF. He expressed his concerns with this engineering report. One of his concerns involved the timing of the review as compared to the point in time that it was actually published. He feels that the report is subjective and HMC should not be voting on a ballot to spend \$300K at this time. He wanted to write his own assessment of the engineer's report and publish it for the membership. Fred stated that Mr. Rich's opinion is noted but a single member's opinion may be biased and it wouldn't be appropriate material for publishing to the general membership. Fred suggested that if he wished, Mr. Rich could address his concerns directly to KPFF. Terrill Chilson pointed out that this process has been underway for the past two years; any time during which members were free to participate, express their opinions and possibly have a tangible affect on the outcome. To come in at the 11th hour in an attempt to thwart the process did not seem to be in the best interest of the association as a whole.
- Allen Moren discussed the fact that payment for this effort will come from Reserves and that it will take a long time to replenish those Reserves. Janet Podell reminded the members that the engineering report indicated that the small boat pilings have a remaining life of 0-2 years in comparison to the mainland and ferry dolphins which are projected to last another 10-15 years. In this scenario it would appear there is sufficient time to replenish the Reserves. Terrill Chilson asked if there were sufficient Reserves remaining in other accounts to accommodate an emergency if needed. Fred Fath stated that sufficient funds do indeed exist for just such emergencies.

Beachcomber:

- The next Beachcomber will be the January/February issue. Inputs are required electronically no later than 5:00 PM on Wed. Jan. 12, 2011. The Beachcomber Editor is beachcomber@herronisland.org.

Adjournment: Fred Fath made a motion to adjourn the meeting. Motion carried.

Respectfully submitted,

Janet Podell
Secretary