

HMC Board Meeting Minutes
December 12, 2020

Call to Order & Welcome - Reed West, HMC Board President. We appreciate you joining us this morning. We had a power outage and are glad the power is back and we can have the meeting.

Introduction of Board Members/Roll Call: Reed West, Chet Latimer, Kathy Deuster, Merry Kogut, and Scott Young; Jane Wooster, Island Manager.

Motion was made and approved unanimously to suspend the traditional agenda and adopt one in which membership input would be made after the committee reports.

Treasurer's Report and Bills of the Association. Scott Young, Treasurer:

Scott made a motion to transfer \$17,369.97 from water reserves to the general fund to pay for the Badger meter-reading system. The equipment we have now is obsolete. Motion passed unanimously.

Scott made a motion to move \$4,740.05 from water reserves to the general fund to pay NW Water for a replacement water pump. Motion passed unanimously.

Scott made a motion to pay the HMC bills. Motion passed unanimously.

Minutes from November 14, 2020, Board Meeting, Merry Kogut, Secretary. Will add link to Island Manager's Report. Merry said that she always sends the approved minutes to the webmaster immediately after the Board meeting, but sometimes it takes a few days before they are posted. Board unanimously approved motion to accept minutes.

Communications/correspondence: Merry.

1. A Member emailed Member Input and suggested turning membership owned properties into AirBnBs instead of selling them.
2. A Member emailed the Board and Island Manager asking that we discuss the shipyard bill at the November board meeting, including whether the bill will require a special assessment to cover the overages. This email arrived after the Board meeting, but the topic WAS discussed at the meeting.
3. A Member contacted Member Input regarding the second scheduled hose repair to the ferry, asking if HMC was being charged twice for the two service calls.
4. A Member contacted the Island Manager with a concern about drainage on her property.
5. A Member contacted Member Input with concerns about an HMC complaint filed against her and her husband, and with concerns and questions about related issues.

Island Manager Report:

Thank you to the Board for helping out with deliveries to the post office and bank.

Jane Wooster discussed her Island Manager's Report (which was published on the Herron Island website prior to the meeting.)

Legal Liaison: There are 16 delinquencies; 9 with the attorney's office.

Committee Reports:

- Maintenance (Gary Wanzong): NW Water is replacing the water pump in Well #2. There will be no disturbance to service when we make the switch. Ramp controls – waiting for a second bid to come in on that. Water meter reading equipment will be replaced. We got a bid from NW Water to read meters; getting new equipment is a less expensive way to go.
- Parks (Dale Miller): No report.
- Policies (Mike Gage): No report.
- Roads (Dan Marten): The road grading has been ongoing – scheduled to finish the work today. A load of recycled asphalt has been delivered to the mainland; we'll continue to evaluate how this works. The generator at the water system worked when the power went off this morning.
- Emergency Preparedness (Ken Higgins): No report.
- Water (Frank Harrison): No report.
- Small Boat Dock (Sherri Anderson): See Island Manager's report; calling for volunteers
- Rules (Mike Fassio): One hearing scheduled; another complaint has been resolved.

Old Business - Reed:

- Covid-19 Safety: The pandemic is on all our minds – remember to wear masks in the ferry line and when talking with the crew. Listen to what our health care officials are recommending. My wife is a retired physician and takes this very seriously...the six foot rule is completely inadequate. Droplets can be transferred 10 to 15 feet. If you're standing 3 – 5 feet from people without a mask, that's not going to work. Please take this seriously out of concern for our neighbors – we have many older members who are in a higher risk category. We HAVE to take this seriously until people are vaccinated.
- There is a lot of old business the Board is working on. Because we have one item under "old business" doesn't mean we're not working on many issues; be assured we do work on these things, and we do listen to your input.

New Business:

- 2021 – 2022 Budget Process: Our Treasurer, Scott, will be working with the Finance Committee. This will be a difficult process because we need to (1), replenish some funds because of the high drydock costs, and (2), increase our reserves, which are at a very low

level. There are only three ways to obtain money – annual assessments, special assessments, and ferry assessments. As a Board, one of our primary responsibilities is to make sure the island can function now and in the future. We will get input from the community and we will communicate with you. We understand this has an impact on you. We're very early in the process, so we don't have anything to report now.

- Additional announcements: Very appreciative of the people who've decorated the island and flagpole. It's very festive, and it's especially nice this year when we can't celebrate with our friends and family.
- Thanks to our crew, staff, and volunteers for working hard to keep things going. It's been a challenge with the pandemic, equipment failures, etc...everyone has stepped up and done a great job. I really appreciate how everyone has helped, and the volunteerism has been great.

Boosters Report and Announcements: Robin K:

The directories and calendars turned out really well this year. Very few are left. Please spread the word to people who are not on Facebook. Call Robin if you want one. Directories – last year we printed 100 and sold out. This year we printed 200 and we're almost sold out. Calendars – last year 75; this year 100 plus an extra 40 and have fewer than 20 calendars left. Reed: The calendars and directories are really beautiful. There's been a big upgrade, and we appreciate what the Boosters has done. Robin – made a big effort to target small businesses on the Key Peninsula for ads. Found a new printer in Tacoma...it's a small business that does all its own printing. The Boosters are going to make a profit. Some of the advertisers are offering discounts to our residents. Ask the businesses for the discount...that lets the business know that you saw their ad.

Beachcomber: No December issues; next deadline is January 13, 2021

Membership Input:

1. Gary W – the water generator – if you see Curt H or Bill P, thank them - they spent a lot of time working on that generator. They spent weeks working on it for \$1000 in parts – saved us \$50,000. Reed – it's fabulous to have those resources. They can fix anything.
2. Sherri A – Finance Committee – is it going to meet soon? Scott – sent out an email a few days ago; hoping for a meeting January 15th. Sherri – did not receive the email; she'll send Scott another email address for her.
3. Janet P – About the status of converting PPP loan to a grant – any news? Reed – we received very positive feedback from Key Bank, but don't have an official announcement yet. Jane – the SBA has forgiven it, but SBA has to tell Key Bank they can release HMC from paying it back. That can take 90 days.
4. Larry E – any follow-up about the private boats ending up on mainland, and any follow-up on theft of catalytic converter on mainland? Jane and Reed – no known follow-up on that.

5. Jerry P – could you summarize the status of the drydock and additional work? Jane – only thing left is installing windows on the ferry, which should be done within the next few weeks. Jerry P – how much are we off between original estimate and actual cost. Gary – estimate was \$150K or so. Two years later, costs went up to about \$220K; and then the Coast Guard required ultrasound testing of the steel and they determined that a lot more steel had to be replaced, and a lot more welding – the bill was about \$417,000. Merry – this was covered in detail in the November minutes, and those will be posted just as soon as possible, so you can read the details there. Gary – we knew the boat had issues; we replaced a lot of electrical issues. We knew about the steel. We know in two years the boat is going to have to be fully sand-blasted and repainted. Right now the estimate for two years from now for that is \$68K – add another 20% to that for inflation.
6. Carolyn A – question regarding the ferry’s new windows. Gary – we are replacing the entire window assembly. There is much rust; the framing was bad, too. This will save us money down the road. Carolyn A - November 6 we had an incident where the captain called in sick – was any contingency plan discussed in case this happened again? Has an on-call rotation process been discussed? Reed – ultimately the solution is to have more captains. Immediately after that we put the word out to have more captains to draw from. Jane – we have three backup captains. There was just a problem there. The two more accessible ones didn’t come in. Carolyn – have you considered an “on-call” solution? Jane – we do have that, but it just didn’t happen. We have backup captains, but some are further away than others. Carolyn – thank you for the email blast about “king tides.” It was a good effort to try and prevent people from being caught by the king tide.
7. Dave H – Thanks to everyone who is saving us so much money and working so hard, and thanks to the people decorating the island. I need to find out where I can fit in and help out. To Dan regarding the road scraping – haven’t seen the grader our way. Could the grader put a slight crown on the road? It seems pretty flat. A box scraper costs \$700 - \$1000 dollars and lasts forever. Regarding the crew – heard some things that were pretty unsettling. It sounds like they’re getting a cut in wages over the next few years because they’re getting a cut in health coverage. I see on the records we have \$10,000 in legal fees to work out the wages. Can we work together as an island to see how we can make things work for the crew? The two captains are really good. In the long run, I don’t know if it’s about getting new captains or keeping the ones we have.
8. Sherri A – The road grading – Justin is a great guy, but I’m disappointed – I don’t notice much grading on the roads. The crown needs to be back on the roads; we still have potholes. Jane – will follow up with Dan. When Justin did the work in the spring, he did a great job. Justin will fix anything, and he’s not done yet. Dan – had a good discussion with Justin this morning about the potholes, and Justin doesn’t know why they’re occurring. He understands about the crown in the road. I think you’ll see some progress today as he finishes up. Sherri A – follow up on ferry crew and wages – the ferry crew does a wonderful job and they shouldn’t be getting a pay cut, especially during the pandemic. In the long run, their pay shouldn’t actually go down. Reed – I understand, but when you’re in a negotiation we can’t talk about it. We value the crew and it’s much better to have a consistent crew. We’re also mindful of the cost to the Members. We hear what you’re saying but can’t talk about the details. We’re hopeful for a good outcome for everyone.

Reed –thank you to everyone for joining us. As always, if you have questions or concerns, we're available through Member Input, through email, or through the office. Happy holidays to everyone and have a very good new year.

Executive Session: None

There were 26 participants on today's Zoom call.

Meeting adjourned at 10:56 a.m.