

## HMC Management Board Meeting Minutes

June 14, 2014

**Call to Order:** Gary Wanzong called the meeting to order at 10:00 AM.

**Roll Call:** Gary Wanzong, President Co-Treasurer; Sherri Anderson, Secretary Co-Treasurer; Dianne DeGood and Janet Podell, Members at Large; Claudia Ellsworth, Island Manager (IM). Excused Absence: Pat Zazzo, Vice President.

Gary announced that Board members would be recording the meeting for the purpose of completing the minutes.

**Previous HMC Management Board Meeting Minutes:** Gary moved to approve the May 2014 HMC Management Board meeting minutes. Motion carried.

### **Correspondence:**

- Video footage from Mainland Parking lot was provided to a Member to provide to the Sheriff's department. The Member's vehicle was vandalized on June 1, 2014.
- Email from Member concerning the use of herbicides on the tansy and suggested something not as harmful.
- Email from Member in regards to the music for the July 4<sup>th</sup> weekend was forwarded to the Boosters.
- Email from Member asking about "Dust Control"
- Email from Member concerned about demolishing the abandoned properties and the critters coming out to find new places to live.
- Member called to report a buoy missing, possibly stolen. Advised to contact Sheriff's department
- Email from a Member about an RV parked on the mainland side over a weekend.
- Email from Member asking to display signs for an Art Sale during the 4<sup>th</sup> of July weekend.

Other correspondence or discussions are covered within the Island Manager's Administrative report

**Finance:** Gary moved to pay the bills for the HMC Management General Fund and HMC Water Department as presented. With no further discussion motion carried.

Sherri discussed the change in accounting set up in QuickBooks. Water will be folded into HMC file for expenses with all water expenses being classified as water. A separate P&L will be generated just as it is today. It was causing extra work for not only HMC staff but for the accountant and auditor by having two separate QuickBooks accounts. This change will save in accountant and auditor costs in the future. This will also result in eventually closing the water bank account which will save in bank fee expenses. Members would not have to submit separate payments. Water payments would be classified as water. HMC would be able to send one payment to a vendor which had both water and HMC expenses since the water expenses would be tied to a water class within QuickBooks. While this change will save time and administrative costs, HMC will still be able to distinguish between the Water and the General funds. This will have some up front initial costs for the accountant to bring over this fiscal year's information from Water account into HMC account. Once that has been accomplished, Sherri would get with Carolyn to review and make any further changes necessary. **Sherri as an accountant by trade recommends this change and therefore made a motion to accept the accountants additional costs of up to \$600 to get this new process switched over within QuickBooks. Motion carried.**

Thank you to Carolyn who worked with Verizon to get a reduction on HMC's monthly invoices.

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

Dust Truck drivers – Welcome new driver, Don Kelly. Anyone else who would like to become a driver must come into the office and provide your driver license first before you can be added to the list.

**Tree Trimmings:** Pen Light has been contacted to come out to the island and trim trees close to the power lines. Charles Smith in talking with Pen Light mentioned that Pen Light will not take care of communication lines so need to be sure Century Link is included in the conversations about tree trimmings for their lines.

**Water Operations:** The newest Consumer Confidence report will go out with the ballot mailings and be posted on the website. The last one posted on the website is 2010. Prior year Consumer Confidence reports will be gathered and posted to the website also.

There has been a water reduction of 33% from 2010 (old system) to 2014 (new system). There is a requirement that we set a conservation goal for water use efficiency. Our recommendation is to reduce 5% consumption over the next 6 years. **Dianne made a motion to set our goal of a 5% reduction of water consumption over the next 6 years. With no further discussion motion carried.**

Discussion took place on the discontinuance of water services. Northwest Water has recommended turning off the water on the condemned properties. These are turned off and not locked off which would be the case for delinquencies.

**Gary made a motion to adopt the change in Water Administration Rules, including the procedures for discontinuance of service as presented provided notification is sent out via email to all Members and posted on the website. With no further discussion motion carried.**

A Member mentioned the "TAPPED" newsletter is very informative and enjoyable to read.

**Fire Department Liaison:** 7 Members have replied to receive application packets for volunteers.

**Land Use Committee:** Reminder on ditch maintenance was included in the last Beachcomber. Thank You to Pat Zazzo for her volunteer time to spray tansy on the HMC roadways on her daily walk.

**Parks:** Hoping to have at least one more work party in the near future. If you have any questions or input, contact hmcparcs@herronisland.org.

**Roads:** Jack Wells reported that there will be a work party on Saturday, July 19<sup>th</sup> to clean up ditches and sides of road to prep for the upcoming grading of the roads.

**Ferry and Ramp Painting:** John contacted the shipyard and the ferry will be out starting September 15<sup>th</sup> for the bi-annual dry dock inspection requirement and perform maintenance work. Members should plan for the ferry to be out two weeks.

HMC will be taking bids for work on replacement of the cables. This will be scheduled in August 2014 and will require some daytime ferry cancellations. Morning and afternoon ferry schedule should be okay.

Ramp Painting is scheduled to take place in 2015.

**B.O.O.S.T.E.R.S:** Gary received email from Member to Thank the Boosters for the Memorial weekend holiday event. The Sanders Family asked to play again for the July 4<sup>th</sup> event. There is a meeting and potluck this evening to go over final planning for July 4<sup>th</sup> events. Everyone is welcome.

**Beachcomber:** Must submit articles by Wednesday, 5 pm, June 18th for the June issue.

**New Business:** Discussion on surveys that are being completed. Charles Smith suggested to please submit a copy of your survey to the HMC office so it can be on record. Not all surveys are recorded with the county unless it is specified to do so.

**Executive Session:** There was a short executive session to discuss a legal issue. No decisions were needed.

**Budget Discussion:** There was discussion on the budget which included the following:

- 1) Assessment did not increase from prior year
- 2) Included actual expense column along with prior budget for comparison
- 3) Discussion on having a higher assessment and a lower special assessment
- 4) Special assessment will be going out as up to \$500 but it is anticipated to be around \$350 or \$400. Once the bids and actual costs are in then the special assessment will be determined and billed for that amount. The billing is expected to be mailed in May or June 2015.
- 5) Discussion on special assessment versus general assessment. In 2011 Membership voted to have both special assessments and reserve increases through general assessment.
- 6) Discussion on ferry ticket price and ferry subsidy. Should the ferry ticket amounts increase. How much of the ferry should be subsidized by assessments and ferry tickets. The proposed budget which includes Total Ferry and Total Ferry, Docks and Ramps is approximately 30% subsidized by ferry ticket fees with the other 70% from general assessment. 2011 was the last time ferry tickets were increased. This will be brought back to the finance committee again with the 2015/2016 budget discussions.

7) Discussion on dolphin replacements which is the next biggest item to be covered. Currently reserve is at \$117,000 which is way under what will be needed. Special assessment will be needed for dolphin replacement. Other than the ramp painting, dolphin and ferry replacements which will need special assessments, there isn't a special assessment anticipated for other items at this time.

Further budget discussion and the vote by the board to approve the proposed budget will be taking place at the annual Members meeting which is immediately following this board meeting.

**Gary moved that we adjourn the meeting. Motion carried.**

Respectfully submitted,

Sherri Anderson  
Recording Secretary