

**HMC Management Board Meeting Minutes
(March 19, 2011)**

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

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

Previous Board Meeting Minutes:

- **Janet Podell made a motion to accept the February '11 meeting minutes. Motion carried.**

Correspondence:

- There were nine pieces of correspondence received during the month. These were addressed if the subject matter came up during the course of the meeting. One piece of correspondence was noted in particular. An anonymous mainland neighbor sent a letter suggesting that the answer to all of our ferry noise problems was to build a bridge and have the State pay for it.

Finance

- Budget planning for next year's budget has begun. Fuel costs are increasing, impacting our budget significantly and will have to be reflected in the planning process. The ferry is our greatest operating expense. Because of the current fuel costs, the Finance committee is working hard to reduce costs in other areas hoping to avoid an increase in the next assessment and keep it as low as possible.
- The current budget is on target to the approved budget plan (except for ferry fuel costs), and our bank accounts are in very good shape. It was noted that the Docks budget is running over the plan because we do not have a separate account setup to reflect the repairs previously approved by the membership. This will be corrected so that members can easily see what the funds are being used for.
- **Fred Fath made a motion to pay the bills. Motion carried.**

Administration:

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

- CenturyLink has repaired the phone cable at North Beach and will be doing more work on the island to improve internet service.
- Security service for the July 4th weekend was discussed. In an attempt to avoid a repeat of last year's issues, and to honor the request of members at the August 2010 Board meeting that we take action to keep our island safer, we discussed hiring the same Pierce County Sheriff who provided security services over the last Labor Day weekend. His services were provided at a fixed cost of \$720. **Fred Fath made a motion that we look into hiring the same off duty officer to come to the island and attempt to reduce the bill even further by finding lodging for him during his stay. Motion carried.**
- Island Cleanup – There was general discussion about whether we want to follow the County's CAPE program and conduct another recycling event this year. No decision was made. Volunteers are needed to coordinate this event.
- The subject of the Island Manager hand carrying U.S. Mail for members from the office was addressed. It was noted that this practice was started as a favor to members but HMC has no obligation to hand carry mail except that which is part of regular HMC business. Because of complaints expressed and implied risks and/or liabilities associated

with this practice, in the future that service will only occur if a trip to the post office is already planned as part of normal island business.

- A member asked if HMC has a requirement for all vehicles to carry insurance. Mark Anderson responded that members must be compliant with State requirements but we have no way of validating that every vehicle coming to the island is properly insured.
- Someone has been placing “opinion” stickers on HMC property. Personal opinions should not be placed on community property and the application of these stickers is vandalism. Please do not place stickers or in any way deface HMC property. Report to the office if you witness vandalism.
- Spring burn – Concern from last year’s event has resulted in a suggestion that this year’s burn be cancelled. Mark Anderson will seek additional information from those who have been involved in the burn.
- The mainland property survey has been completed and the property now clearly delineates HMC’s boundary lines. The survey revealed that our property actually extends beyond the originally assumed boundaries. It was important to conduct this survey to enable us to legally improve the parking lot and to avoid encroaching on County or private property. Since there are issues with some of our mainland property neighbors, we now have a recorded survey to defend our property rights and provide guidance in maintaining the parking area.

Legal:

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

- There are currently six member delinquencies; three of which are in the hands of the island collections attorney. Two are making regular payment, three are new, and one is set for Sheriff’s sale April 1, 2011.
- Fred Fath reported that we have selected new legal representation to replace the services of the Strichartz Law firm. Growing concerns about the cost and quality of services provided by the Strichartz Law firm resulted in a decision to seek legal representation elsewhere. The Island Manager and members of the Board interviewed several law firms. Based on those interviews we have selected the Tacoma Law Firm of DaviesPearson to provide general and collection services to the island. HMC Management will be terminating its professional relationship with the Strichartz law firm except to follow up on three pending matters. The Board President will be signing an Engagement Agreement with DaviesPearson. **Fred Fath made a motion to approve the hiring of this law firm. Motion carried.**
- Dallas Amidon expressed his concern about members who have allowed their properties to go into foreclosure that will never be resolved and that Attorney fees could be reduced if HMC handled these situations differently. Discussion followed on how HMC should respond when this situation occurs. It was noted that the issues Dallas brought up were topics of conversation during the interview process with the various legal firms. Our new attorney has ideas that could help reduce costs and still protect HMCs interests during any foreclosure action.
- Two Members were reported to be using their island properties to conduct a business that may not comply with Pierce County’s R10 Zoning Code. This issue was brought to the attention of the Board by a member who wished to remain anonymous. The Board determined that there was cause to investigate. HMC Management sent two letters to the Members in an attempt to understand the extent of the business that is being operated on the Members’ properties. Both letters went unanswered and the members sought to engage the services of an attorney. Because of this, HMC Management was required to turn over the matter to the island attorneys. To permit their business to operate, the Members may be required to obtain approval from Pierce County, which could include application for a Conditional Use Permit. The members (Gayle and Lyle Herman) spoke up during the meeting about their feelings that the Board was

discriminating against them and was “singling” them out for special treatment. When asked to identify the member who reported them, the Board declined to do so. The Hermans were reminded that no formal Rules violation has been filed against them and HMC will not be filing a formal Rules violation complaint as long as their business complies with Pierce County Code. Discussion followed that included many members in the audience expressing opinions both for and against the Herman’s business. Also discussed was the issue of potential increased costs to HMC for liability insurance and possible extra ferry runs to accommodate the Hermans’ clients coming to the island. Since only one third of ferry expenses are covered by the ticket prices, all the members would, in essence be subsidizing the Hermans’ business with the possibility of shuttles needed to accommodate the overflow. Gayle Herman stated that she did not expect a large number of clients exceeding numbers that other members typically bring to the island. The Board accepted the Herman’s position and again stated that a Rules violation had not been filed.

Land Use:

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

- No report.

Transportation:

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

- A new Coast Guard requirement will go into effect on Dec. 1, 2011 that requires new weight and stability requirements for the ferry. This directly affects how many passengers can be carried on the ferry. Passenger loads for the Charlie Wells will have to be reduced from 49 passengers and 2 crew members, to 45 passengers and 2 crew members.

Rules & Regulations:

- No Report.

Emergency Preparedness:

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

- The Emergency Preparedness Committee submitted a written report.
- The emergency transmitter was discussed. It was requested that we move it to the Water pump house since it is the highest point on the island. General discussion followed. The key concern about placing the repeater/transmitter for the radios at the Water pump house is that it must be in full compliance with Federal security requirements covering water systems. This issue will be researched prior to installing the repeater/transmitter at the pump house. Final determination to be made later.

Water:

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

- Since the Water ballot will be counted immediately following this meeting, no water related issues were discussed.

Parks:

- The Parks Committee would like to have regulation fire at North Beach on April 16th. It was noted that this is also Parks Appreciation Day and a work party has been scheduled. The small boat docks will go back into the water on April 23rd.

Roads:

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

- No Roads report.

Technology:

- It was reported that Eric Bergson has resigned as chairman of the Technology Committee.
- Fred Fath is still working on the new ferry ticketing plans which will include electronic ticketing capabilities.

Rumor Control/Member Issues:

- Doyle Parnell asked if we could change the Island Manager's job description and require her to take members' outgoing mail to the post office. As mentioned above, Mark Anderson explained that there are potential issues of liability. Mr. Parnell was reminded that he can deposit his outgoing mail at the mainland ferry dock in the mail slots marked "Outgoing".
- Mark Anderson discussed the issue of prospective changes to our Bylaws relative to contiguous lots. Mark requested that members provide their input on proposed changes to the bylaws.
- It was again reported that an email distribution list has been created as a way to communicate with island members. Mark encouraged members to join.
- Mark also stated that while he is an attorney by profession, he wished to make it clear that he is not the island's attorney. Anything he does for HMC is in his capacity as a Board member and not as an attorney although he brings his legal skills to the table when acting in his Board member capacity.
- Mark thanked Gary Wanzong for the Public Address system he installed at the Community Center. This has received some very positive feedback.
- Capt. John Farris requested that the garbage collection contractor be reminded again about speeding on the island.

Old Business:

- Executive Session: Fred reported that the Board was going into Executive Session to discuss a delinquency and agree on a go-forward plan.
- Following the Executive Session, Mark Anderson reported that a member (Doyle Parnell) had recorded today's Board meeting without a pre-announcement to the audience. Members are reminded that unless there is an advanced announcement that the event will be recorded, any recording is in violation of RCW 9.73.030. State Law also requires that the pre-announcement be recorded. Violation of this RCW is a gross misdemeanor offense (per RCW 9.73.080) punishable by up to a year in prison and a \$5000 fine (per RCW 9.92.020).

New Business:

- Speeding on the island was brought up. Dana Gruber suggested HMC install speed bumps. Discussion followed, but the consensus of opinion did not favor the installation of speed bumps on island roads.

Beachcomber:

- The next Beachcomber will be the March issue. Inputs are required electronically no later than 5:00 PM on Wed. March 23, 2011. The Beachcomber Editor is beachcomber@herronisland.org.

Adjournment: Mark Anderson made a motion to adjourn the meeting. Motion carried.

Respectfully submitted,

Janet Podell
Secretary