

08HMC Management Board Meeting Minutes (May 10, 2008)

Call to Order: Fred Fath called the meeting to order at 10:05 AM.

Roll Call: Fred Fath, President/Treasurer Kathryn Deuster, Vice President, Janet Podell, Secretary; Mike Shettlesworth, Member at Large, John Dolan, Member at Large and Doug Allen, Island Manager

Previous Board Meeting Minutes: **Mike Shettlesworth made a motion to accept the April '08 meeting minutes. Motion carried.**

Correspondence: Seven (7) pieces of correspondence were received during the month. Four were Board candidate applications, one was from the HMC attorney, and one piece of general correspondence was received from a member. These were discussed as their topics arose during the course of the meeting.

Finance:

- Fred Fath reported that the Finance committee met last week to address budgeting issues. Initial indications are that our annual assessment could rise by \$400 this year. The bulk of the increase is tied to funding the dock reserves for replacement of new dolphins. The State Dept of Ecology will not allow us to replace them with wood so we would have to go with concrete or steel and a rough draft proposal for replacement was received at approx. \$500K. Additionally, new laws affecting Homeowner's Associations require all HOA's to do an analysis of their Reserve accounts. Our Reserves, while in place and being funded, had not been reviewed for a long time. The analysis revealed an administrative need to combine all Reserves into one account with individual allocations and transactions being managed separately. Fred went on to explain the specifics of funding the Reserve accounts. It should be noted that our Reserves currently reside in a Vanguard Money Market fund that pays interest at Money Market rates.
- Fred then gave a status overview of the total budget (income vs. expenditures). In the final analysis it appears that there is approximately \$40K in carryover funding that could reduce the assessment by \$100 per member bringing the increase down to \$300. **Janet Podell made a motion to submit this budget to the membership at the Annual meeting in June. Motion carried.** Analysis of this budget will be covered in the President's report in the next Beachcomber.
- Credit card processing has been held up in part by the financial provider who is not up to speed with the accounting software that is required to make it compatible with industry standards.
- The Board and membership discussed the possibility of spreading assessments out over three increments. It was revealed that this service is already available since many members currently send monthly incremental payments that are credited to their accounts. This does not

- increase HMC administrative costs since the office does not send out bills for these incremental payments.
- **Fred made a motion to pay this month's bills as submitted. Motion carried.**

See Island Manager's written report for additional details of the following areas.

Administration:

- Upcoming capital projects – The Board is going to have to keep a close eye on improvement projects that will be coming in the next few years.
- Mainland security – A proposal was received from a service provider (Security Master) at \$156 per day for a night time 8-hour shift. This cost includes a marked vehicle with a light bar and a uniformed security person. Doug Allen recommended that we hire this company to perform these services during this year's dry dock. We are still exploring our options for on-island security during the July 4th holiday. The Island Manager will advise the board via email of the cost of this service. Approval to hire them was already agreed to during last month's Board meeting. **Mike Shettlesworth made a motion to hire Security Master during dry dock. Motion carried.**
- Pollution Insurance Coverage. - Doug Allen is still researching the options available to us in the event that we are required to purchase this coverage. He reported that a Water Quality Insurance policy is available which would cover any fines and/or penalties that could be imposed if we ever needed it. (The cost for this insurance coverage would run \$1060 per year.) The coverage is recommended regardless of the outcome of the over-the-water fueling issue. We need to understand how this coverage would enhance the pollution coverage we already have. A member in the audience (Eric Bergson) reported that we have two island members who have spill response experience if we ever wanted their input.

Legal:

- The Brenston delinquent account – HMC's Lawyer sent a response that did not address the question we asked last month. The Board agreed not to accept the member's plan for payment of arrears. It was noted that this party is delinquent in their current assessment too.
- Bylaws changes – The Board requested that we table outstanding issues for now.
- There was a letter to the Board from a member requesting that we waive a \$25 assessment Late Fee as a result of a paperwork glitch from their bank. The Board declined to waive the late fee and suggested the party seek reimbursement from their bank.

Land Use:

- Rick Gonzales's work to limb trees near his property was done beautifully.
- Response to a new request from the Bravo family was prepared in writing. We are still waiting for a response from them.
- Peninsula Light has been out to determine which trees need to be trimmed or removed to reduce risks to power lines.

- There are still some trees that are scattered around the island that could pose potential hazards. These trees will be looked at for future consideration.

Transportation:

- A report from Mike Shettlesworth indicated that all areas are on track.
- Kathy Deuster mentioned that because the real estate market is slow it might behoove us to consider reducing ferry fees to realtors. She went on to state that while it's important to retain some fee, perhaps it should be reduced down to the member rate. It was hoped that this could encourage more real estate interest in island properties during this downturn in the real estate market. The reduction could be temporary with the option to increase ferry fees back to non-member rates at a later date. Discussion followed about past abuses by realtors. Further discussion explored other options. **John Dolan made a motion that we leave the fee structure unchanged. Motion carried.**
- The Board discussed exploring the cost of obtaining an engineering estimate for replacement of the dolphins. This will help us to determine when we should begin the permitting process. Doug Allen will pursue this course of action and report his findings at a later date.

Rules & Regulations:

- No report

Emergency Preparedness:

- Carole Crowley reported that some people need to be recertified on the island defibrillator.
- Moving the generator – If Dick Mowry does this for us we should pay for the use of his equipment.
- We have submitted a request for a burn permit for our annual burn. A person needs to be available for the Fire Department's inspection prior to the burn. It was reported that there will be a party available.

Water:

- There was considerable discussion about the two water system plans that are under review. The Small Water System Plan (SWSP) would include some construction documents that would not have to be recreated later. The Water Plan is a different document that describes the as-is condition of our water system and defines future plan for upgrades. This is a document that is required by the State. (We have already spent \$13.8K getting this plan started. It would behoove us to complete it for a small additional amount of \$2500.) This plan would satisfy both HMC and the Dept. of Health requirements. The plan would also be of use to the engineers who will be providing the "bid-ready" engineering document.
- **Mike Shettlesworth made a motion that we complete the Water System Plan that was started by Montgomery Water. Motion carried.** We will hold off on the special assessment for the bid-ready documents until after receipt of that report and the Annual meeting in June.

Parks:

- Tracy Anspach stood to thank all of the volunteers who helped out with the recent work parties. Work is moving along well. A couple more weeks of work are required for the South Beach railing project. New work will be reviewed as the budget gets developed. Honey Buckets have been ordered in time for Memorial Day holiday.
- Soil is still required to continue to repair the baseball field from the recent vandalism.
- The equipment shed for the lawn mower is in need of repair. There are roof issues that are also affecting the flooring.

Roads:

- Peninsula Light will be on the island for tree trimming in September.
- Also, Peninsula Light has agreed to remove the trees that pose a risk near power lines to the west of the Bravo property at no charge to HMC.
- Doug Allen is recommending that we purchase 150 tons of road gravel on an annual basis to remain current on road maintenance. This item is in the budget and does not require a motion from the Board to approve.
- A fir tree on the property at 513 West Herron Blvd. is considered a risk and is preventing the owner from getting insurance on their property. This tree is partially on HMC property but the owner has offered to remove the tree at their own expense. The Board agreed.
- A member asked about replacement of the damaged road signs. This plan is still in place.

Old Business: None

New Business: None

Boosters:

- **Potluck tonight at 6:00 pm.**

Beachcomber:

- The next Beachcomber will be the May issue. Inputs are required electronically no later than 5:00 PM on Wed. May 14, 2008. The Beachcomber Editor is beachcomber@herronisland.org.

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

Respectfully submitted,

Janet Podell
Secretary