

**HMC Management Board Meeting Minutes  
November 10, 2012**

**Call to Order:** Mark Anderson called the meeting to order at 10:00 AM.

**Roll Call:** Mark Anderson, President; Janet Podell, Vice-President; Dianne DeGood, Secretary; Pat Zazzo, Treasurer; Sherri Anderson, Member at Large and Claudia Ellsworth, Island Manager. [IM]

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

**Previous HMC Management Board Meeting Minutes:** Mark Anderson moved to approve the October 13, 2012 HMC Management Board meeting minutes. Motion carried.

**Correspondence:** There were four items of correspondence:

- The USDA Outlay Report #8 with a payment of \$73,540.84
- A letter from Michael Kander verifying that he will do the A-133 Audit which is required because of the USDA funds we have received
- A recommendation letter from Marc Bateman stating that Michael Kander is a reputable accountant and auditor
- A letter from Michael Kander verifying that HMC Management has contracted him to do the Annual Audit.

**Finance:** Pat Zazzo reported that we have completed the first month of the 2012/2013 budget. The assessments received by the end of October were at 36.4%. As of November 9<sup>th</sup> it was up to 41%. The Ferry income is at 7% of the budget, compared to last year when it was 11% of the budget. The decrease in Ferry revenue is due to the fact that the Ferry was out of service during the shipyard period.

The Finance Committee met November 3<sup>rd</sup> and came up with some recommendations:

1. Schedule of Member's Recurring bills to be posted on the website.
2. To move forward with our Reserve Study now, before tax time comes up and the accountants will be over-booked.
3. Add a buffer to the Water Account to provide for unanticipated cash flow problems. This buffer is recommended to be one month's expected bills which equates to \$8,000. The Finance Committee recommends that this money be taken from 2010's USDA Reimbursements. The Finance Committee recommends that the remainder of the USDA reimbursement be deposited in the HMC Reserve Account and be accounted, as approved by the HMC Membership, as follows:
  - 50% to the Ferry Engine Reserve - \$12,317.50
  - 30% to Ramp Painting - \$7,390.50
  - 20% to Dolphin Replacement - 4,927.00

The Ramp Painting and Dolphin Replacement monies would both be held in the Dock, Dolphins/Piles, and Ramps Reserves for accounting purposes.

Mark Anderson asked that the Finance Committee put the recommendations in writing and then present it to the Board Pat Zazzo presented the bills for the current month, and at first glance they are very high. But this is because the shipyard expenses were \$90,000, which was expected.

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

Carolyn Snyder asked about moving money from the reserves to pay the shipyard bill. In the past it was just transferred into the HMC Management General Fund. Mark Anderson directed that we go ahead and move money from the Ferry Reserve Account into the HMC Management General Fund to pay the shipyard bill.

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

**Volunteers:** A licensed electrician is needed to work on the wiring and breakers in the Community Building. Other volunteers are needed to post "For Sale" signs on the HMC Management Lots that are for sale and for next year's Tansy Control.

**Policy Updates:** An updated Policy for background checks on employment candidates was presented for approval by the Board of Directors. A background check is done through a third party before a candidate is hired.

**Mark Anderson moved that we approve the Background Check Policy as presented. Motion carried.**

In accordance with the HMC Records Retention Policy, many old records in the attic have been destroyed; sensitive materials have been taken to a shredder. New boxes for storage will now have destroy dates recorded on the box. There are some records that must be kept forever.

**Water System Project:** Judy Greinke has been spending many hours along with Mark Anderson and Carolyn Snyder to match water meters with Members accounts.

Charles Smith, Resident Inspector, reported that the water crew still needs to do some additional flushing on West Herron and then they will get purity samples and have the water tested before installing the meters. The expected rate of installation is six to ten meters a day per crew and there are a total of 407 connections counting the HMC Management connections. After that is completed, there will be some things that will need to be fixed before the system is fully operational.

**ADA Restroom** has gotten the final approval from the USDA.

**Audits:** The correspondence received from Michael Kander indicates that he is submitting a contract for HMC Management's Annual Audit and the A-133 Audit.

**Mark Anderson moved that we enter into a contract with Michael Kander for the performance of the A-133 Audit and the Annual Audit. Motion carried.**

**Trailers and Septic Systems:** Members were reminded that trailers that are occupied must be completely self-contained or be connected to a previously approved septic system. It is a Health Department requirement that no black or gray water be discharged onto the ground.

**Land Use:** HMC Management is negotiating with one Member who has made a full price offer on one of the HMC-owned Lots. The other Lots have been listed on craigslist.

**Emergency Preparedness:** Another Mitigation meeting with Pierce County is scheduled for next week. An Emergency Preparedness Committee meeting is scheduled at 12:00 noon today, following the Board of Directors meeting.

#### **Parks:**

- Tracy Anspach announced that the current basketball court will be removed, hopefully by February. He asked for approval to rent a bobcat with a jackhammer and loader to remove it. He is planning on volunteers to help with this project. After the removal and cleanup, the plans are to go out and get bids for the replacement of a new court. The goal is to have it available for next summer. The funds for this will come out of the reserves for the ball court. A Member asked if they have received a firm price for removal and replacement. Another Member asked if there had been any consideration for a multi tennis/basketball court. Carolyn Anspach volunteered to work on a survey for the Members for how they want to replace the ball court. All input from Members will be considered. The Parks Committee will then decide the size of the court and after the cleanup will be able to get a firmer bid.
- **Mark Anderson moved to approve \$1,000 for renting equipment for the demolition and cleanup of the current basketball court if the labor is done by volunteers. Motion carried.**
- Another project the Parks Committee is working on is putting fences or pedestrian posts to separate the boundaries on HMC Management parks. Fences are planned for North Beach and South Beach and pedestrian posts were suggested at South Beach so that vehicles, golf carts, and ATVs can't drive between them. There is also a need near the horseshoe pit down at North Beach.
- Another Member noted that the Parks Reserve fund is also earmarked for a new mower. Jack Wells confirmed that the current mower is in good shape and could be used for another year. Tracy Anspach indicated there are enough funds in the Park Reserve Account to complete the Basketball Court and get a new mower if needed.

#### **Roads:**

- Jack Wells reported the Roads committee had a lot of discussion and decided to table the barge load of rock until the spring when they know what is needed. The construction crew will be back in the spring and the Roads Committee would like to wait and see what they complete in regards to restoring the roads.
- They are waiting for two estimates for removing an Alder tree on West Herron that is blocking an area for a drainage ditch. There are actually three trees and Tree Resource thought they could do it without taking down the power lines. The estimates are expected early next week.
- The Single Lane Road was closed for a week, because a large propane truck got stuck and had to be pulled out, doing some damage to the road. Jack reminded Members to tell guests and service people to drive down the middle of the road until everything settles down. The water crew is trying to keep up with it and have cones on West Herron to keep drivers from going off the road.

- Jack also reported that deer are dying and asked if there is any regulations the HMC Board has on burying them and who has responsibility for any associated costs. The Island Manager explained that if they die on private property, it is the Owner's responsibility and if they die on the road then HMC Management is responsible for burying it, but we should have some type of policy to take care of these situations. The Island Manager offered to check with the Fish and Wildlife Commission for appropriate ways to dispose of them.
- The Roads Committee will get five yards of sand and pile it at the top of Ferry Road and also a few bags of rock salt for the ice this winter. The concrete pad in front of the Community Building will need to have "Ice Melt" on it.
- Members are encouraged to clean out their culverts so that the excess rain water can move through them.
- Part of the unmaintained road was excavated by a Member. Pierce County has investigated and asked that it be corrected. Part of the excavation went onto HMC Management property, so that area needs to be surveyed to identify the boundary lines. The road has been disturbed and the survey will help determine how to correct the erosion issue. The road has not been maintained but is still on HMC Management property. The area involved is along Fir Lane.
- **Mark Anderson moved to accept Baseline Engineering's bid of \$2,000 to do a minimum survey of this excavated property to establish the boundaries between HMC Management property and the Member's property.**
- Sherri Anderson commented that she did not want to spend the \$2,000 and would not vote for it. **The vote was four to one in favor of doing the survey. The motion passed.**
- The affected Member, who was present at the meeting, asked about using the \$2,000 toward fixing the problem instead of spending it on the survey.

#### **Rules:**

The Board has been working on the HMC Rules, section by section and taking out the items that refer to Policies. Once completed, they will be posted on the website for Membership input before going out to the Membership for a vote. Some parts will require a Membership vote and some parts won't. The Board will be asking for feedback before the next Board meeting after they are posted on line. At that time the Board will make any revisions before sending it out for Membership vote. The current Rules have been in place for five years and the HMC Board is updating them and revising them to be consistent with the Bylaws. At any time the Board has the authority to modify a Rule as long as it doesn't affect private property. When the proposed Rules are presented to the Membership, they will include a copy of the proposed revisions and a summary document to show the proposed changes. The Membership will be given a reasonable period in which to review them; the Board will then need time to make any recommended changes.

#### **Ferry:**

- The ferry has passed its most recent inspection.
- Steve Wiggins announced his retirement effective December 31<sup>st</sup> after 13 years of service and Terry Kraft will take his place January 1<sup>st</sup>. Terry has promised to be a standby deckhand as well. Terry and Debbie Kraft are now permanent residents of the Island.
- John Farris suggested that we thank Steve for his years of service and Donnie Surratt for having passed 20 years of service.
- It was mentioned that sometimes we take the Ferry crew for granted, but they are professionals at their jobs and we should thank them whenever we can. They do a good job of getting us across safely and have gone above and beyond the call of duty with the Water Project and the big trucks and equipment the water crew has brought to the Island.

#### **Legal Liaison:**

We currently have 12 delinquencies, which is a 3% delinquency rate.

#### **Technology:**

A Member asked if there would be any way to incorporate a Pay-as -You-go on the Ferry, using cell phone technology. Several suggestions were Intuit, Go Payment, and Square. Mark Anderson stated it would be beneficial if we could do it, but there are still many concerns about security and credit card accounts.

**B.O.O.S.T.E.R.S.:** Janet Podell reported that the Community Thanksgiving dinner will be held tonight. The Social hour will begin at 4:30 p.m. and Dinner at 5:30 p.m. There will be bingo, prizes, raffles, auction, and two Herronopoly games donated by Mark Anderson. Sue Pottorff, the chairman, is asking for volunteers to come at 2:00 p.m. to set up.

**Beachcomber:** All items for the next Beachcomber should be sent electronically to the Editor no later than 5:00 p.m. November 14<sup>th</sup>. The next issue will be the November/December issue.

### **Rumor Control/Membership Questions:**

- Pat Zazzo reported that the Emergency Preparedness Committee is looking for more fuel storage for the generators. She has been talking to APP about bringing in another storage tank for fuel needed when there are power outages. We currently have a 250 gallon tank. If we have an earthquake and can't get off the Island, we would need more capacity to sustain us. She has checked with the Fire Marshall and a permit for adding a tank would be \$345 and another tank would be between six and eight thousand dollars. This would qualify with the USDA project because it goes along with keeping our water supply operational. The tank would store Red Diesel, which lasts longer and there are additives to preserve it longer. But we have to firm this up pretty quickly, so that it can be included with the USDA loan.
- Carolyn Anspach asked about the security camera. Sherrie Anderson explained that we are now developing a protocol for viewing the media and detecting when something happens. It is important that several people are familiar with the installed equipment. Debbie Kraft volunteered to help Sherrie view it. Another Member had his car broken into and he suggested that everyone report these events to the Pierce County Sheriff. More reports backed up by surveillance should bring more attention from the Pierce County Sheriff. And if we could show them additional proof of who might be doing it, the better.
- The "Documents Page" on the website has been revised.

**Since there was no further business, Mark Anderson moved that we adjourn the meeting. Motion carried.**

Respectfully submitted,

Dianne DeGood, Recording Secretary