

**HMC Management Board Meeting Minutes
(October 11, 2008)**

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

Roll Call: Fred Fath, President/Treasurer, Kathryn Deuster, Vice President, Janet Podell, Secretary; Judy Grienke, Assistant Treasurer, Eric Bergson, Member at Large, Doug Allen, Island Manager

Previous Board Meeting Minutes: Eric Bergson made a motion to accept the September '08 meeting minutes. Motion carried.

Correspondence: Five pieces of correspondence were received during the month. These were discussed as each topic arose during the meeting.

Finance:

- Fred Fath reported that we finished our fiscal year in better shape than originally expected. Ferry revenues were higher than expected (by \$30K) and expenses came in lower. We now have \$25K additional carryover from last year. (The carryover was originally estimated to be \$40K and now the total is \$65K.) Other revenues were \$10K higher and interest increased by \$9K. On the expense side, while most island expenses were under budget, ferry dry dock expenses came in higher at \$93K (\$13K over plan) which included the cost of painting the engine room. The overage for this expense was borrowed from other Reserve funds and will be replenished from the carryover funds remaining from last year.
- Besides the published bills to be paid, we have received another bill for the cost of installation of the underground wires for the North Beach light. Paul Bray had offered to cover the expenditure and Doug Allen will contact him. Another bill was received for repair of the old ferry generator. This unit is now being stored at the Community Center in the event of a power outage.
- A note was received from a member requesting waiver of handling fees for a bill she claims she never received. The bill was \$8.00 and the handling/late fee was \$30. This seemed excessive to the member. Discussion occurred and the Board agreed that the handling/late fee should not be waived. Fred Fath explained that it costs the island time and money to process late payments. He suggested that we consider a two tier-fee schedule based on the value of the delinquency. Doug Allen reminded us that that it would take a vote of the membership to change the fee schedule since it is tied to the member-approved budget. A change could be made later but for now the fee will not be waived. A new fee schedule will be addressed by the Finance committee for future consideration.
- Another member sent a letter to the office requesting that one of his assessments be waived since the house on the property in question is contiguous to his residence lot, but is being used for storage and not as a residence. He believes that for this reason, the lots should be considered contiguous and only subject to one assessment. Fred Fath stated that the Board had discussed the issue and made a determination that we should follow Pierce County guidelines concerning the definition of this property. If the member were to get their property reclassified by the county, HMC would follow suit and reclassify the property accordingly.
- **Fred Fath made a motion to pay the bills. Motion carried.**

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

Administration:

- Discussion occurred about the contract with Aspen to survey our roads since they recently estimated the cost for completion to be higher than originally planned. Doug Allen proposed that we proceed with a plan that roughly defines the road right-of-ways. And we could then indicate exactly where we want the point markers placed. GPS coordinates have been completed but we still need to understand what remains to be done, why the expended costs to date were so high, and what it will cost to finish the job. Doug Allen, Kathy Deuster, and Al Moren will visit Aspen for discussion on next steps. A recommendation will then be brought before the Board.
- Fire District 16 has identified the need to revisit their contract regarding our use of the Community Bldg. They currently cover many costs including electricity and insurance. Doug Allen will meet with them on Tuesday, October 14 for further discussion.
- In light of the recent disbanding of the Booster organization (who were responsible for managing the Community Center for community and private events), the question arose about how these events should be handled in the future. Should the rental fee continue to be charged? Should there be a security deposit? The Board discussed this issue and Doug Allen reminded us that this fee is contained in the fee schedule which is an integral part of the island budget. It could be changed with the implementation of next year's budget activity but for now must remain the same.
- Wireless computer access on the island. Eric Bergson reported that we are looking to provide wireless Internet access at the Community Center for member use. There would be a requirement to log in and would allow members an hour of internet access per day. Eric stated that he is willing to donate the equipment and the cost of ongoing maintenance. As long as there is an adequate firewall protecting the office computer, the Board agreed this would be a valuable service for our members. **Janet Podell made a motion to pursue the installation of internet accessibility at the Community Center. Motion carried.**
- An issue was brought up about the potential for significant increases in our delinquency rate due to current economic conditions. Fred Fath reported that there were options available to us to offset possible loss of revenue resulting from increased delinquencies. Reduction of discretionary spending from the Roads and Parks budget could preclude the need to reduce our workforce. Other potential savings could be the postponement of a decision concerning the new water system. However, there are risks associated with this option. Fred is not proposing that we change anything at this time. The original question was hypothetical and he believes we can weather a short term higher delinquency rate.
- Placing notices on the website – At issue is how we should manage short term notices informing the membership of imminent items or events occurring on the island. It was decided that important “alert-type” notices will be funneled through Janet Podell who will obtain approval from at least one other board member before the notice is posted on the HMC website.

Legal:

- The Overland estate property has been a long-standing delinquency. Through Carolyn Snyder's effective sleuthing it was found that the property was purchased by another member on the island over six years ago. Since that member was legally liable for the assessments over that period of time, HMC will seek reimbursement accordingly.

Land Use:

- The Rucks property is now under HMC ownership. Doug Allen recommended that we pay the back taxes and hold the property until the real estate market improves. We will revisit whether or not to sell it at that time. **Janet Podell made a motion that we pay the taxes and retain ownership at this time. Motion carried.**

Transportation:

- Doug Allen will prepare a letter to the Army to thank them for allowing us to retain our spot at the shipyard for dry dock activities.
- One of the radar units on the ferry has failed and has been repaired. A member will go and pick it up.
- Capt. John reported that we passed two Coast Guard inspections that were conducted recently. They have asked for a navigation and radio installation certificate which is a new request. We will make a concerted effort to obtain these certificates.
- Kathy Deuster mentioned a letter received from the School District thanking us for adding the Wednesday morning run on the ferry schedule.
- The High School bus run needs to be better coordinated with the ferry schedule. Doug Allen will call the school board.

Rules & Regulations:

- No report

Emergency Preparedness:

- Eighteen new radio batteries are being purchased next week.
- Mike Davis recommended that we do periodic radio checks to ensure they are still functioning properly.

Water:

- Mike Davis and Al Moren reported that we are losing large amounts of water due to leakages around the island.
- There is a meeting at Peninsula Light (called by them) next week. Pen. Light requested to meet with us on the status of their water system proposal. Doug Allen, Judy Grienke and Al Moren will represent HMC at the meeting.
- Judy Grienke reminded the members about the agreements reached at the joint meeting of the Board and Water committees last March. We agreed to have bid ready documents to submit to contractors before we take anything to the membership. This required completion of a water system plan and preliminary engineering plans.

Parks:

- There is a work party next Friday at 8 AM for removal of the small boat docks for the winter.
- Tracy Anspach reported that he will be meeting with the Parks committee to review budgets.

Roads:

- Al Moren reported a dead tree on the one way road. It is a hazard and should come down before it falls and blocks the road. Doug Allen reminded us that Pen. Light and Asplundh have offered to take down an occasional tree for us at no charge. We will pursue this option.

- New sign posts – Al Moren wants to verify his actual budget before he purchases the posts for the new signs. He mentioned that installation of these posts will require a work party.

Old Business: None

New Business:

- A resident on the mainland has complained about the lighting at the ferry dock. This was an FYI for the Board's information.
- A protective fence was erected on Ferry Road at the drainage site. This is Island owned.

Beachcomber:

- The next Beachcomber will be the November/December issue. Inputs are required electronically no later than 5:00 PM on Wed. November 12, 2008. The Beachcomber Editor is beachcomber@herronisland.org.

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

Respectfully submitted,

Janet Podell
Secretary