

**Ballot Measure**

**June 9, 2012**

## **Notice of Annual Membership Meeting of HMC Management**

**Notice is hereby given pursuant to Article 4 of the Bylaws of HMC Management that the annual meeting of the Membership will be held on Saturday, June 9, 2012 at the hour of 12:00 Noon at the HMC Community Building. At the meeting, filling of three (3) vacancies on the Board of Directors will be voted on.**

**Members may vote in person at the meeting or by mailing or delivering the enclosed absentee ballot to the HMC Office so that it is received prior to the time of the meeting. *Your ballot will not be counted unless your name and signature appear on the large envelope.***

**Board Candidates are listed in alphabetical order. Mark Anderson and Sherri Anderson are not related.**

**BOARD CANDIDATE APPLICATION**

(Please complete and return to HMC office by 10:00 AM, May 12, 2012)

**NAME** (as you would like to have it listed on the ballot): MARK B. ANDERSON

**YEARS AS A MEMBER OF HMC:** 11

**OCCUPATION:** Attorney

**PROFESSIONAL OR VOLUNTEER EXPERIENCE:** Attorney (15+ years)

U.S. Navy Nuclear Submarine Officer (21 years total naval service)

Rotary Club of Tacoma No. 8 (9 years, with 2 year term as Board Member)

Breath of Aire (not-for profit faith-based choir - 8 years - Board Member)

**EDUCATION OR TRAINING** (including school, military training, and professional courses)

Institution	Type of Training
<u>U.S. Naval Academy (Annapolis)</u>	<u>B.S. 1977 -- Operations Research</u>
<u>U.S. Navy Nuclear Engineer School</u>	<u>Certification 1982 -- Nuclear Propulsion Plant Operation/Maintenance</u>
<u>Seattle University School of Law</u>	<u>J.D. 1995 -- Law</u>

**HMC EXPERIENCE ON THE BOARD, COMMITTEES OR OTHER ACTIVITIES:**

Board President June 2011 to present; Board Vice President June 2010 to June 2011; Board Member January 2010 to present; Land Use Committee Member 2003 to present; legal service provider 2006 to 2009.;

**GOALS:** *Please list goals you would have for HMC and Herron Island during your term on the Board.*

- 1) Streamline administration of the new water system, and evaluate and update HMC Bylaws and Rules as needed,
- 2) continue to improve Board/Membership relationships for a more cooperative environment, 3) continue to exercise sound fiscal responsibility and accountability, and 4) get more Members involved at every level of Island operations.

**CANDIDATE STATEMENT:** *Please do not include statements campaigning for or against other candidates.*

Our community has grown tremendously in many areas: more dedicated volunteers, greater fiscal sensitivity and accountability, more neighborly relationships, and overall improvement in the quality of our Island life. We have applied ourselves tirelessly to finally accomplishing ambitious improvements to our infrastructure, the most notable example of which is the new water distribution system. I consider it an honor to have been a member of your Board during all of this, and am looking forward to an opportunity to continuing serving you, our Members.

Candidate's Signature:



04-04-12

# BOARD CANDIDATE APPLICATION

(Please complete and return to HMC office by 10:00 AM, May 12, 2012)

**NAME** (as you would like to have it listed on the ballot): Sherri Anderson

**YEARS AS A MEMBER OF HMC:** One

**OCCUPATION:** Accountant-Financial Analyst

**PROFESSIONAL OR VOLUNTEER EXPERIENCE:**

I have over 25 years experience in Finance, of which 21 years has been working for Providence Health & Services (PH&S). I managed the Accounting Department in Oregon for over 8 years. In 2011 transferred up to Washington to be part of PH&S Corporate Financial Reporting which consolidates financials for 6 states. Some of my volunteer experience includes being nominated as President and Secretary of bowling leagues, volunteered on work committees such as Employee of the Month, Mission and Team Building Committees. I have received two Employee of the Month awards with PH&S.

**EDUCATION OR TRAINING** (including school, military training, and professional courses)

Institution	Type of Training
<u>Portland State University</u>	<u>Bachelor's Degree of Science with Business/Accounting Major</u>
<u>Providence Health &amp; Services</u>	<u>Leadership/Management and Crucial Conversation trainings</u>

**HMC EXPERIENCE ON THE BOARD, COMMITTEES OR OTHER ACTIVITIES:**

Volunteered for Rules Committee and nominated as Secretary. Actively attends and participates in monthly board meetings. Volunteer for Parks Cleanup, 2011 and 2012.

**GOALS:** *Please list goals you would have for HMC and Herron Island during your term on the Board.*

Reduce assessments. Resolution on mainland security issues/concerns. I would like to see a change in the reputation of the board to be perceived as working with the members and not against them.

**CANDIDATE STATEMENT:** *Please do not include statements campaigning for or against other candidates.*

As a board member, with my many years of financial experience, I intend to get a handle of the expenses and to work on reduction of assessments. With the economy the way it is there must be ways to cut down on costs. I know that several members are on fixed incomes and the increasing assessments are driving these and other members away from the wonderful Island life. This must stop. I want to be sure that mainland security issues and concerns are resolved satisfactorily. You can feel at ease in expressing your concerns, ideas, comments, feedback or anything else as I will listen. Being part of the board I work for the members, which is you.

Candidate's Signature: 

## BOARD CANDIDATE APPLICATION

(Please complete and return to HMC office by 10:00 AM, May 12, 2012)

**NAME** (*as you would like to have it listed on the ballot*): Lita O. Monaghan

**YEARS AS A MEMBER OF HMC:** 5

**OCCUPATION:** Senior Manager, Business Analytics at OpenMarket Inc.

**PROFESSIONAL OR VOLUNTEER EXPERIENCE:** My professional career is rooted in high-tech, focusing on continuous process improvement and quality. My passion for data led me to become a Certified Six Sigma Black Belt, where I have pursued statistical, analytical and operational roles in recent years. I have extensive experience implementing and managing large-scale capital projects, improving efficiency and costs and participating on various global cross-functional teams. I am an active member of the Grant PTA, where a volunteerism essay about an application I developed for the annual school auction awarded me a Milgard Scholarship (\$6,500!) through my MBA program. Most recently, I was appointed by the Tacoma City Manager to the Parking Management Advisory Task Force, whose mission is to advise and assist in the successful management of the on-street parking systems in downtown Tacoma.

**EDUCATION OR TRAINING** (*including school, military training, and professional courses*)

Institution	Type of Training
<u>University of Washington</u>	<u>MBA, Beta Gamma Sigma (August 2012)</u>
<u>University of Michigan</u>	<u>Certified Six Sigma Black Belt (2006)</u>
<u>Linfield College</u>	<u>BA, Mathematics, Physics Minor, Cum Laude (1997)</u>

**HMC EXPERIENCE ON THE BOARD, COMMITTEES OR OTHER ACTIVITIES:** As a property owner for five years, I have primarily stayed on the sidelines, dedicating my time spent on the island to my young children. I have participated and encouraged my children's participation in various Booster events, with my fondest memory being the elder generation of the islanders coaching and mentoring the youth, specifically my son in his first ever softball game last year.

**GOALS:** *Please list goals you would have for HMC and Herron Island during your term on the Board.*

Change is hard and people are naturally resistant to it, but it is often necessary. As such, one goal I have would be to provide transparency and rationale for my decision-making in hopes of facilitating high adoption rates of any proposed changes aimed to improve the community. Another goal is to protect the assets of Herron Island, which can be physical in nature, but an often overlooked asset of HMC is our people. We have processes and structures in place because of our people—volunteers and professionals—and it would be my goal to enhance the level of support and guidance to ensure that our people have the tools and resources they need to be successful, which ultimately benefits all stakeholders of Herron Island.

**CANDIDATE STATEMENT:** *Please do not include statements campaigning for or against other candidates.*

While there are many tactical decisions that are critical for assuring equitable enjoyment of the island for everyone, I feel it is also of great importance to focus on the strategic decisions that add the most value to the island, protect our assets and generate revenue streams to adequately fund future outlays. I will be dedicated to leaving a positive legacy for the next generation of islanders, which requires minimizing myopic views that only seek short-term benefits. This approach may not always be ideal for a few, but hopefully serves to positively impact every person for long-term gains. Herron Island has provided a special sanctuary for me and my family and I am passionate about giving back to the community to continuously improve conditions for all. Learn more about me and my candidacy at <http://hmc.lmonaghan.com>.

*Candidate's Signature:* \_\_\_\_\_

## BOARD CANDIDATE APPLICATION

**NAME:** Janet Podell

**YEARS AS A MEMBER OF HMC:** 13 +

**OCCUPATION:** Procurement Agent for The Boeing Company (Boeing Research & Technology Division)

**PROFESSIONAL OR VOLUNTEER EXPERIENCE:** I have been employed by The Boeing Company for the past 25 years in various Procurement positions around the company. My responsibilities have included managing employees who were responsible for purchasing supplies and services that contributed to running the daily operations of the entire Boeing Company. This computed to more than \$150M/year over which I had direct contractual responsibility. Prior to Boeing, I had 13 years in procurement, bringing a total of 38 years of business experience to the table. Over the course of my career I have also managed process improvement teams and developed employee recognition plans. I have strong communication skills and pride myself on being organized.

**EDUCATION OR TRAINING:** I grew up in England, attended and graduated school there. I regularly attend professional and continuing education classes (UCLA, Cal Tech, UW) and seminars related to my field.

**HMC EXPERIENCE ON THE BOARD COMMITTEES OR OTHER ACTIVITIES:** I have served three 2-year terms on the HMC Board of Directors (2001-2003, 2007-2009 and 2009-2011). I have also served on the Transportation and the Finance Committees. My exposure to island operations has provided tools and experience I can draw from to help keep our island moving forward. I know how much work it takes to keep the island running on a daily basis. I have been a contributor to many of the major decisions the Island has faced over the past several years. (i.e. Capital improvements, including the new water distribution system, and upgrade of the North Beach Marina, to name just a couple.) With this experience I believe that I can effectively contribute to the successful running of island operations for the benefit of the whole community.

I am currently Co-President of the New BOOSTERS organization and, together with my fellow BOOSTERS officers have been instrumental in restoring positive community spirit to the island over the last year.

**GOALS:** We continue to face challenges in our community and I intend to work towards improvement both in our successful operations and membership goodwill. I will work diligently to control costs without sacrificing necessary services. (It was at my suggestion that the island saved \$4100/yr by moving the Beachcomber to online access only.) I am hoping that the next couple of years bring continued progress towards the betterment of our community. I would also like to see improved communications between the Board and the membership through increased membership attendance at the monthly Board meetings. I will soon be a permanent resident on the island and available for hands-on day-to-day contributions.

**CANDIDATE STATEMENT:** I believe that Herron Island is a beautiful and unique place that continues to need the stewardship of people who are committed to maintaining its assets and viability. Herron Island is not just a Homeowners Association. It is the equivalent of a small city that must be managed as a city with all of the necessary governance and foresight that goes into keeping the community viable for this and future generations. I feel that a Board member must serve the community with skill, commitment, and integrity. But most importantly, with a high degree of common sense. Politics must not drive Board decisions. Moreover, a Board member must operate with complete objectivity towards the betterment of the community as a whole. I believe that I possess the necessary attributes and would be honored to serve again as a Board member. I welcome your questions and thoughts. I can be reached via email at [jgpodell@earthlink.net](mailto:jgpodell@earthlink.net).

## Official Ballot and Voting Instructions

1. Vote for up to three (3) candidates, with only one (1) vote per candidate.
2. Insert your ballot in the envelope marked "Ballot" and seal the envelope. Do not put your name on this envelope. Do not place anything other than one Ballot in this envelope. Use only the ballot received in the USPS mail. Do not use a downloaded ballot from the HMC web site.
3. Place the small envelope marked "Ballot" in the large envelope. **You must sign the large envelope and make sure that your name and address appear on the large envelope. *If your name and signature do not appear on the outside of the large envelope, your vote will not be counted.***
4. To be considered a member in good standing and have your vote counted, all delinquent charges and assessments must be paid in full before the Ballots are counted.
5. Please make sure that your name is legible on the large envelope. If your name cannot be read, the Ballot will not be counted.
6. Your absentee Ballot must be received in the HMC Office by 12:00 Noon, Saturday, June 9, 2012 to be counted. If you prefer to vote in person, please attend the annual meeting. The Ballots will be counted at that time.

*(Note: Mark Anderson and Sherri Anderson are not related)*

### Election of Members of the 2012-2013 Board of Trustees

**Vote for up to three (3) candidates, with only one (1) vote per candidate.**

- |                          |                         |
|--------------------------|-------------------------|
| <input type="checkbox"/> | <b>Mark B. Anderson</b> |
| <input type="checkbox"/> | <b>Sherri Anderson</b>  |
| <input type="checkbox"/> | <b>Lita O. Monaghan</b> |
| <input type="checkbox"/> | <b>Janet Podell</b>     |
| <input type="checkbox"/> | <b>Write In*</b> _____  |

**\*Write In candidates must be members in good standing.**

## **Ballot Results**

**June 9, 2012**



**ANNUAL MEMBERSHIP MEETING  
HMC MANAGEMENT  
June 9, 2012**

**Call to Order:** Mark Anderson called the meeting to order at 12:00 noon.

**Board of Directors Roll Call:** Mark Anderson, President; Gary Wanzong, Vice-President; Dianne DeGood, Secretary; Judy Greinke, Treasurer; Pat Zazzo, Member at Large and Claudia Ellsworth, Island Manager.

Mark Anderson announced that this would be the last opportunity for Members to submit their Ballots to vote for the New Board of Directors. He also asked for six volunteers to help count the ballots and two volunteers to validate the Ballots received.

**Previous Annual Meeting Minutes:** Mark Anderson moved to approve the minutes of the June 11, 2011 Annual Membership Meeting minutes. Motion carried.

**Opening Remarks from the President:**

The Island is a mess and the Island is also in great shape. With the money we have, we have been able to do great things and with the community we have, we have also been able to do great things. We are seeing a 2.5 million dollar water project go in. Every Island Member has had a say and has stepped up to the plate on deciding on the Water System. We own our Island and by replacing the water system we are making it a better place to live. We have seen more involvement with new Committee Members volunteering for the different committees. We now have a safer North Beach because of the new pilings. All of this is positive. We continually receive comments from Members and some are critical. We take all of those comments objectively and evaluate their merits and all the factors involved in making the decisions we do.

We now have aging Ferry Engines and Transmission that will have to be replaced soon because the parts are not available. There will have to be a Special Assessment, since they will cost over \$100,000 to replace them. The tsunami in Japan wiped out the manufacturing of them. But the new engines will reduce the maintenance costs, they will have lower emission standards and reduce the noise. Then we can be good neighbors to the people on the Mainland. We are very well poised to go into the next year.

We have an outstanding Island Manager. With her help we have accomplished so much and she has helped us with the ability to get things done. She represents our Island to outside agencies, and has many contacts that can help us. We are very proud of her.

We always welcome criticism as long as it is constructive and you want to help us improve things. Collectively, with everyone's help, we can do even better than we have.

**Correspondence:** Through the last year the Mark stated that he counted over 4,300 email messages on only one of his computers, which shows there has been a lot of correspondence coming to us.

**Island Manager Review:**

The Island is operated as a business and she and Carolyn Snyder work very hard to keep the office organized and going. It has been extremely helpful to keep files by Member, but with the new Water Project it was important to set up files by Property. The Property files will be helpful when trying to retrace what has actually happened with the Property over the past years. One prime example is going back and finding out if there were donations made to benefit to the Nature Park, and if there were any type of agreements made with Pierce County.

Volunteerism has been great and there are many people who are willing to help.

The new Water System has taken up a lot of office time during the past year, but we are almost at the end of the Construction phase of it.

The IM thanked Gary Wanzong and Judy Greinke, for all of their work as Members of the Board of Directors. Judy has been working extremely hard on the new Water System and Gary has worked on the budget. Gary has been extremely helpful in explaining the nuts and bolts of all the mechanical things and facilities

**Special Presentation by Dana Gruber, Resident Inspector:**

Dana reported on the progress of the water project. She showed the six inch poly pipe that they are using for the water lines, demonstrating how the joints are sealed together. Since the water will be coming from the well house at 60 psi it should give significant water pressure at every house. The assemblies are also important. The new

valves have an incredible coating and will not rust after 50 years. There will be fire hydrant every 600 to 700 feet, and some at 400 feet. They also have a copper wire wrapped around the pipe or along the pipe so that the water pipes can be detected if this is a water break. She explained how they will have an "air vac" at the top of the hill and any time the water is shut off, the air will be released before it gets to your home. You won't have the air coming out of your faucet right after you turn it on. She also thanked the Board for upgrading to 250 psi pipe.

The Resident Inspectors keep incredible logs and document every piece of pipe in the ground. This tells the engineer how much they have done each day and keeps the contractor from charging for additional pipe. Once the pipe is placed in the ground they make sure there is soft sandy loam on the bottom and on the top, and no sharp rocks in the space. Mike Shettlesworth another Resident Inspector, showed how the compacting machine is used to compact the dirt around the pipe.

The Resident Inspectors reminded Members that there are cones in the middle of the roads. They are important so please do not run over them. They encouraged Members to drive in the center of the road. The sides of the roads will be soft until they get the full compaction completed. If they are working along your roadway, take some extra time to get to work and if you know they are going to be there, move your car down the street ahead of time.

Dana Gruber also reported that the crew is outstanding. They enjoy being here and love to come to the Island and we will have an incredible water system when they are done.

Judy Greinke showed the Radio Meters that would be installed at each location. The water usage will be read electronically and the information will be downloaded into the computer to generate the bills.

### **Finance:**

Judy Greinke presented the proposed budget to the Membership. Gary Wanzong has done a five year analysis and took an average of what was spent in the last five years. The Medical Insurance costs have gone up and the Liability Insurance costs have gone down because of the new Docks. The Liability Insurance covers the Ferry, Buildings and the Docks. The Legal fees were less this last year, so they are only budgeting \$20,000 for next year. They Budget also included added Reserves for the Docks and Dolphins and found out that next year we have to do a Reserve Study and added the cost of it to the Budget. Inspections of the Docks only take place every two years.

This year the Budget included separate line items for each Department, giving us a better idea of where this money is spent. One of the big items that is coming up is an engine overhaul in 2013. Because the parts are not available, it has been decided to get new engines and transmission. With the new engines they will run more economically and will save money in fuel and won't have to be filled as often. Each time they add fuel to the Ferry, we have to pay a \$950 standby service in case of a spill happening. We will save some of this cost when we don't have to fuel as often.

At the current time we have 18 delinquencies.

The Ballots for the Budget approval will be sent out to the Membership within the next two weeks and we will have a continuation of this Special Membership meeting next month to count the Ballots. In addition to the Ballots there will also be a current Fee Schedule included. Most of the fees have not changed, however some extra fees have been added for the Water Department.

**Unfinished business:** Fred Fath asked about the Ballot for a Special Assessment for the Ferry Engine replacement. He noted that there are a series of issues about delaying this to long. It would be very critical if the engines were to go out and take six months to a year to repair. Mark stated that the Special Assessment Ballot would be included with the Budget Ballot, because it is a matter of insurance and it is viable for our island, knowing that we can keep the Ferry running. John Farris reported that every day that goes by and nothing happens to the engines, he feels lucky. If something should happen, he wouldn't be able to get the parts very rapidly, if at all. The rebuild for the Ferry engines and transmissions is scheduled for the fall of 2013 and the current engines were rebuilds when the boat was built. The transmissions will be 12 years old in September. When you look at the initial layout which could be up to \$200,000 you will recover your costs and fuel savings and recoup your investment within 6 to 6 ½ years. Gary Wanzong reported that the Finance Committee had figured the Special assessment would be about \$330 per Assessable Unit. The \$30,000 in reserves for the rebuild would go toward the new replacement. The actual costs for overhaul would be about \$50,000 and we would have to spend it either way. So this will help to reduce the overall cost. The Ferry is scheduled to go into the shipyard this September for the dry dock inspections. They will get quotes and have a better idea of how much the replacement Engines and Transmission will actually be.

### **Ballots before the Membership:**

There are three open Board Positions.

**Ballot Counting Committee:** Fred Fath, Debra Kraft, Tamara Norman, Ed Hovde, Joe Furio, Pat Francis, Frank Van Ravenswaay, Kathy Deuster and Jean Mellor.

In order to ensure the integrity of the ballot counting process, Carolyn Snyder (HMC Office Secretary) requested the assistance of two random Members to validate the total ballot count and the final tally. Leslie Sanderson and Barbara Haskins volunteered to provide the assistance for all ballots received through Friday, June 8, 2012. Kathy Deuster and Vicky Drury validated the Ballots which were received on Saturday, June 9, 2012.

Mark Anderson called for a recess of the meeting in order to count the Ballots:

When the meeting resumed the final ballot count and vote tally were announced. The results were as follows:

### **Election Results..... Votes**

Mark Anderson ..... 183  
Sherri Anderson ..... 119  
Lita Monaghan ..... 111  
Janet Podell ..... 142

### **Write-Ins:**

Sam Argo ..... 8  
William Chapman ..... 1  
Kathy Deuster ..... 3  
Mike Gage ..... 2  
Lyle Herman ..... 2  
Linda Kelly ..... 3  
John F. Kennedy ..... 2  
Steve Kramer ..... 2  
Dick Kusander ..... 2  
Gary Soriano ..... 1  
Reed West ..... 3  
Shirley Wilkes ..... 1

### **Ballot Count:**

Total Number of Single Vote Ballots: .... 181  
No signatures (not valid) ..... 5  
Countable Single Ballots ..... 176  
Total number of Multiple vote Ballots ..... 34

**Total Countable Votes ..... 210**

The new Board met in Executive Session to choose officers. The Board appointed the following officers: Mark Anderson - President, Janet Podell - Vice-President, Dianne DeGood - Secretary, Pat Zazzo - Treasurer and Sherri Anderson - Member at Large.

**Adjournment:** Mark Anderson moved to adjourn this meeting until next month. Motion carried.

Respectfully submitted,

Dianne DeGood

Secretary