

HMC Board Meeting Minutes  
November 14, 2020

Call to Order & Welcome - Reed West, HMC Board President. There were 29 participants on today's Zoom call.

Introduction of Board Members/Roll Call: Reed West, Chet Latimer, Kathy Deuster, Merry Kogut, and Scott Young; Jane Wooster, Island Manager; Gary Wanzong, Maintenance/Co-Treasurer

Motion was made and approved unanimously to suspend the traditional agenda and adopt one in which membership input would be made after the committee reports.

Treasurer's Report and Bills of the Association. Scott Young, Co-Treasurer: We paid a couple bills in-between meetings, including ones to NW Water and Gerber Collision. Moved to pay the regular bills. Merry-Abstained; the other four Board members voted yes.

Reed brought up the shipyard bill, noting that the bill is primarily managed by Gary and Jane. Gary said everything looks in order on the bill. Why it's so high – the hull needed some repairs. Coast Guard required ultra-sound testing and we needed to replace a lot of steel, which alone cost about \$240,000. Taxes, permits, other charges came to \$54,432. The total was \$415K and some change. Another bill brought it up to \$421,000. Chet – my understanding some work will be performed at the dock at Herron Island – is that included? Gary – no. Replacing the windows is included; labor is not. Engine hoses cost is separate; not done at the shipyard.

1. Motion to move \$150,000 from the shipyard reserve fund to the general fund was passed unanimously.
2. Motion to move \$41,800 of dividends to the general fund. Merry voted no; the other four Board members voted yes. Passed.
3. Motion to use \$114,200 of excess payroll funds for the shipyard bill. Merry voted no; the other four Board members voted yes. Passed.
4. Motion to borrow \$27,900 from Ferry Hill Blacktop Reserves. Merry voted no; the other four Board members voted yes. Passed.
5. Motion to move \$27,900 from Ferry Hill Blacktop Reserves to the general fund. Merry voted no; the other four Board members voted yes. Passed.
6. Motion to borrow \$20,100 from legal reserves. Merry voted no; the other four Board members voted yes. Passed.
7. Motion to move \$20,100 to the general fund. Merry voted no; the other four Board members voted yes. Passed.

8. Motion to use \$67,000 of the FY 2020/2021 shipyard reserve funds. Merry voted no; the other four Board members voted yes. Passed.
9. Motion to move \$67,000 from shipyard reserve fund for the shipyard bill for the 20/21 budget cycle. Merry voted no; the other four Board members voted yes. Passed.
10. Motion to pay the shipyard bill of \$415,334.52. Merry voted no; the other four Board members voted yes. Passed.
11. Motion to pay any excess billed, not to exceed \$4,000. Merry voted no; the other four Board members voted yes. Passed.

Minutes from October 10, 2020, Board Meeting, Merry Kogut, Secretary. Will add link to Island Manager's Report. Board unanimously approved motion to accept minutes.

Communications/correspondence: Merry.

1. A Member contacted Member Input and suggested that we put white boards near the docks on the island and mainland to inform members of delays.
2. A Member submitted a letter to the Board concerning the ferry crew's welfare and labor negotiations.
3. A Member contacted Member Input regarding holiday festivities and North Beach and decorating the flagpole as shown in an attached photograph.
4. A Member contacted the Board Secretary regarding a new survey across from her home, expressing concern about the proper setback for the road easement.

[Island Manager Report](#) – Jane noted that the island roads and mainland parking lot will be graded Monday--Wednesday of Thanksgiving week. There will be a broadcast email about holiday closures. Thank you to Carolyn Anspach who submitted a texting report.

Jane Wooster then went over her Island Manager's Report, which was published on the Herron Island website prior to the meeting. Jane noted that the ferry's engine hoses are bulging – this work wasn't done in the shipyard because it would've added two weeks to drydock. The hoses will be replaced next Thursday (November 19<sup>th</sup>).

Legal Liaison: There are 10 delinquencies, all with our attorney for action.

Committee Reports:

- Maintenance (Gary Wanzong): No report
- Parks (Dale Miller): No report.
- Policies (Mike Gage): No report.
- Roads (Dan Marten): Dustbuster is stored for the winter. Thanks to Bill P., York L., and Kevin K. for driving it. Dana G submitted a long list of improvements to signage and

Dan is working on that. Thanks to York L. for cleaning culverts all over the island. Road grading is being scheduled – Mon/Tues and Wed Thanksgiving week. Reminder to Members to clean ditches along their property.

- Emergency Preparedness (Ken Higgins): Reminder to everyone to check dryer vents, chimneys, etc, to make sure they're all ready to go for the winter.
- Water (Frank Harrison): No report.
- Small Boat Dock (Sherri Anderson): Seeking volunteers with pressure washers to wash the docks down at North Beach – needs to be done by end of February so they can dry before sealant is put on it. Let her know if you're interested. Repairs are almost completed, and will need to flip them back over without renting a lift. One dock section was really bad – she'll be submitting estimates on cost to replace that section.
- Rules (Mike Fassio): No hearings scheduled

#### Old Business - Reed:

- Covid-19 Safety: We're in the middle of second wave. Large increases in cases, hospitalizations, and deaths. Pierce County – over 200 new cases per day. Wear a mask, particularly in the ferry line. Use safe social distancing, hand washing. Would like to keep COVID away from Herron Island community
- Mainland ferry loading process: It's still confusing in the mainland parking lot. Looking at renumbering, potential signage, more of a communication campaign – Reed acknowledged that this needs improvement. We need participation of the crew. We appreciate your patience as we work through this. Particularly challenging when the ferry is shuttling.
- Vote – Community Garden Policy Update. Kathy – change because some people weren't available because of CV-19. We just want to get it right. Motion to update the policy passed unanimously. Reed: We'll get that onto the website. Thanks to Kathy for working through the process.

#### New Business:

Last Wednesday was Veterans' Day – acknowledge members who are veterans and thank them for their service. Thank Sherri A. and her crew for the work on the small boat dock. Andy A., Bill P., and Bob C. have worked tirelessly on dealing with a lot of damage and doing a lot of work; we really appreciate their effort to get the docks fixed.

Boosters Report and Announcements: Robin K. – this time of year we'd normally do the Thanksgiving Day dinner and it's a real disappointment that we won't be doing that this year. The new Directories are ready and are only \$5.00 each. We're hoping the calendars will be in before Thanksgiving Day weekend. We hope COVID will be over with next year and we'll be able to resume normal activities. Reed – really appreciate you keeping the Boosters going, working on the Directories and Calendar, staying in contact with people, and keeping the spirit alive. Robin – we picked up a lot of the small businesses in the Key Peninsula community to advertise in the Directory. This year we printed twice as many Directories as last year.

Beachcomber: Deadline is November 18, 2020

Membership Input:

1. Janet P – Shipyard bill - \$114,200 of it will be coming from excess payroll funds. I take it that the funds were from the PPP funds. Gary - \$114,200 – we used the PPP money on payroll, so now we have excess funds for payroll that we can use for other purposes. Another question – since we are borrowing from reserves and moving funds around and we'll have to replenish funds, will we need a special assessment to repay the funds that we borrow? Reed: The Board has not yet discussed how that money will be paid back. It's fair to say that the assessment will go up.
2. Robin – when you are talking about the assessments going up, do you have any estimate on how much the assessments may go up? Reed – no, we're still reeling from the high shipyard bill. Since we had to use money from reserves, and those accounts have to be replenished, the assessments will go up. No way around it.
3. Dana H – seems that the shipyard cost was about three times the estimate. Does the island have any other revenue? Reed – assessments, special assessments, and fees from the ferry. We do own properties – we sold some this summer. It's a process we go through periodically. I don't have the list in front of me, but I can provide that for you. We have limited sources of revenue. It's a challenge to manage our budget.
4. Dave H – is familiar with construction/competitive bidding. Normal price for hull repair...are we paying the best price? Are we locked in? Can we project how much hull will need to be replaced next time? Can we project that and start planning for that so that we're not caught flat-footed with large amounts of work that have to be done. Gary – shipyard – two shipyards that are available but they are close to the same price. We could get a better price in Portland but it's not safe to take the boat down there. Ultrasound testing – first time we've had to do it; we did not expect the results. Every four years we'll have to do ultrasound testing. If steel is degraded 25% or more, it has to be replaced. The shipyard costs, labor and material went up dramatically. We know that the keel is going to have to be sandblasted down to bare metal and redone in the next drydock, in 2022. This year the estimate to get that done is \$65,000 – we'll get another estimate closer to the work. Dave H – can we project this out over several years? Gary – two years ago we had the electrical systems replaced and the piping in the boat to bring it up to Coast Guard standards. We knew some electrical had to be redone to correct wiring deficiencies. At that time we also found problems with the steel during visual inspection of the hull that would have to be corrected. Two years out we know that the hull paint is going to have to be replaced because the molecular bonding between the primer and the steel is failing. The boat is 31 years old, and we're working on getting it back up to basically new status.
5. Sherri A – I am part of the Finance Committee and would love to be part of the discussions. Reed: One of the prime duties of the Finance Committee is to work on the budget. Merry – one of the main reasons I voted “no” on all the budget items was that the Finance Committee was not included in the discussions.

6. Sherri – asked about the ferry schedule next Thursday with the shuttle/noon cancellations. Jane – we have to stop shuttling after the 9:00 run. Robin – maybe they could start the morning runs earlier? Reed – we could send out another announcement early this coming week asking people if you don't need to go off the island on Thursday, do not go off the island Thursday.
7. Robin – Boosters-related – Carolyn A had made a request regarding Christmas decorations. Reed – the Board discussed the concept of decorating the flagpole and the Board likes that. We do not sanction a gathering of people. We think that decorating the flagpole is a great idea, and it would look festive. Robin – Dana has the decorations for decorating the trees around the island. Gary – flagpole has a couple of clips that need to be replaced. He'll take care of it.
8. Sherri A – The other Friday when one of the captains came down ill, we had a huge hours-long delay. Thought about what can we learn from this and how to avoid in the future? How about some type of on-call ferry captain? We need to make sure that one of the three captains is on rotation. Is there a way to have someone come in and work intermittently until a replacement captain could arrive? Reed –We need to do whatever is in our control to avoid a problem in the future.
9. Kathy – Joseph wrote a very good article in the most recent Key Peninsula News about drydock. If you haven't seen it, it's worth it. Joseph – thank you. Reed – thank you, Joseph. It gives a fun insight into what it's like to be here during drydock.

Reed – we're facing some challenges, not the least of which is the pandemic, and we're facing some financial challenges. The Board is working to address these challenges. It's a volunteer Board, and a dedicated office staff, starting with Jane. Appreciate all of you who are listening today. Our elections are coming up a few months from now. Consider running for the Board; we want engaged people.

Executive Session: None

Meeting adjourned at 11:08 a.m.