

Notice of Continuation of Annual Membership Meeting of HMC Management

Notice is hereby given pursuant to Article 4 of the Bylaws of HMC Management that a continuation of the annual meeting of the membership will be held on Saturday, July 11, 2009 at the hour of 12:00 Noon at the HMC Community Building. At the meeting, one (1) ballot proposal described below which has been set before the members by action of 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. *Ballots will not be counted unless your name and signature appear on the large envelope.*

- 1. Pursuant to Article 9 of the Bylaws of HMC Management, the Board of Directors has presented the FY 2009-2010 budget, including a revised fee schedule, to the membership for approval. The budget and fee schedule are attached to this ballot and result in an assessment of \$1500 per assessable unit for the fiscal year starting October 1, 2009.**

HMC Ballot for 2009-2010 Budget

The attached budget, reserve analysis, and fee schedule are proposed for the fiscal year 2009-2010. They are the same as published in the May Beachcomber and presented at the HMC Annual Meeting. The proposed budget results in an annual assessment of \$1500 per assessable unit which is the same as last year. In order to keep the assessment from increasing with the cost increases in some categories (and reductions in others) we had to reduce some of the reserve contributions. That is why there the budget shows lower reserve contributions than the reserve analysis report. Also, some of the reserve level and time frame estimates have changed from last year due to more information sources. This budget does not include costs for replacing the water distribution system as that will take a separate vote of the members. A longer and more detailed explanation of the budget was included in the May Beachcomber. The HMC Board of Directors recommends passage of this budget to support our Island infrastructure and operations.

Official Ballot and Voting Instructions

1. Vote yes to accept the proposal set forth below. Vote no to reject it.
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.
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, July 11, 2009 to be counted. If you prefer to vote in person, please attend the meeting. The Ballots will be counted at that time.

Proposition No. 1

(Approval of the Budget)

Shall the budget attached to this ballot be ratified by the membership?

☐ **YES** (For Proposition)

☐ **NO** (Against Proposition)

PROPOSED 2009-2010 HMC BUDGET

Budget Year	2008-2009	2009-2010	
Assessable Units	405	396	Reduced due to sales to adjacent lot owners,
Units minus delinquents	400	391	foreclosures, and contiguous lot adjustments
SUMMARY / INCOME			
<i>Non-Assessment Income</i>			
Ferry User Fees	160,000	154,000	Lower estimate due to current experience
Gen Fund Interest	4,000	3,000	
Payments/Delinquent Accts/Interest/Handling	7,000	7,000	
Carryover from previous year	40,000	-	Current year very close to budget
Miscellaneous Income	6,000	6,000	
Required Assessment Income	599,808	586,455	
Total Income	816,808	756,455	
Total Expenses	816,808	756,455	
Charge/assessable unit If everyone paid	\$1,481	\$1,481	
Charge/assessable unit considering uncollectables	\$1,500	\$1,500	
EXPENSES			
<i>ADMINISTRATION</i>			
Office Equipment	1,000	1,000	
Office Supplies	1,200	1,200	
Emergency Preparedness	3,000	1,000	
Community Associations Institute	400	400	
Accountant	5,000	5,000	
Payroll Service	725	725	
Bank Fees	800	500	
<i>Insurance</i>			
Directors/Officers	3,000	3,200	
Facilities and general liability	20,000	22,000	
Employee Dishonesty	500	550	
Auto/Truck	900	1,000	
<i>Legal Fees</i>			
Collection Costs	2,000	8,000	Foreclosures do not recover costs until sale
General	6,000	5,000	
To Legal Reserves	-	-	Reserves above Estimated Level
From Legal Reserves			
<i>Other</i>			
Ads for New Employees	200	400	
Website	100	125	
Misc.	2,000	2,000	
<i>Postage</i>			
Stamps	2,500	3,100	
<i>Printing</i>			
Copier Contract	1,200	725	
Printing - Other	3,500	3,000	
<i>Wages / Benefits</i>			
Admin Dept. Wages	75,970	76,690	Increase due to COLA
Payroll Taxes	7,016	7,075	
Retirement	2,158	2,202	
Insurance	6,534	6,594	
Federal, State & County Taxes	3,000	4,500	
Building Maintenance		1,000	
Utilities		2,400	HMC new responsibility for electricy at fire hall
Island Security	3,500	4,000	
Telephone/Long Distance	3,000	2,500	
Land use -perc, wetlands assessment, tree cutting	1,500	2,500	
Total Administration	156,703	168,386	
<i>DOCKS</i>			
Repairs/Maintenance	2,000	2,000	
<i>Other</i>			
Parts & Supplies	1,000	1,000	
Inspection	1,000	1,000	
Annual DNR Lease	1,400	1,400	
Utilities	500	1,200	
<i>Dock Reserves</i>			
To Reserves	81,750	30,000	Reduced due to estimated delay in replacing and uncertainty of cost
From Reserves			
Total Docks	87,650	36,600	
<i>FERRY</i>			
Ferry Shipyard	80,000	-	
To Ferry Shipyard Reserves			Reduced from 45K due to existing reserve levels
From Ferry Shipyard Reserves	(40,000)	-	
Engine Overhaul			

To Engine Overhaul Reserves	12,000	12,000	
From Engine Overhaul Reserves			
Major Repairs	5,000	5,000	
Fuel	80,000	55,000	Reduced due to lower expected fuel costs
Insurance	43,000	43,000	
Equipment	1,000	2,500	
Routine Maintenance	4,000	7,000	Maintenance costs higher
Ferry Dept. Wages	233,437	253,789	Increase mainly due to COLA and Longivity pay
Payroll Taxes	20,613	22,321	
Retirement	13,750	14,925	
Insurance	26,000	34,320	Increase due to age brackets and cost increases
Supplies	1,000	1,000	
Personal Property & Excise Tax	4,000	4,000	
Other			
Ferry Cell Phone	600	600	
Drug Testing	600	600	
Inspection & Licensing	1,200	1,200	
Pension Administration	550	550	
Uniforms	1,000	1,000	
Passenger Vessel Assoc. Dues	400	400	
Misc.	1,500	1,500	
Total Ferry	489,650	460,705	
PARKS			
Parks Dept. Wages	1,849	1,472	Increase due to cola, reduced for demand
Payroll Taxes	198	242	
Maintenance	2,500	2,500	
Small Boat Dock			
Maintenance	500	500	
Supplies & Repairs	1,600	1,600	
Utilities	250	250	
Other			
Playground Improvement	500	500	
Sanikans	6,800	6,800	
Garbage Pick Up	850	850	
Parks Development	3,500	2,000	
Parks Reserves			
To Parks Reserves	6,600	5,100	Lower due to extended period for reserves
From Parks Reserves			
Total Parks	25,147	21,814	
ROADS			
Repairs & Maintenance	16,400	16,400	
Supplies & Materials	11,000	11,000	
Maintenance			
Other	2,000	2,000	
Wages	500	600	
Payroll taxes	100	108	
Dust Control Truck	3,000	2,000	Based on repaired truck
Utilities	200	-	
Road Reserves			
To Road Reserves	4,000	3,000	Lower due to extended period for reserves
From Road Reserves			
Total Roads	37,200	35,108	
WATER			
Contract Manager	700	720	
Repairs		5,000	Contract work for repairs
Water Dept. Wages	7,400	7,000	Increase COLA Lower demand
Payroll Taxes	1,008	972	
Water Reserves			
To Water Reserves	3,400	11,000	Increased in accord with adjusted water plan
From Water Reserves	-	-	
Supplies/Repairs	3,000	3,400	
Utilities	2,500	3,000	
Other			
Education and Training	250	500	
Membership-Evergreen Water	150	200	
Misc	300	300	
Permits & Licenses	600	600	
Water Samples	400	400	
Excise Tax	750	750	
Total Water	20,458	33,842	
Total Reserve Contributions	107,750	61,100	Reduced below estimated level for budget balance. Estimated level reduced due to adjusted time periods and required levels.

Reserve Account Analysis for October 2009

Account	Estimated Level	Period	Estimated Contribution	Expected Oct Allocations	Current April Allocations	Expected Contributions
Ferry Shipyard	45000	1	0	57,687	57,687	0
Ferry Engine Overhaul	24000	1	12,000	12,000	6,000	6,000
Legal	30000	5	0	34,550	34,550	0
Dock and Dolphins	500000	9	35,260	182,659	141,784	40,875
Parks and Equipment	35000	5	5,080	9,600	6,300	3,300
Roads	30000	6	2,793	13,240	11,240	2,000
Water	100000	5	10,715	46,423	44,723	1,700
				0		
Dividends				6,446	5,046	1,400
Total			65,849	362,605	307,330	55,275

Revised Fee Schedule