

HMC
Island Manager Report
Board Meeting
February 14, 2004

Summary

Administration

- Board discussion: the Washington State chapter of the national Community Associations Institute, to which HMC belongs, has offered to do a "Community Spotlight" article featuring Herron Island and HMC. It would run in their bi-monthly newsletter, where several Puget Sound-area community associations have been featured recently. Is this something the Board would like to do? It might require some staff time but how much is not known at this point.

Transportation

- The hiring process is underway for an applicant for a fill-in deckhand position. The individual, who is an owner and lives on the island, also wishes to upgrade his current Coast Guard license to allow him to become a fill-in captain on the Herron Island ferry.
- Board discussion: setting up an internship for "captain trainee" and what pay level, if any, would appropriate for the position.
- We have received information regarding the 2004 premium cost of the three insurance policies that cover losses related to the ferry. All three are going up about 5%, which is a relatively small increase compared to previous years, and all three come in under our budgeted amounts. Our broker, in response to a question about getting rates lowered, given our excellent four-year safety record, stated that underwriters are currently looking for five years of exemplary experience, meaning no claims over that period. While in the past three years might have sufficed, in the very difficult insurance market today that is apparently not long enough to convince the insurers to quote a lower rate.
- An unsolicited offer to sell HMC two new Caterpillar diesel engines for the ferry was received from Tacoma Diesel. Two major selling points are decreased fuel usage and longer periods between overhauls. The vendor states that at the number of hours the HMC ferry runs per year the engines can go for four to six years between rebuilds. These claims would need to be substantiated with some research, but if they are correct there is the possibility of some sizeable long-term savings if new engines were installed. We are required to go into dry dock every two years for Coast Guard inspection and the current engines require rebuilding during each dry-docking.

Legal

- Board discussion: the Board has been asked in a letter from an owner to extend until March 31, 2004 the period that contractor Mike Chambers has to complete his island business before he is no longer allowed access to the island.
- Board discussion: a new name for Herron Maintenance Company, per requirements in Chapter 24.06.045(2)(c)(4), which does not allow the corporation to use anywhere in its name words such as "company" or "incorporated."