

Finance Committee Meeting
March 9, 2013

Attendees:

Pat Zazzo (Treasurer)	Absent: Sherri Anderson
Fred Fath	Carolyn Anspach
Rondi Amidon	Judy Greinke
Gary Wanzong	Guests: Janet Podell
Kathy Deuster	John Farris
Terrill Chilson	Dianne DeGood

Meeting convened at 2:00 pm at the Community Center.

Ferry

No budget applied for shipyard overhaul since we're installing new engines this year and expenses for this will come from the special assessment and existing reserves. Our new engines may require the first overhaul of the new engines in four years.

- Fuel - Budget for \$85,500 to get a first year's baseline data from the new engines.
- Ferry Insurance - Insurance likely to increase because our engines will be new and worth more (replacement cost higher?). Marine Package budgeted at \$28,013. Increase should be offset by reduced yard and fuel costs.
- Inspections – Budget reduced because of alternate year inspection requirement. It will need to be increased for next year.
- Routine maintenance - Increase to \$6K to accommodate unknowns from first year of new engines.
- Crew salaries – Reduced slightly due to change in crew.
- Shipyard - Budget should be \$17,000 due to \$15,000 of work being done when new engines are installed.
- Reserves - Going to \$0 on usual rotation.

Ferry Docks

Discussion of cables - Ramp cables are supposed to be galvanized with appropriate certifications. The prior installation was done without galvanized cables so they will have to be replaced sooner. The Reserves will need to be funded to accommodate this expense. A category for cable replacement will be added to the budget for approx. \$25K as a placeholder until confirmed with a firm quote.

Ramp Painting – Ramps need to be painted next year because of insurance requirements, so Fred suggested that we add another budget category to accommodate this. Budgeted amount plus a \$500 special assessment will cover this expense. Fred suggested that we budget an amount that will result in a static assessment for the members this year. Contribution to the Reserves will go to \$0 for this budget cycle.

Income

- Ferry Revenues – Split should be 60/40. This year it's been running 70/30. Discussion followed about recovery through a ferry fare increase. It was decided that we maintain the current split until we understand the extent of the savings we may realize from the new ferry engines. We should advise members that there may have to be a ferry rate increase next year.
- Delinquencies – Plan for 6

Expenses

- Reserve Analysis - We have a firm three year contract at \$1300 per year. No reserves should be reflected for this item.
- Removal of Unsafe Trees – This needs to be raised to \$5000 because of the potential liability issues.
- Legal Expenses – Gary suggested that the board should consider changing the island attorney as we are not getting the service we expected.
- Island Security Costs – This line item will be left as is.
- Septic system – Added to budget under Community Bldg. Reserves.
- Sanikans - Ferry Docks - Stay at \$3000

Parks Terrill will discuss Parks budget with Tracy and report back.

- Salaries – Fluctuate significantly because of weather.
- Small Docks Removal and Installation – Budget line item increased to \$2000 due to having to rent equipment now that Dick Mowry has retired.

Roads

The Roads Committee Chairman has recommended a proposal for gravel delivered to the mainland and island by truck. Proposal also includes the option for barging the gravel. (Barging is less expensive per ton @ \$22,750). Scheduling the barge is critical to accommodate the upcoming holidays. With the presence of 4 board members in attendance the decision was made to purchase the barged gravel from existing reserves. It was recommended that we purchase the bigger rock.

A question still exists about how much gravel Massena will be providing to meet their contractual obligations. This will impact the budget item.

- Three Road Maintenance – These line items should remain as proposed. Total \$22K.
- New Water Truck – We have two more years of use for the truck according to the projections when the truck was repaired last year. We need to fund Reserves for a new water truck.
- Tansy Control – Leave line item @ \$600.

Water budget This discussion deferred until Judy Greinke returns.

Meeting adjourned at 4:40 pm with a plan to reconvene on April 20th at 8:30 am.