



The Beachcomber



HMC Newsletter

June 2018



President's Message

Thank you to all of the members who attended the Annual Membership meeting this Saturday. We had a great crowd and lots of excellent membership input.

With this election we have one new Board member and one incumbent returning for a second term. Thank you to both Ferd Reichlin and Chet Latimer for stepping up to serve our community. The new Board will assume the following roles:

Janet Podell	President
Mike Gage	Vice President
Chet Latimer	Treasurer
Ferd Reichlin	Secretary
Karen Starns	Member-At-Large

And now for the elephant in the room. The ballots have been counted for the Ferry Outsourcing proposal and the membership has spoken. The outsourcing proposition went down to a resounding defeat. The final vote count was 150 (opposed) to 73 (in favor). There's something very important for members to remember. This issue was never about the crew! We love our ferry crew and hope they stay for many years to come. Your Board of Directors has a legal obligation by state law (RCW) to protect the assets, financial health, and well-being of the association. Sometimes that means testing the waters to seek better and/or more cost effective ways to support and maintain the health of the association. This effort was just that. And it is obvious by the vote tally that it was simply not the right time to consider a change of this magnitude. Thank you to all of the

membership who stepped up and voted. We had a total of 222 valid ballots returned! I think that's a new record.

Talking about ballots, you will soon be asked to vote on the new budget for FY 18-19 which was presented to the membership at the Annual Membership meeting and will become effective on October 1, 2018. The annual assessment for the upcoming year will be \$1992; only \$24 more than last year which computes to \$2 more per month. Members will note that ferry fares for guests will increase to \$20. Members will continue to pay \$8 but will now pay \$72 for a 10-trip ticket book instead of the previous \$67. This change was carefully researched and considered by the Finance Committee using historical data and was voted on at the Board level. All of this is intended to bring our ferry revenues back up to the 70/30 ratio that has eroded over time. But more importantly it specifically addresses a key issue we have been hearing from the membership. And that is the increased ferry traffic in the summer months that has significantly escalated the need for shuttles. It's indisputable that ferry traffic is increasing because Herron Island is becoming a more well known and desirable vacation destination. Our ferry was designed to only hold 11-12 vehicles and short of acquiring a bigger boat, we are forced to work with what we have. The increase to guest rates illustrates that guests do not subsidize the ferry as members do and it's the right place to start when looking for how to balance out ticket revenues versus assessment contributions. Another way the Board is hoping to accommodate the increased traffic is to place a third deckhand on the mainland to collect ferry fares on Friday and

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President's Message
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Saturday during the summer months while the remaining crew keeps the ferry shuttling using a "bump and run" technique. The increased ferry fares will finance the cost of this additional crewmember as well as contribute to ferry revenues. Another way to cut down on those shuttles would be for members who rent out their properties to encourage their guests to carpool whenever possible to reduce the number of vehicles having to be transported on the ferry.

Shifting gears a little, we were recently made aware by a Pierce County representative that a mainland neighbor has filed a complaint with the County Traffic Division about ferry vehicles lining up on Herron Road. While there is currently no other choice for waiting vehicles to line up, we need to be sensitive to the neighbors whose houses parallel the ferry lines and vehicles attempting to pass in the left lane. First, remember that it is always illegal to block someone's driveway. And next, be mindful of those large gaps in the ferry line by members who choose to find a spot in the shade. While that is understandable, it makes the waiting line much longer up the hill and contributes to the problem being expressed by the mainland neighbors. A member may go around you to fill in those gaps, so please keep that in mind. Also, if you leave your vehicle while it is parked make sure

your doors are closed and you aren't blocking the access road in any way. Pedestrians (especially children and pets) are at risk of being hit by a moving vehicle so please keep that left lane clear.

As I finish my first President's message I would be remiss if I didn't take a few moments to thank outgoing President Mike Graham for his services over the past four years (two years as President). Many of you may not know that Mike is a geophysicist, and with those credentials he was very instrumental in the initial soil assessment, engineering and design of our new dolphins. That initial support saved the island thousands of dollars in early consulting fees. Of course we later hired an engineering firm to complete the design, obtain the necessary permits, and bring the project home. Mike's plan for the new landscaping project at North Beach was invaluable too. And he spent many hours manually collecting facts and data from 4 years worth of Captain's logs to help us understand the increased summer ferry traffic we are experiencing. I could go on and on about the level of support Mike provided that members never saw, but it would make this President's message even longer so instead I'll just say **Thank You Mike** for all of your support.

Until next month.....

**Janet Podell,
HMC Board President**

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Important Phone Numbers**Island Manager**

Jane Wooster (253) 884-9350

HMC Board of Directors

Janet Podell, President (253) 884-9796

Mike Gage, Vice-President (253) 884-9350

Ferd Reichlin, Secretary (253) 884-9350

Chet Latimer, Treasurer (253) 884-9350

Karen Starns, Member-at-Large (253) 884-9350

Additional Contacts

Charles Smith, Water Repair (206) 707-4645

Charles Smith, Water Committee (206) 707-4645

Chet Latimer, Finance Committee (253) 884-9350

Jack Wells, Roads Committee (253) 884-0850

Max Hochanadel, Rules Committee (253) 884-9350

Jim Davies, Parks Committee (253) 884-9350

Mike Shettlesworth, Emergency Prep. (253) 330-2482

Alan DeGood, Small Boat Docks (253) 884-9350

Carolyn Snyder, Office Manager (253) 884-9350

Ken Freeman, Beachcomber/Webmaster (231) 544-2456

Herron Island Office Hours: Tuesday, Thursday, Friday 8:30 am to 4:30 pm. The office is CLOSED Monday, Wednesday, Saturday, Sunday, and after 2:00 PM on Fridays before Board meetings.

Office Phone: (253) 884-9350

Office Fax: (253) 884-5047

Website: <http://www.herronisland.org>

Office email: Office@herronisland.org

HMC Water email: HMCWater@herronisland.org

Manager email: HMCManager@herronisland.org

Beachcomber email: beachcomber@herronisland.org

Parks email: HMC Parks@herronisland.org

Member Input to Board: MemberInput@herronisland.org

Emergency**911****Ferry Cell phone****(253) 691-1457**

(Cell phone to be used for scheduling heavy loads, big vehicles or having something in tow, and for information regarding ferry services.)

Ferry Business

- Call ahead if you are planning to use the ferry for a trailer, boat, or large vehicle!
- Only those guests with valid passes will be allowed on the ferry.
- Plan your arrival at the dock at least 5 minutes before the scheduled time of departure.
- Walks-ons are not to be on the dock or ramp when cars are being loaded. Watch crew for permission to board.
- Only service and delivery people may charge fares.

WE HAVE EXPERIENCED GUESTS AND SERVICE PEOPLE EXPECTING TO COME OVER TO THE ISLAND WITHOUT GUEST PASSES. THIS VIOLATES THE ACCESS POLICY THAT WAS PUT IN PLACE FOR ALL OF OUR SECURITY. PLEASE MAKE SURE YOUR GUEST HAS A VALID GUEST PASS SIGNED BY YOU TO ENSURE THEY ARE ABLE TO RIDE THE FERRY. BLANK GUEST PASSES ARE AVAILABLE TO MEMBERS AT THE OFFICE, BY MAIL, AND ON THE FERRY.

Nondiscrimination Statement

If you wish to file a Civil Rights complaint of discrimination, complete the USDA Program Discrimination Complaint form, found online at:

http://www.ascr.usda.gov/complaint_filing_cust.html

or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form.

Send your completed complaint form or letter to us by mail at:

**U.S. Department of Agriculture
Director, Office of Adjudication
1400 Independence Avenue, SW
Washington, D.C. 20250-9410**

Or fax to (202) 690-7442 or email to

program.intake@usda.gov.

Beachcomber news items must be submitted by 5:00 PM on the Wednesday after the monthly Board meeting on the second Saturday of the month. Items MUST be emailed in electronic format to beachcomber@herronisland.org. Include your name and phone number in case any questions arise. Paid advertisements are to be arranged with the HMC office PRIOR TO PUBLICATION.

Island Manager Report**June 9, 2018**

It is a busy time of year for Herron Island and I thank the office staff and ferry crew for all your hard work. If members have any questions about procedures, please email or call the office, we are always happy to explain how things work.

Volunteers, thank you so very much!

HMC is still in need of volunteers. Please contact a committee chair, stop by the office, or email me at HMCManager@herronisland.org.

Administration:

The Policy Committee has begun meeting and the charter, mission and minutes will soon be posted on the HMC website.

Hearthstone CPA was here on May 29 and began the annual HMC audit. They will let me know if they need anything else. They will complete the audit over the next month.

WUCIOA -Washington Uniform HMC is already compliant with this act. This supports the legal work that has gone into the By-Laws and the awareness of new legislation by HMC administration and board.

Departments/Committees

Maintenance: Gary Wanzong will report

Parks: Jim Davies on vacation but left the following report:

- Thanks to all for Parks work day
- Reminder to all members and your guests that the swim area is for swimmers only, no stand-up paddleboards, kayaks or canoes. A sign will be ordered and posted.
- Pet owner reminder: Pick up after your pet's waste; HMC will spend money on signs due to this continuing problem
- Playground equipment will be delivered and installed in time for July 4
- A source for wood chips has been identified and will be picked up for this project

Roads: Jack Wells to report on roads

Emergency Preparedness: Mike Shettlesworth - No report

Water: Charles Smith will report. Please call Charles at 206-707- 4645 for immediate needs

Legal Liaison: There are 15 delinquencies; 7 with our attorney for action.

Year's Overview 2018 Manager's Annual Report

Thanks to outgoing Board President, Mike Graham, for all his help with the daily and long-term issues. Thank you to all the board, office, ferry crew and volunteers for all your hard work.

Dolphin project complete and the loan closed, thank you to Claudia Ellsworth, the board and volunteers for all the efforts on this great project.

Roads – culverts & ditches cleaned, roads graveled and graded throughout the year, thank you, Jack Wells & Steve Kramer and other volunteers.

Parks new swings and playground just about accomplished with a ton of volunteer help. Thanks, Jim Davies.
Water – huge thanks to Charles Smith for keeping up the system, reading meters, hook-ups and always sharing his deep understanding of the water system

Maintenance: a ton of ferry repair/replace work this year in tandem with Joe Taylor, a ton of various repairs and improvements in the office and around the island, thanks to Gary Wanzong

Trees – the tree budget again allowed removal of dead or diseased trees on the HMC roadway easement that threatened power lines or property.

New CPA firm, Hearthstone will perform the annual audit going forward

New ferry app in place providing accuracy, metrics and time savings, thank you Joseph Pentheroudakis; and the crew and Carolyn Snyder for all the work in testing

The biennial dry dock maintenance for the ferry is scheduled for September 15 – 30, 2018 with Stabbert Marine, Seattle

Some of the less obvious workload...approximate annual numbers

- Process an average of 45-50 pieces of mail a day, incoming mail logged individually
- 26 payrolls for up to fifteen employees, with variable schedules
- 275 bank deposits
- 3600 ferry receipts to reconcile (by trip, by day) Billing and processing payments for 3,676 accounts annually Water and HMC combined.
- Making of over 1,900 Auto decals annually (thank you volunteers!)
- 9 property transfers with 3 pending so far this year Compiling Quarterly Ferry Log Book Data for Annual Department of the Army Report – adding up all round trips, vehicles and passengers for the year
- Sale of 700+ Books of Ferry Tickets

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Year's Overview
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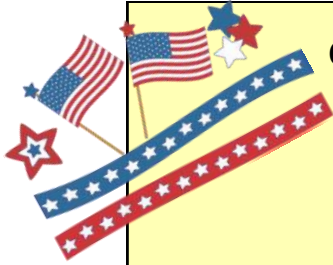
- Review and renewal of nine insurance policies, covering the ferry, docks and piers, water system, general liability, employee liability, vehicles and director's & officers liability.
- Review and renewal of employee health and dental policies.

HMC runs two highly regulated departments – the passenger ferry, and a water system. This, and regular business, bring us contact with a large number of regulatory agencies

- Internal Revenue Service
- FCC
- U. S. Coast Guard
- Army Corps of Engineers
- Fire District 16
- State Health Department
- Tacoma-Pierce County Health Department
- Employment Security
- Labor & Industries
- Department of Ecology
- Department of Natural Resources
- Secretary of State
- Pierce County
 - Planning,
 - Public Works,
 - Noxious Weeds,
 - Assessor-Treasurer,
 - Sheriff,
 - Fire District,
 - Code Enforcement

Others

- IBU
- Financial Auditor
- Reserves Auditor
- Northwest Water Systems
- Roads Contractor



CALLING ALL HERRON ISLANDERS – YOUNG AND OLD

JOIN THE INDEPENDENCE DAY PARADE THIS YEAR

All entries are welcome to join this Annual Independence Day Patriotic Parade! No sign up – just come and join the celebration on Sunday July 1st starting at Goodpastor Park.

Decorate your golf cart, car, truck, lawn mower, bike, wagon, stroller or make a special “float” with a theme. All music is good or better yet a marching band (if you know of one). Every entry is a great addition to the already wonderful Parade on Herron Island.

Participants line up at the playfield and back to the Community Center and beyond. The parade begins at 1:00 pm on **Sunday July 1st**. Our parade follows down Maple Street and East Herron Road ending at the North Beach parking lot.

Herron Islanders really know how to show their patriotic spirit while everyone enjoys the fun activities and “The Parade”!

This event is a joyful fun filled celebration that builds great community spirit. Looking forward to seeing everyone there!



Are Boats Allowed in the Swim Area?

In a word, No! This is a safety issue. The swim area at North Beach is enclosed by orange floats and is designated for swimmers, waders and float toys only. Please do not take your kayak, canoe, or paddle board into this area for the safety of those swimmers. Members are asked to abide by this rule and advise their guests accordingly.



Congratulations!

Congratulations are in order for two of our own! Charlie Folk and Corey Hjalseth just passed their training and graduated as Key Peninsula Volunteer Tender Operators through Fire District 16!

A call to 911 will initiate a Fire Emergency response. Please do not call Charlie or Corey directly.

We sincerely thank them for their commitment and dedication in achieving this status. With this milestone Herron Island may qualify for a better fire rating. Stand by as we look into this.....



Photo by Kellie Jo Hjalseth. Published with permission

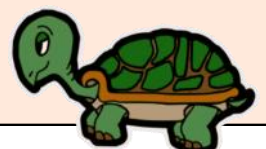
15 mph!

That speed limit is imposed for a variety of reasons: Dust control, safety of people, pets, and wildlife, and protection of our fragile roads.

Please respect this limit and let your guests and renters know that we will be enforcing the speed limit. Unfortunately, without members' help HMC is not able to control speeders. Friendly communications is always preferred as a first step, but if all else has failed, members should record the license plate number of the speeding vehicle whenever safely possible and notify the office. Our new ferry ticket iPad system records vehicle license plate information for all guests and renters coming to the island. This information can be retrieved and tied back to the member who sponsored the guest.

HMC Rules impose fines up to \$500 for a first offense against the member whose guests were speeding.

Please slow down!



Volunteers Needed—Two Work Parties—Sat. June 23rd 9:00 am Meet at Goodpastor Park



PARKS WORK PARTY (Jim Davies—Chairman)

- Need help dismantling the merry-go-round to see if it can be repaired.
- Install new playground equipment at North Beach Park

ROADS WORK PARTY (Jack Wells—Chairman)

- Clean and paint the new water truck

BOOSTERS to provide lunch for Volunteers—12 pm at Goodpastor Park



Cautionary Warning — Sandspit at North Beach

The sandspit at North Beach is very shallow and attracts strong currents in changing tides that can take swimmers by surprise. Please be cautious when you are in the water near the sandspit.



Island Wide Emergencies

The Emergency Preparedness Chairman has created a phone tree called “Group Me” that notifies members in the unlikely event that an island-wide emergency has occurred. If you wish to be included in that phone tree please contact Mike Shettlesworth at 253-330-2482.

Water Truck Drivers Needed

Want to be a Dust Buster? Our new water truck is looking for volunteers to drive it and help to keep our roads dust free.

If you want to volunteer, and you have a valid driver's license we will need to list you on our HMC insurance. Please contact the Island Manager at HMCmanager@herronisland.org



Truck graphics created by Suzy Fountaine. Picture used with permission.

Rototiller Needed

It would be much appreciated if a member with access to a rototiller would volunteer to rototill a 5'x5' area in the Community Garden. It would significantly increase our usable garden area. Betty Eccles, 206-940-5439



Are You on the List?



HMC now has 381 Member email addresses on the notification list. If you want to get notice of the online Beachcomber, or get the latest on windstorms, power outages, water line breakages, or other news, please send an email to office@herronisland.org and request that your email address be added. To be used for HMC purposes only.

Board Member Email Addresses

HMCJanetPodell@herronisland.org
HMCMikeGage@herronisland.org
HMCFerdReichlin@herronisland.org
HMCChetLatimer@herronisland.org
HMCKarenStarns@herronisland.org

Please use these email addresses for all future communications to Board Members. They can be accessed on our website (herronisland.org) under the HMC Board tab.

Committee Email Addresses

HMCRules@herronisland.org
HMCRoads@herronisland.org
HMCEmergPrep@herronisland.org

**Welcome, New Islanders!**

HMC welcomes new Members to Herron Island:

- Taylor Towsley & Athena Barkdull
- Gary Coleman & Sheri England
- Douglas & Kathryn Postlewait



Members: Please notify your guests of our Herron Island Rules which can be found on the HMC website. The notification below will be handed out on the ferry to guests coming to the island.



NOTICE TO OUR HERRON ISLAND GUESTS

Welcome to Herron Island! We're glad you're here, but respectfully request that you understand and follow the Rules of Herron Island during your stay. Here are some of those rules:

Ferry Crew: The instructions of the Ferry crew must be followed at all times. **No Exceptions.**

Speed Limit: The speed limit on Herron Island is **15 MPH**. This helps to protect the wildlife on the Island and to control dust. ***This rule applies to any motorized vehicle regardless of who is driving.*** **Fines of up to \$500 can, and have been assessed against the property owner.** Please respect the rules and observe this speed limit during your time on Herron Island.

Noise : Herron Island has noise rules for the benefit of all. Please note that loud voices, music, or noise from machinery **must be curtailed after 10:00 PM** so it cannot be heard beyond the boundaries of the property you are occupying.

Fireworks: ***Fireworks are strictly prohibited on Herron Island,*** except for the North Beach area on the 4th of July itself. Herron Island is particularly vulnerable to fire and this Rule was established for the safety of all people and property on the island including you, our guests.

Wildlife: Herron Island is home to many, many deer who contribute to the natural beauty and ambience that is Herron Island. Most of the deer are very approachable and will accept food from your hand, but they are easily spooked. Please do not chase or intimidate them in any way and please do not allow your dogs to chase them. Owners on the island respect and protect the deer at all times. We ask that our guests do the same. Please note that Herron Island also has a leash Rule. Unless contained within a fenced area, dogs are to be kept on leashes at all times including on the public beaches.

Public & Private Beaches: North Beach and South Beach are the only beaches open to all on Herron Island. All other beaches around the island are privately owned. A long-standing custom on Herron Island has been to allow any member, tenant, or guest to walk along any part of the Island's beaches. Other uses of the private beaches or hillsides, such as digging clams, picking oysters, picnicking, beach fires, etc., are strictly forbidden without the specific permission of the owners of those properties. Any such use without owner permission may constitute a trespass onto private property.

*** Recent Ferry Incidents ***

We have recently been experiencing incidents on the ferry that have resulted in angry exchanges and unsafe acts. On more than one occasion our crew has been threatened with physical harm. Our ferry crew is trained to operate the ferry in the safest manner possible while maintaining the integrity of our Ferry Access Policy. Member incidents have been on the increase and the Board is choosing to address this issue head on.

As a private island community we are lucky to have an environment that is safe and protected. We have created policies that seek to maintain that protection and a ferry crew trained to handle situations that would threaten passenger safety or the safety of the vessel. In the past when incidents have occurred between members and the crew, members have just received a letter advising them that their behavior was not acceptable and future incidents will be addressed accordingly.

Going forward, members who deliberately do not follow the crew's instructions, threaten any crew member, or seek to access the ferry without the proper credentials may not be allowed to board the ferry. The crew has full discretion and authority to contact the Sheriff when incidents occur that are in violation of the policies put in place to ensure your safety or where a crew member is threatened.

Unsafe or defiant behavior would never be accepted on a state ferry and will not be accepted on the M/V Charlie Wells.

Island Beach Protocol

North Beach and South Beach are the only beaches open to all on Herron Island. All other beaches around the island are privately owned. A long-standing custom on Herron Island has been to allow any member, tenant, or guest to walk along any part of the Island's beaches. Other uses of the private beaches or hillsides, such as digging clams, picking oysters, picnicking, beach fires, etc., are strictly forbidden without the specific permission of the owners of those properties. Any such use without owner permission may constitute a trespass onto private property.

Please respect private property. HMC does not enforce or intervene in matters involving trespass onto private property or vandalism of real or personal property except to the extent that such trespassing or vandalism involves or affects property owned by HMC. HMC does not enforce these types of matters between owners.





Herron Island Directory

HI Boosters has determined that it would not be cost effective to print a new directory more than once a year. With that in mind, the next directory will be published this October and will be for 2019. The directory serves as a great resource for social contacts and can prove to be extremely helpful if something happens at your place or perhaps one of your neighbors, especially if the office is closed and your neighbors have no way to get in touch with you...or you with them.

In addition, we will be including paid advertising from local contractors and businesses that service the island on a fairly regular basis, or who are willing to come out here.

[Merry Kogut](#) will be coordinating the paid advertising, so if you know of any contractors or businesses that might be willing to participate, please contact her directly at [253-265-0060](tel:253-265-0060) or merryakogut@gmail.com

[Robin Kelly](#) maintains the data base so please contact her directly if you would like to be included in the next printing or wish to make changes/corrections to your information. She can be reached at [253-884-1883](tel:253-884-1883) or [d kelly@centurylink.net](mailto:kelly@centurylink.net) **The deadline for all additions, changes, and advertising is October 1, 2018.** The set-up and printing for this is done by the Boosters, separate from the HMC office. The cost for each directory is \$5.00 (plus \$2.25 for postage as applicable).

Talk to your island friends and neighbors and please encourage everyone to include at least some contact information. **We know how much people value their privacy, but you can choose which information, if any, that you want included in the directory.** Island address and a phone contact are certainly the most used, but many opt to add their mailing address, cell phone numbers and email address(es).

Name: (Last, First)

Island Address:

Mailing Address:

Phone Contact(s):

Email(s):

Short Term Rental Best Practices

For those members who rent out their properties for short term guests (VRBO, Airbnb, etc.) the following best practices were created by one of our members and shared with the membership last year. It bears repeating and is intended to share suggested "house rules" and "Island rules" and help renters understand what's expected of them during their time on Herron Island.

While this list is not exhaustive, below is an approach to short-term rental practices.

Island Rules/Practices

Guests get complete ferry pass, load/unload, etiquette info well in advance.

Guests are asked to arrive in as few cars as possible and to avoid peak ferry times.

Informed of speed limit and parking rules.

Guests are vetted and ID is verified through AirBnB, HomeAway and Glamping Hub booking websites.

Guests with any negative feedback are not allowed to book.

Guests are greeted at property to confirm they are who they are and to confirm correct number of guests.

Guests are informed that we have neighbors close by and they must respect their privacy and property.

We have designated on island emergency contact plus complete emergency instructions posted in cabin.

Guests using our beach and kayaks must sign a hold harmless stating that HMC is not liable for any injury or harm caused to them while using beach or boats.

House Rules that all guests must agree to before booking

Park only on the paved driveway. Do not park on the grass or gravel road.

No events or parties.

Be respectful of our neighbors' privacy and peace.

No loud music after dark.

Obey 15 MPH speed limit anywhere on island.

No candles (electric candles are available that you are welcome to use).

No pets.

No smoking/vaping including marijuana anywhere in or on the property.

Fires only in covered fire pit. Keep mesh screen on fire at all times. Limit size of fire to 3 logs.

Keep charged hose within reach at all times while fire is lit. No fires if a current burn ban is in place.

No fireworks.

No firearms.

Short term rentals on Herron Island is a topic that has many facets and these practices are being shared in support of a diverse community where full-time residents, weekenders, and renters come together to enjoy our special corner of the world.

New Summer Ferry Schedule

NEW SUMMER FERRY SCHEDULE - APRIL 1 THROUGH SEPTEMBER 30

MONDAY		TUESDAY		WEDNES-		THURS-		FRIDAY		SATUR-		SUNDAY	
IS	ML	IS	ML	IS	ML	IS	ML	IS	ML	IS	ML	IS	ML
6:15	7:00	6:15	7:00	6:15	7:00	6:15	7:00	6:15	7:00				
7:30	8:00	7:30	8:00	7:30	8:00	7:30	8:00	7:30	8:00	7:30	8:00	7:30	8:00
8:30	9:00	8:30	9:00	8:30	9:00	8:30	9:00	8:30	9:00	8:30	9:00	8:30	9:00
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12:00	12:30	12:00	12:30	12:00	12:30	12:00	12:30	12:00	12:30	11:30	12:00	11:30	12:00
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3:30	4:00	3:30	4:00	3:30	4:00	3:30	4:00	3:30	4:00	3:30	4:00	3:30	4:00
4:30	5:00	4:30	5:00	4:30	5:00	4:30	5:00	4:30	5:00	4:30	5:00	4:30	5:00
5:30	6:00	5:30	6:00	5:30	6:00	5:30	6:00	***	***	5:30	6:00	5:30	6:00
6:30	7:00	6:30	7:00	6:30	7:00	6:30	7:00	6:30	7:00	6:30	7:00	6:30	7:00
								7:30	8:00	7:30	8:00	7:30	8:00
								8:30	9:00				

*** ferry will not operate during these times to allow for mandatory crew breaks. This includes shuttle runs.

HOLIDAY SCHEDULES - SUMMER

Memorial Day, Independence Day and Labor Day run on the Sunday schedule.

Note: This new schedule was effective on May 1, 2018. All subsequent Summer Ferry schedules will revert back to the April 1st start date.

2018 HMC Scheduled Ferry Low Tide Cancellations and Adjustments

May 2018

Tue 5/15	12:00-12:30 cancelled; Add 1:30-2:00
Wed 5/16	12:00-12:30 cancelled; Add 10:30-11:00
Thu 5/17	12:00-12:30 cancelled; Add 11:30-12:00
Fri 5/18	2:30-4:00 cancelled; Add 5:30-6:00
Sat 5/19	3:30-5:00 cancelled
Sun 5/20	3:30-05:00 cancelled
Mon 5/28	12:00-12:30 cancelled; Add 2:30-3:00
Tue 5/29	12:00-12:30 cancelled; Add 2:30-3:00
Wed 5/30	12:00-12:30 cancelled; Add 2:30-3:00
Thu 5/31	12:00-12:30 cancelled; Add 11:30-12:00

Memorial Day Holiday Ferry Restrictions

Vehicles towing anything (combinations of any length) and single vehicles longer than 25 feet will **NOT** be transported **AFTER** the 12:00 noon-12:30 pm run, Thursday May 24, 2018 through the end of the day Monday, May 28, 2018.

Note: Monday, May 28 the ferry will operate on the holiday schedule which is the same as the summer weekend schedule.

June 2018

Fri 6/1	2:30-3:00 cancelled
Tue 6/12	12:00-12:30 cancelled; Add 12:30-1:00
Wed 6/13	12:00-12:30 cancelled; Add 2:30-3:00
Thu 6/14	12:00-12:30 cancelled; Add 2:30-3:00
Fri 6/15	12:00-3:00 cancelled; Add 11:00-11:30
Sat 6/16	3:30-4:00 cancelled
Sun 6/17	3:30-4:00 cancelled; 4:30 runs at 4:40
Mon 6/18	3:30-5:00 cancelled; Add 1:00-1:30
Mon 6/25	No shuttle service 10:30-11:00
Tue 6/26	12:00-12:30 cancelled; Add 12:30-1:00
Wed 6/27	12:00-12:30 cancelled; Add 2:30-3:00
Thu 6/28	12:00-12:30 cancelled; Add 2:30-3:00
Fri 6/29	12:00-12:30 cancelled; Add 11:00-11:30

General Information

- **NO SERVICE/NO SHUTTLE** means the tides are too low to safely operate the ferry for the listed time. **Shuttles will not run during this time.**
- Check www.herronisland.org for schedule updates.
- **Add** means runs added out of normal schedule.

July 2018

Tue 7/10	No shuttle service 9:30-11:00
Wed 7/11	9:30-12:30 cancelled; Add 12:30-1:00
Thu 7/12	12:00-12:30 cancelled
Fri 7/13	12:00-12:30 cancelled; Add 9:30-10:00
Sat 7/14	11:30-3:00 cancelled
Sun 7/15	3:30 leaves at 3:40
Mon 7/16	3:30-4:00 cancelled; Add 1:00-1:30
Thu 7/26	12:00-12:30 cancelled; Add 2:30-3:00
Fri 7/27	12:00-12:30 cancelled
Sat 7/28	No shuttle service 12:25-1:35
Sun 7/29	No shuttle service 1:15-02:00

July 4th Holiday Ferry Restrictions

Vehicles towing anything (combinations of any length) and single vehicles longer than 25 feet will **NOT** be transported **AFTER** the 12:00 noon-12:30 pm run, Friday June 29, 2018 through the end of the day Wednesday July 4, 2018.

Note: Wednesday, July 4th the ferry will operate on the holiday schedule which is the same as the summer weekend schedule.

August 2018

Wed 8/8	8:30-10:00 cancelled; Add 11:00-11:30
Thu 8/9	No shuttle service 9:25-12:00
Fri 8/10	12:00-12:30 cancelled; Add 1:30-2:00
Sat 8/11	10:30-12:00 cancelled
Sun 8/12	11:30-12:00 cancelled
Mon 8/13	No shuttle service 1:05-2:45

September 2018

Fri 9/7	No shuttle service 9:45-11:05
Sat 9/8	10:30-12:00 cancelled; Add 1:30-2:00
Sun 9/9	11:30-12:00 cancelled; Add 1:30-2:00

Labor Day Holiday Ferry Restrictions

Vehicles towing anything (combinations of any length) and single vehicles longer than 25 feet will **NOT** be transported **AFTER** the 12:00 noon-12:30 pm run, Thursday August 30, 2018 through the end of the day Monday, September 3, 2018.

Note: Monday, September 3rd, the ferry will operate on the holiday schedule which is the same as the summer weekend schedule.

RESIDENTIAL FIRE PIT ETIQUETTE

Now that summer is just around the corner, we're dreaming of those balmy evenings with family and friends gathered around our fire pits. The air is full of laughter, shared memories, and the aroma of S'mores. While all this is wonderful, legal, and fun, we need to remember that our "good times" may be a nuisance and, in some cases, a hazard to our neighbors. Here are some simple suggestions so that you can be a "good neighbor" while enjoying your fire pit.

- First, make sure a Burn Ban hasn't been declared by the County or HMC.
- Burn only dry firewood. Generate as little smoke as possible.
- Check the wind direction.
- Notify your neighbors in advance.
- Better yet ... invite your neighbor.
- Be sensitive to the neighbor who may have asthma or other breathing difficulties.
- Even a "hot" fire emits the smell of smoke so consider how frequently you have a fire.

Per the Puget Sound Clean Air Agency, it's always illegal to smoke out your neighbors. If they complain, you are required to put the fire out immediately.

Additionally

- Any outdoor fire must be continuously attended. Abandoning a fire could result in heavy fines.
- Burning of trash is never allowed.

For more details of island and government burning regulations, please checkout the Burn Rules section of our website at www.herronisland.org.



Herron Island - For Sale:

- **115 East Madrona Blvd:** (MLS # 1163197): Remodeled cabin. 2-beds/1-bath with open-plan living/dining/kitchen with vaulted ceiling and wood burning stove. 1,088 sq.ft. Level lot is .353 acre. **\$159,950**
- **1209 West Herron Blvd:** (MLS # 1304470): .40-acre lot for sale with a view of the water and the Olympic Mountains. **\$25,000**

Herron Island - Pending Sales (too late)!!!

- **906-908-910 Madrona Blvd:** (MLS # 1211189): Three contiguous lots. .37 acre each for a total of 1.1 acre. Water, power, & drain field (installed 2009). **\$69,500**
- **22519 South Herron Blvd:** (MLS # 1304064): Super cute 2-beds / 1-bath cabin with a south facing view of the water! **\$114,900**
- **720 West Herron Blvd:** (MLS # 1296838): High bank waterfront home with a stunning western exposure view of Case Inlet and the Olympic Mountains. Totally remodeled! Open plan living with huge covered deck. 2 beds / 1.5 baths. **\$345,000**

Coming Soon:

East facing waterfront home!!

West facing waterfront home!!

For more information on all properties for sale (all brokerages) go to

www.DiscoverHerronIsland.com

Giving back to the community:

For every closed real estate transaction during 2018 we will make a donation to the BOOSTERS of \$100 for each vacant land sale and \$150 for each residential sale (Herron Island sales only).



Karen Dorans - Call or text: 253.219.4076
Karen@HerronIsland.com

Karen is a full time resident, call her anytime to view properties or talk with you about listing and selling your home!!

"Living here, working here, loving it"

(Paid Advertisement)



KRAMER'S

OWNER: STEVE KRAMER

EXCAVATING

RESIDENT/MEMBER SINCE 1959

EXCAVATION: SITE PREP, SEPTIC REPAIR, WATER & POWER LINES & CULVERTS HAULING: DRIVEWAY ROCK, TOPSOIL, SAND MIX & DRAIN ROCK DRIVEWAY MAINTENANCE DEMOLITION-DUMP RUNS	RETAINING WALLS & STONE/BLOCK WALLS HOME REMODEL & REPAIR CARPET, VINYL & LAMINATE INSTALLATION/REMOVAL SITE CLEAN-UP
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**LICENSED, BONDED
& INSURED**

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(Note: HMC Management neither endorses advertisers nor vouches for their being properly licensed.)

Notice of Special Membership Meeting of HMC Management

You will be receiving a **Notice of a Special Membership Meeting** to be held on Saturday, July 14, 2018 immediately following the regular 10:00 a.m. July Board meeting at the HMC Community Building. At the meeting the Membership will be voting to ratify the FY 2018/2019 Annual Budget presented to the membership at the June 9, 2018 Annual Membership Meeting.

It is important that everyone takes the time to vote. Be sure to cast your ballot properly so it can be counted. Follow the directions to sign the large mailing envelope containing your ballot. If the large mailing envelope is unsigned your ballot will not be counted.

A copy of the proposed General and Water Budgets including proposed changes to the Fee Schedule are attached on the following pages. The General and Water Budgets were posted on the HMC website, forwarded to the membership in a broadcast email, and presented at the Annual Membership meeting held on June 9, 2017. Also included is an Annual Reserve Fund Budget Disclosure from Associate Reserves.



	A	B	C	D	E	F	H	I	J	K	M
2											
3					AU per Audited Financials						
4						Actual	Actual	Budget	Proposed		
5						Oct '15 - Sep 16	Oct '16 - Sep 17	Oct '17 - Sep '18	Oct '18 - Sep '19		
6					Assessable Units (AU)	384	382	379	380		
7					AU minus delinquents	376	374	371	372		Assumes delinquency factor of 8 Members
8					Total Income minus Assessments	221,218	238,018	202,470	223,145		
9					Total Expenses less Special Assessment	996,065	982,020	932,640	964,197		
10					Yearly Assessment per AU	2,061	1,990	1,968	1,992		
11					Total Assessments	774,847	744,376	730,170	741,052		
12					Monthly Assessment per AU	172	166	164	166		Members can pay monthly to HMC in advance
13					Budgeted Assessments	851,305	721,097	730,170	741,052		
14					Special Assessment						
15											
16					Budgeted Assessment per AU	2,264	1,928	1,968	1,992		
17					Special Assessment per AU	-	-	-	-		
18											
19					Income						
20					Assessments	864,848	730,357	730,170	741,052		
21					Ferry Fees	188,002	196,340	180,000	198,200		Increased conservatively for Ferry fee increase to Guest rate and decrease to driver ticket discount.
22					Beachcomber Ads	600	240	600	400		
23					Renter's Fees, Copy, Fax and Notary	1,044	1,338	1,000	1,000		
24					Nsf Fees	140	105	250	125		
25					Postage	59	48	20	20		
26					Property Transfer fee	3,850	8,750	3,000	3,800		
27					Interest & Handling (Delinquent Accounts)	19,072	7,863	7,000	7,000		Actual trend shows that we should budget and this is being conservative since it is unknown the amount
28					Ferry Charge Billing Fee for Vendor Access	-	-	-	1,000		
29					Member Credit Card Fees	634	687	600	600		
30					Interest Earned (HMC Reserves and Other)	2,575	3,405	-	1,000		
31					Other Income (including Rules Fines)	769	9,502	-	-		
32					Attorney Collections (see note 3)	4,474	5,942	10,000	10,000		As our delinquency goes down this will to. So wanted to be conservative on amount
33					Water exp pd from HMC bank acct transferred back	-	3,798	-	-		
34					Gross Income	1,086,066	968,374	932,640	964,197		
35					Expense						
36					HMC Regular Operations						
37					Admin Salaries						
38					Medical Insurance	11,280	13,936	13,500	16,075		7% increase including adjustment for Island Managers benefits.
39					Retirement	3,262	3,562	3,460	6,099		Adjusted for Island Managers benefits and cost increases.
40					Payroll Taxes	11,663	10,672	11,510	14,202		Adjusted for Island Managers benefits and cost increases.
41					Gross Wages	102,211	114,459	96,000	114,132		This reflects the Island Managers hours increasing from 20 to 32 per week and eligible benefits.
42					estimate reduction due to Outsourcing						
43					Water - % Admin Expense to Water	(8,826)	(18,876)	(24,890)	(18,000)		
44					Total Admin Salaries	119,591	123,753	99,580	132,508		
45											
46					Labor (Roads, Parks, Bldg Maint and Cleaning)						
47					Gross Wages	4,862	7,596	16,630	17,424		
48					Payroll Taxes	910	826	2,750	2,837		
49					Total Labor (Parks & Bldg Maint and Cleaning)	5,773	8,422	19,380	20,261		
50											
51					Accountant/Auditor	6,523	6,590	16,100	14,000		Based on new auditor contract of \$11K plus approx. 25% for an additional accountant monthly review.
52					Background Checks	585	1,005	400	1,000		
53					Bad Debt Write Off	5,165	8,762	-	-		
54					Bank Fees	171	160	200	200		
55					Community Asso. Institute	132	132	150	150		
56					Community Building Maintenance	1,107	793	1,000	1,000		
57					Contract Svcs for Junk Removal	-	-	100	-		
58					Credit Card Fees - Member Payments	742	704	800	700		
59					CrystalTech-Web hosting	71	71	100	100		
60					Education and Training	-	-	300	300		
61					Emergency Preparedness	-	70	500	500		
62					HMC Property Pre-Sale Expense	-	600	200	200		
63					Insurance - Other	-	400	-	640		Community Building Insurance
64					Insurance - Directors/Officers Ins	3,299	3,299	3,300	3,400		
65					Insurance - Crime (Break-ins and Theft)	501	-	500	-		
66					Insurance - 5 Million Excess Liability	9,000	9,500	9,000	9,500		
67					Insurance - 14 Million Excess Liability	9,500	9,000	9,500	9,000		
68					Island Security Costs	380	349	800	500		
69					Legal - Collection Costs	5,200	4,674	15,000	5,000		

	A	B	C	D	E	F	H	I	J	K	M
2											
3					AU per Audited Financials						
4						Actual	Actual	Budget	Proposed		
5						Oct '15 - Sep 16	Oct '16 - Sep 17	Oct '17 - Sep '18	Oct '18 - Sep '19		
70					Legal - General	4,248	13,549	12,000	12,000		
71					Mileage	57	418	300	300		
72					Miscellaneous	1,051	121	1,000	-		
73					Office Equipment	4,175	2,172	1,100	2,000		
74					Office Supplies	2,815	3,435	2,000	2,500		
75					Payroll Expenses	2,035	3,204	2,150	3,000		
76					Pension Administration	595	595	600	600		
77					PO Box Fee	88	84	100	100		
78					Postage and Stamps	2,146	2,084	2,800	2,400		
79					Printing	847	1,857	1,500	1,500		
80					Removal of unsafe trees	8,177	6,878	9,000	9,000		
81					Reserve Analysis	1,560	1,250	1,800	1,800		
82					Software upgrades annual fee	-	829	-	-		
83					State and County Taxes	1,225	2,090	1,300	1,300		HMC owned property taxes
84					Telephone/Fax/Internet	2,800	2,777	2,800	2,800		
85					Utilities/Electric	1,093	1,386	1,400	1,700		
86					Total HMC Regular Operations before Reserves	200,651	221,013	216,760	239,959		

	A	B	C	D	E	F	H	I	J	K	M
2											
3					AU per Audited Financials						
4						Actual	Actual	Budget	Proposed		
5						Oct '15 - Sep 16	Oct '16 - Sep 17	Oct '17 - Sep 18	Oct '18 - Sep 19		
87					Reserve Legal-Cap \$35K, Bal \$35K	-	-	450			
88					Reserve Community Bldg-Cap \$50K, Bal \$10.6K	1,500	1,500	3,600	3,600		This reserve is in preparation for roof and septic
89					Total HMC Regular Operations with Reserves	202,151	222,513	220,810	243,559		
90											
91					Piles, Dolphins and Ferry Ramp Expenses						
92					DNR Lease Annual	142	5,089	1,000	1,200		
93					Dolphin Expenses	182,303	3,690	-	-		
94					Paid via USDA / Reserves upon completion	(182,303)	(3,690)	-	-		
95					Ferry Ramp Generator Maintenance and Fuel	6,154	2,309	3,500	3,500		
96					Garbage - Ferry	218	247	300	300		
97					Insurance - Docks and Piers	-	15,361	14,860	17,400		
98					Inspection-Pierce Cty Inspection and Maintenance	-	5,070	-	-		due in 2019 which will use reserve funds
99					From Reserves	-	-	-	-		
100					Parts and Supplies	-	29	1,000	2,000		Increase due for rebuilding reducer at mainland
101					Ramp Painting	13,698	-	-	-		
102					From Reserves	(58,656)	-	-	-		
103					Repairs/Maintenance	4,308	65,987	5,000	5,000		
104					Repairs Cable Replacement	-	-	-	-		
105					From Reserves	-	-	-	-		
106					Sanikans	4,342	3,237	3,400	3,400		
107					Utilities/Electric	1,751	1,445	1,840	1,840		
108					Total Piles, Dolphins, Ferry Ramps before Reserves	(28,043)	98,772	30,900	34,640		
109					Reserves Docks and Dolphins-Bal \$28K	151,680	18,750	-	1,000		
110					Reserves Ferry Terminal Structures-Cap \$2.3M, Bal \$0	-	-	-	2,000		This is part of the reserve study and therefore has been added as a new reserve fund
111					Reserves Ramp Painting and Wood Decks-Cap \$347K, Bal \$24K	59,656	1,000	-	1,000		To start buildup for next ramp painting project
112					Special Assessment - Ramp Painting	-	-	-	-		
113					Reserves Ramp Inspections-Note 5 Cap \$19K, Bal \$22.5K	7,500	3,500	-	-		No funding needed as this reserve is over cap amount
114					Reserves Generator Replacement-Cap \$38K, Bal \$38K	-	3,300	6,600	3,000		
115					Reserves Cable Replacement-Cap \$28K, Bal \$38K	4,000	3,000	-	-		No funding needed as this reserve is over cap amount
116					Total Piles, Dolphins, Ferry Ramps with Reserves	194,793	128,322	37,500	41,640		
117					Ferry						
118					Ferry Salaries & Benefits						
119					Medical Insurance	46,345	32,448	53,980	53,980		
120					Retirement-Employer	13,478	8,960	15,370	15,370		
121					Payroll Taxes	28,495	28,797	29,830	30,798		
122					Gross Wages	284,371	307,117	323,820	332,850		
123					Total Ferry Salaries & Benefits	372,690	377,322	423,000	432,998		
124											
125					Cellphone	564	1,797	1,500	1,800		
126					Ticketing Device/System	-	109	1,000	1,000		For replacement/damage of one IPAD
127					Drug Testing	1,331	1,228	1,400	1,400		
128					Engine Overhaul / Replacement	-	-	51,600	51,600		This will be reviewed and determine if needed
129					From Reserves	-	-	(51,600)	(51,600)		If there is, all work will use reserve funds
130					Equipment	5,492	318	2,500	2,500		
131					Fuel	46,559	45,385	57,000	62,700		Increase due to latest news happening abroad and market fluctuation price of oil.
132					Inspections and Licensing	626	626	900	900		
133					Insurance - Commercial Package	22,704	7,381	7,380	7,300		
134					Insurance - Marine Package	17,732	17,732	17,730	9,900		New Insurance Broker able to lower premiums
135					Insurance - Vessel Pollution	747	747	750	750		
136					Legal Fees - IBU Attorney	927	11,754	1,000	1,000		
137					Miscellaneous	1,376	4,391	1,500	1,500		
138					Passenger Vessel Asso.	503	-	530	530		
139					Personal Property & Excise	4,561	3,680	4,830	4,500		
140					Crew Housing	2,760	3,160	2,000	8,000		Increase needed for on-call coverage and up to \$100/night housing
141					Contract Reimbursement Permanent EEs				6,000		Per agreement to provide mileage reimbursement to and from home for regular ferry crew.
142					Repairs	889	9,282	2,500	2,500		
143					Routine Maintenance & Supplies	8,444	3,722	9,000	9,000		
144					Sheds (waiting, oil and school)	-	26	-	-		
145					Ship Yard	1,572	67,208	95,300	-		Shipyard scheduled for Sep 2018
146					From Reserves	-		(95,300)	-		Shipyard expenses will use reserve funds
147					Supplies, Paper Products, Water	830	704	880	880		
148					Tickets & Passes & Stickers	1,668	2,281	1,770	2,300		

	A	B	C	D	E	F	H	I	J	K	M
2											
3					AU per Audited Financials						
4						Actual	Actual	Budget	Proposed		
5						Oct '15 - Sep 16	Oct '16 - Sep 17	Oct '17 - Sep '18	Oct '18 - Sep '19		
149					Uniforms	1,163	2,104	1,000	2,000		Standard annual \$250 for the four regular ferry crew per IBU contract plus additional
150					Total Ferry before Reserves	493,138	560,956	538,170	559,458		

	A	B	C	D	E	F	H	I	J	K	M
2											
3					AU per Audited Financials						
4						Actual	Actual	Budget	Proposed		
5						Oct '15 - Sep 16	Oct '16 - Sep 17	Oct '17 - Sep '18	Oct '18 - Sep '19		
151					Reserve Ferry Replacement-Cap \$1.545M, Bal	1,000	1,000	1,000	1,000		
152					Reserve Shipyard - Note 1 Cap \$95.3K, Bal \$95.3K	40,000	-	32,300	35,000		This is to build up reserve for shipyard expected in 2020.
153					Reserve Ferry Engine Transmissions-Note 2 Cap \$246.3K, Bal \$42.25K	9,500	2,000	9,500	-		Per reserve study fully reserved therefore, skipping FY 18/19 for funding
154					Special Assessment - Ferry Engines	-	-	-	-		
155					Reserve - Legal IBU Attorney Cap \$20K, Bal \$12.5K	2,500	7,500	2,500	2,500		For contract negotiations and maintenance above operational budget in Legal Fees-IBU Attorney
156					Accrued Sick Leave carryforward-Cap \$5K, Bal \$5K	-	5,000	-	-		This was a one time reserve until used and is expected to stay cap of \$5K
157					Total Ferry with Reserves	546,138	576,456	583,470	597,958		
158					Parks						
159					Garbage Pick Up	564	579	660	660		
160					Maint - General upkeep including park parking	135	540	-	-		
161					Maint - Lawn Equipment	-	-	500	500		
162					From Reserves	-	-	-	-		
163					Maint - Parks Shed (lawn shed)	74	74	-	-		
164					Maint - NB Pavilion Building and NB parking	1,579	1,603	-	-		
165					Miscellaneous	-	324	-	-		
166					Parks Development-Picnic Tables	-	-	1,400	1,400		Budget for two Picnic Tables. FY 19/20 will be the last year to purchase two tables
167					Playground Improvement	170	447	180	180		
168					From Reserves	-	-	-	-		
169					Sanikans	2,602	3,370	3,000	4,000		Increase due to leaving Sanikan at Goodpasture Park all year long
170					Small Boat Dock Pilings	-	-	-	-		
171					From Reserves	-	-	-	-		
172					Small Boat Dock - Maint & Improvements	3,073	6,473	200	2,000		Increase for anticipated improvements
173					Small Boat Dock - Removal and Install	2,196	5,068	2,500	2,500		
174					Supplies & Equipment Repairs	372	800	400	2,000		
175					Utilities/Electric	608	675	650	700		
176					Total Parks before Reserves	11,374	19,953	9,490	13,940		
177					Reserves Small Boat Dock-Cap \$422K, Bal \$5K	-	-	5,000	7,000		
178					Reserves Parks General-Cap \$36K, Bal \$19K	1,000	1,000	5,000	3,000		Lawn mower replacement due in about two years
179					Total Parks with Reserves	12,374	20,953	19,490	23,940		
180					Roads (ferry island/mainland lots)						
181					Salaries has been moved and combined with Labor for Parks and Community building under Administration section						
182					Payroll taxes						
183					Wages						
184					Total Salaries	-	-	-	-		
185											
186					Auto Insurance (Dust Control Truck)	811	1,086	1,070	2,100		
187					Dust Control Truck	1,693	1,805	1,800	1,000		
188					Road Maintenance Contract Costs	14,989	10,442	25,000	22,000		
189					Roads Other						
190					Ferry Road Asphalt replacement	-	-	40,000	-		
191					From Reserves	-	-	(40,000)	-		
192					Road & Ditch Materials only	6,117	3,442	11,000	11,000		
193					From Reserves	-	-	-	-		
194					Total Roads before Reserves	23,610	16,775	38,870	36,100		
195					Reserves Gravel-Cap \$55K, Bal \$55K	10,000	10,000	5,000	1,000		Decrease due to reached cap amount
196					Reserves Ferry Hill road asphalt-Cap 60K, Bal \$40K	5,000	5,000	25,000	20,000		Due to current bids, the expense is going to be more than original cap.
197					Reserves Road Equipment-Cap \$16K, Bal \$4K	2,000	2,000	2,500	-		Dust Truck was purchased FY 17/18 so at this time skipping a year to fund reserve
198					Total Roads with Reserves	40,610	33,775	71,370	57,100		
199					Total Expenses before Reserves	700,729	917,470	834,190	884,097		
200					Total Expenses including Reserves	996,065	982,020	932,640	964,197		
201					Net Income (Loss) - Note 4	90,001	(13,645)	-	-		
202											
203					Reserve funding and Special Assessments	295,336	64,550	98,450	80,100		
204					Reserves used \ expenses to USDA loan	(240,959)	(3,690)	(186,900)	(51,600)		
205					General note: This budget was generated based on analysis of the last five years						
206					Note 1: Ferry goes into dry dock every two years on the even year						
207					Note 2: New engines go into shipyard for rebuild every five years but has been						
208					Note 3: Legal fee expense is partially offset by legal fee income. This allows for						
209					Note 4: Unexpended funds from prior FY year will be allocated to appropriate						
210					Note 5: Mainland every 2 years 2019 next inspection, Island every 4 years 2019						
211					Note 6: All reserves were reviewed against the 2017-2018 Reserve Study report						

	A	B	C	D	E	F	H	I	J	K	M
2											
3					AU per Audited Financials						
4						Actual	Actual	Budget	Proposed		
5						Oct '15 - Sep 16	Oct '16 - Sep 17	Oct '17 - Sep '18	Oct '18 - Sep '19		
213					HMC WATER	Actual	Actual	Proposed	Proposed		
214						Oct '15 - Sep 16	Oct '16 - Sep 17	Oct '17 - Sep '18	Oct '18 - Sep '19		
215					Assessable Connections	397	397	397	400		
216					Connections minus delinquents	389	389	389	392		
217					Base Fee per Connection	126	88	132	107		
218					Reserve Fee per Connection	93	92	84	109		
219					Tier 2 and Above Excess Water Fee	3,690	8,850	12,056	10,000		
220											
221					Base Assessment per Connection - Annual	219	179	216	216		
222					Base Assessment per Connection - Monthly	18	15	18	18		
223					Base Total Assessments - All Connections	85,042	69,695	84,024	84,672		
224					Note: Base assessment does not include water usage above base or USDA loan repayment if applicable.						
225					Budgeted Base Assessment per Connection - Mthly	18	18	18	18		
226					Budgeted Reserves as a % of total Base fees	42.1%	41.6%	39.0%	50.3%		
227					Total Base Fees + Reserves collected per P&L	85,833	85,653	84,024	84,672		
228					Income						
229					Base Fees	49,665	50,025	51,224	42,100		
230					Usage Fees	3,690	8,850	12,056	10,000		
231					Other	1,110	5,656	1,000	1,000		
232					Water Interest & Handling	8,394	9,134	12,100	10,000		
233					Water Hook Up fee	-	802	100	100		
234					Total Income before Reserves and USDA	62,859	74,468	76,480	63,200		
235					Reserves	36,168	35,628	32,800	42,572		
236					USDA Water Special Assessment	54,097	54,098	53,278	53,278		
237					Total Income	153,124	164,194	162,558	159,050		
238											
239					Expense						
240					Accountant/Auditor	1,460	2,055	3,600	3,600		
241					Bad Check	30	-	100	100		
242					Bank Fee	10	-	50	50		
243					Cell Phone	338	85	250	200		
244					Contract Manager - NWS	5,719	4,601	5,000	5,000		
245					Excise Tax	5,826	5,000	8,000	8,000		
246					Insurance	1,459	1,832	2,000	2,000		
247					Legal	396	978	1,000	1,500		
248					Membership Fees	-	-	-	-		
249					Mileage Reimbursement	328	64	400	500		
250					Miscellaneous	1,356	767	500	2,500		
251					Other	25	-	500	250		
252					Permits & License	2,577	681	2,500	2,000		
253					Postage and Admin (Mailing)	1,333	853	1,500	1,500		
254					Printing	145	-	100	100		
255					Repairs - Parts	-	-	2,000	500		
256					Software upgrades annual fee	-	1,303	900	900		
257					Supplies	1,559	5,179	1,000	1,000		
258					Supplies & Repairs - Contractors	1,826	397	2,000	2,500		
259					Utilities	2,311	2,323	3,000	2,500		
260					Wages - EE benefits % (Pension, Insurance)	741	766	3,390	1,000		
261					Wages - Administrative %	22,117	23,049	19,200	15,000		
262					Wages - Taxes %	2,137	2,377	2,300	2,000		
263					Wages - Water Dept Manager, Meter Reading	9,674	6,224	13,950	8,000		
264					Wages - Payroll Taxes	1,768	1,132	2,240	1,500		
265					Water Sample Test	513	667	1,000	1,000		
266					Total Water Expenses before Reserves and Water Assess	63,649	60,332	76,480	63,200		
267					To Water Reserve (Cap is \$1,800,000 - Balance is \$296,957)	35,406	34,626	32,800	42,572		
268					USDA Water Special Assessment	53,278	53,278	53,278	53,278		
269					Total Operating Expense	152,333	148,236	162,558	159,050		
270					Net Income (Loss)	791	15,958	-	-		
271											
272					General note: Every five years a Sanitary Survey is						
273											
274											

2018/2019 HMC Fee Schedule

Monthly Handling Fee for Delinquent Accounts:

For balances of \$100.00 or less	\$ 15.00
For balances of \$100.01 or more	\$ 30.00
Interest	1% Monthly or 12% per Annum
Non-Sufficient Funds (NSF)	\$ 35.00
Office/Research per hour	\$ 43.00
Placing and Releasing Liens	HMC Attorney Rates at the time
Lost Vehicle Decal Replacement	\$ 5.00
Special Ferry Run (per run)	\$175.00
Copies: Black/White each	\$ 0.20
Color each	\$ 1.00
FAX – Incoming/Outgoing per page	\$ 1.00
Scan & Email per page	\$ 1.00
Member Credit Card Fee	6%
Renter's Application Fee	\$ 60.00
Renter's Annual Renewal Fee (billed in full in October)	\$ 30.00
Beachcomber Ads – per ¼ page	\$ 20.00
Beachcomber Mailing	\$ 22.50/year or \$2.50 per issue
Returned Mail	Post Office Rate
Notary Services	\$ 10.00
Postage for Ferry Tickets	\$ 2.00
Community Center Building Rental + Damage Deposit	\$100.00
Ferry Charge Billing Fee:	\$ 5.00 per month billed
Property and Water Account Transfer Ownership Fee	\$175.00
Water Availability Letter (Completed by Island Manager)	\$ 50.00
Water Connection Repair Admin Fee	\$ 50.00
(Repair expense will be actual cost charged by approved contractor)	
Emergency Water Repair (HMC equipment only damaged by Member)	\$125.00 per hour
New Water Connection fee includes 3 components:	
1. Admin Fee	\$ 50.00
2. New Water Connection Installation expense will be actual cost charged by approved contractor.	
3. Capital Cost Recovery 2012/2013 Water Project Special Assessment of \$1,158.30, prorated since inception April 2013. Plus monthly charge of \$14.85, billed quarterly at \$44.55 for the next 35 years.	

OR:

Pay the total balance of \$7,128.20, the per-connection proportionate share.

Water Cross Connection Administration Fee	\$ 50.00
Water Shut-Off Fee	\$ 50.00
Water Reestablish Connection Fee	\$ 50.00
Water Inactive Status/install lock	\$ 50.00
Return Water to Active Status/remove lock	\$ 50.00
Meter Box Lid Replacement	\$ 50.00
Meter Box Replacement	\$100.00
Meter Replacement	\$500.00
Antenna Replacement	\$500.00
Meter Setter Replacement	\$500.00
Voluntary Water Service Turn Off	\$ 10.00
Ditch Clean Out Fee per Hour	\$125.00

NOTE: Payment to HMC will be due by the 25th. All billings will now reflect a due date of the 25th.

(Applies only to private parties – up to \$50.00 refundable). See HMC Rule D-2. (Events open to the entire community need member signature, \$50 deposit; \$50 deposit will be refunded if hall is left clean.)

2018/2019 Ferry Fees

	Vehicle with current decal	All Other
Car and Driver under 20'	\$8	\$20
Walk-on or Passenger		
Age 12 and up	\$3	\$3
Age 5-11	\$1	\$1
Age 4 and under	\$0	\$0
Vehicle Length Based Fares:		
21'-30'	\$16	\$32
31'-40'	\$24	\$48
41'-50'	\$32	\$64
51'-60'	\$40	\$80
Special Runs (One Way)	\$175	\$175
Book Of 10 \$8 Tickets	\$72	
Book of 25 \$3 Tickets	\$72	
911 Initiated Runs	Free	Free

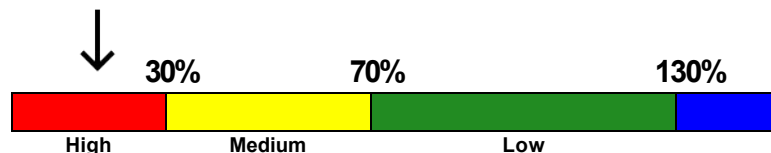
3- Minute Executive Summary

Association: HMC Management **Assoc. #: 24901-5**
Location: Lakebay, WA **# of Units: 379**
Report Period: October 1, 2018 through September 30, 2019

Findings/Recommendations as-of: October 1, 2018

Starting Reserve Balance	\$423,041.
Current Fully Funded Reserve Balance	\$2,520,434.
Percent Funded	16.8 %.
Average Reserve Deficit or (Surplus) Per Unit	\$5,534.
2018/2019 100% Annual "Full Funding" Contributions	\$367,000.
2018/2019 70% Annual "Threshold Funding" Contributions	\$292,000.
2018/2019 "Baseline Funding" to keep Reserves above \$0	\$122,428.
2018/2019 Special Assessment	\$0.
Most Recent Budgeted Contribution Rate	\$98,450.

Reserves % Funded: 16.8%



Economic Assumptions:

Net Annual "After Tax" Interest Earnings Accruing to Reserves 1.00 %
Annual Inflation Rate 3.00 %

- This is a Update "No-Site-Visit" Reserve Study, meeting or exceeding all requirements of the RCW. This study was prepared by, or under the supervision of a credentialed Reserve Specialist (RS 153).

- The reader should note that project to replace dolphins for ferry system was recently completed in FY 2017/2018. Long term USDA loan to finance majority of that project is now in place. No future impact upon HMC maintenance reserves is factored since collections and payments will reportedly be handled in a separate account for this debt obligation (similar to separate Water System indebtedness).

- Assuming the preceding understanding, your Reserve Fund is currently 16.8 % Funded. This means the association's special assessment / deferred maintenance risk is currently High. The objective of your multi-year Funding Plan is to fund your Reserves to a level where you will enjoy a low risk of such Reserve cash flow problems.

- Based on this starting point and your anticipated future expenses, our recommendation is to substantially increase Reserve Contributions to within the 70% to 100% range as noted above. Going forward, collection of reserve monies to provide for fair distribution of expense burden to offset ongoing deterioration of reserve category projects and improve reserve fund status should be undertaken. In other words, current

owners should contribute “their fair share” to maintenance reserves. The reader should note that the FY 2018/2019 “Annual Deterioration” of reserve components is \$228,406

- No assets appropriate for Reserve designation known to be excluded. See appendix for component information and the basis of our assumptions.**

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
Site/Grounds/Recreation				
200	Asphalt Roads - Repair/Resurface	25	24	\$50,000
204	Gravel Roads/Lots - Maintain/Repair	5	1	\$47,700
350	Play Equipment, North Beach-Replace	20	19	\$6,000
352	Play Equipment, Goodpastor-Replace	20	0	\$6,000
356	Basketball Court - Repair/Replace	30	25	\$19,650
370	Pavilion - Replace Roof	25	10	\$8,085
Small Boat Marina				
302	Small Boat Docks/Floats-Replace	30	13	\$131,500
306	Small Boat Dock Pilings - Replace	50	43	\$219,000
320	Small Boat Trestle/Ramp - Replace	30	13	\$90,050
336	Small Boat Gangway - Replace	30	13	\$7,930
Community Building				
410	Community Building Siding-Replace	50	37	\$23,450
430	Community Building Roof - Replace	40	24	\$18,500
460	Community Blding Septic - Replace	50	14	\$10,645
Equipment				
540	Dust/Water Truck - Replace	12	11	\$17,500
Ferry System				
700	Ferry Terminals - Inspect/Repair	4	0	\$19,650
702	Ferry Terminals - Paint	12	9	\$186,000
704	Ferry Terminal Cables - Replace	5	1	\$35,000
706	Ferry Terminal Wood Decks - Replace	24	21	\$183,000
707	Ferry Terminal Structures - Replace	60	33	\$2,455,000
708	Ferry Ramp Dolphins - Replace	50	49	\$1,234,000
712	Ferry Ramp Generators - Replace	20	9	\$39,900
740	Ferry Vessel - Shipyard	2	0	\$110,000
744	Ferry Vessel - Overhaul Engines	5	0	\$39,950
746	Ferry Vessel - Replace Engines	50	45	\$172,000
755	Ferry Vessel-Overhaul Transmissions	5	0	\$14,850
757	Ferry Vessel-Replace Transmissions	25	20	\$34,400
760	Ferry Vessel - Replace	60	31	\$1,635,000
Professional/Special Projects				
940	Legal Contingency Fund	0	0	\$35,000

28 Total Funded Components

Note 1: Yellow highlighted line items are expected to require attention in this initial year, green highlighted items are expected to occur within the first-five years.