

EMPLOYEE HANDBOOK and
PERSONNEL POLICY GUIDE for:



EFFECTIVE
2019

Hat Island Community Association is an “At Will” Employer

Hat Island Community is an Equal Opportunity Employer

Hat Island Community is a Drug and Alcohol Free Work Place

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FOREWORD

HAT ISLAND COMMUNITY ASSOCIATION (HICA)

This manual is provided for informational purposes only. It is not a contract between HICA and any individual and should not be interpreted as such.

The policies and procedures set forth in this manual may be changed from time to time at the sole discretion of the management of HICA. No policy or procedure set forth herein is deemed to be a commitment to or promise of any future applicability, nor shall any of the policies and procedures set forth herein at any time be deemed to be a contract or agreement between HICA and any employee of HICA enforceable in a court of law.

Each employee of HICA is deemed to be an employee "at will", and is free to terminate his or her employment at any time without cause or reason whatsoever. Also, HICA is free to terminate the employment of such employee "at will" at any time without cause or reason whatsoever. The "at will" status of each employee and the company cannot be altered or except by a written agreement executed by the employee and HICA and approved by the Board of Trustees of HICA as evidenced by resolution of such Board.

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1. INTRODUCTION

1.1 Purpose

The **HAT ISLAND COMMUNITY ASSOCIATION** Employee Handbook and **Personnel** Policy Guide is intended as an informational resource for its employees. This guide outlines the personnel policies of HICA and serves as a reference document for all employees.

1.2 Applicability

The **HAT ISLAND COMMUNITY ASSOCIATION** (hereinafter sometimes referred to as “HICA” or “Association”) Employee Handbook and Personnel Policy Guide is applicable to all HICA employees. It is the primary source of personnel policy guidance for HICA. If situations arise that are not addressed in the manual, they should be brought to the attention of the Island Manager.

1.3 Compliance

As an operating principle, HICA ardently seeks to comply with all federal, state and local government agency requirements concerning applicable statutory, regulatory, or contractual matters. This guide will be modified, as necessary, to ensure compliance with all applicable laws and to adapt to changing circumstances. Such changes will be effective immediately upon approval by HICA unless otherwise stated.

1.4 Timing and Changes

The effective date of changes will be indicated on all replacement pages of the manual.

2. EMPLOYMENT ENVIRONMENT

2.1 Hat Island Community.

HAT ISLAND COMMUNITY ASSOCIATION offices are located on Hat (Gedney) Island, Washington. The Island community is a Home Owners Association and is run solely for the benefit of the community members. The Board of Trustees, (directors), is elected from current community members in good standing, (assessments paid). It is the policy of the HICA to achieve employee satisfaction through involvement, pride of ownership and management participation. The HICA Board of Trustees has delegated much of the day-to-day operation of the corporation to the Island Manager. This includes the authority to fill approved job positions, to discipline; and with concurrence of the President of the Board of Trustees, to terminate employees.

2.2 Hours of Operation

HICA employees are employed to serve community members as their sole customers. HICA employees may be required to adjust their work hours accordingly. The schedules for each HICA employee, including shifts, work days and work hours, and time reporting methods are determined by HICA management and may change from time to time. Schedules are designed to meet the needs of community members as determined by HICA management. Prior written authorization from the Island Manager is required prior to the commencement of overtime work. The only exception to this policy is that the Island Manager may authorize overtime after such overtime work is completed in circumstances where the Island Manager determines that the work is required due to the occurrence of an emergency.

2.3 Mandatory Overtime

Due to the remote nature of the work environment and the Island’s status as a utility provider there will be occasions when one or all employees will be required to remain at work beyond

their normal daily or weekly schedule. When directed by the Island Manager such additional work time shall be deemed mandatory.

2.4 Categories of Employment

2.4.1 Length of Employment

2.4.1.1 Regular Full-Time and Part-Time:

Regular employees are employed at-will for an indefinite period of time, they have regular, scheduled and repetitive work hours. Regular employees are eligible for benefits and user privileges based on the on-going full or part-time status.

2.4.1.2 Seasonal:

Seasonal Employees are employed at will, for a specified length of time (normally 3 months or greater). Seasonal employees are not eligible to participate in the HICA benefit plans or accrue service credit. Seasonal employees may be eligible for some user privileges as proposed by the Island Manager.

2.4.1.3 Casual:

Casual Employees are “On Call”. They are employed at will. They do not work a regular shift nor have specific hours. Casual employees are not eligible to participate in the HICA benefit programs, accrue service credit or user privileges.

2.4.2 Hours Worked:

2.4.2.1 Full-time:

Full-time employees are regular employees scheduled to work a minimum of 30 hours per week, on average. Full-time employees are eligible to participate in all HICA benefits and designated user privileges.

2.4.2.2 Part-time:

Part-time employees are regular employees scheduled to work less than 30 hours per week, on average. Part time employees are eligible to receive prorated benefits and designated user privileges.

2.4.2.3 Defining “Work” (NEW 2019):

Hourly employees are compensated based on the time spent working. The computation of work hours commences upon arrival on the work site. Work hours do not include the time expended commuting to and from work at the beginning and end of the work day. Work hours do not include lunch time, or the time spent traveling to and from the location where lunch is taken.

2.4.2.4 Recording Work Time (NEW 2019):

All hourly employees are required to keep accurate time records recording the date, time, location and a description of the work performed, in such detail and utilizing such method or system as directed from time to time by the Island Manager. Employees shall record their time not less than daily to assist in providing accurate reporting. Time shall be recorded on such system and utilizing such method(s) as adopted by HICA. Time reporting systems may include time clock(s), manual entry systems, or computerized or application-based system as may be

designated from time to time by the Island Manager. Time reporting system may be designed for mobile devices, in which case the employer may request, but shall not require, employees to download and maintain software on their personal cell phones to be utilized without additional compensation. In the event employees elect not to use their personal cell phones, the employer shall, in its discretion, provide the employee with an Association owned cell phone. Alternatively, the HICA may require that time be recorded on-line. The system utilized may include a GPS location function allowing HICA to locate its employees during their hours of employment. The purpose of the GPS function is to provide for accountability and enhance safety during work hours. HICA specifically requests that employees disable the GPS tracking function during non-work hours.

2.4.3 FLSA Category

2.4.3.1 Hourly (Non-Exempt) Fair Labor Standards Act (FLSA):

Hourly employees are paid a fixed hourly rate for their work. They may work no more than 40 hours in a week without being paid an overtime rate. (Employees will not exceed 40 hours per week without the express written permission of the Island Manager)

2.4.3.2 Salaried (Exempt) Fair Labor Standards Act (FLSA):

Salaried employees are management and as such could be called upon to work unpredictable hours. Overtime pay is not generally an option for managers but compensating time may be granted.

3 GENERAL EMPLOYMENT POLICIES

3.1 Merit Principles

HICA is dedicated to providing the highest quality service for our owners. Such a commitment can only be fulfilled through the contributions of a thoroughly professional and highly motivated workforce. Advancement opportunities for all personnel within HICA are based on individual achievement and high-quality job performance. All HICA employees will be evaluated on a regular basis to ensure that a satisfactory level of job performance is maintained and exceptional performance is rewarded.

3.2 Equal Employment Opportunity/Affirmative Action Plan

HICA is committed to the principles of equal employment opportunity and affirmative action consistent with applicable federal and state laws and regulations. It is the policy of HICA to recruit, hire, promote, train and compensate individuals without regard to race, color, religion, sex, age, national origin, handicap or veteran status.

3.3 Prohibition of Sexual Harassment

Sexual harassment is manifested by any unwelcome verbal or physical advances that interfere with an individual's job performance or create an intimidating, hostile or offensive work environment. Such conduct is prohibited by law and will not be tolerated at any HICA location.

HICA will take appropriate remedial and/or disciplinary action, up to and including termination, against any employee whose conduct is inconsistent with this policy. Employees who believe they have cause for complaint should notify their supervisor or HICA management as soon as possible.

Complaints of sexual harassment will be investigated promptly by the HICA Island Manager or management team in conjunction with the supervisor/manager most closely involved. Investigations

will be conducted in an impartial and confidential manner. HICA Board of Trustees will be informed as soon as possible for case disposition.

3.4 Non-Disclosure of Sensitive Information

HICA requires that all employees understand and execute a confidentiality agreement. All employees are required to review and sign a confidentiality agreement which requires them not to disclose confidential information to third parties. Appendix A to this manual contains a copy of the Employee Non-Disclosure Agreement to be executed by all new employees. HICA employees who violate the guidelines on nondisclosure of sensitive information may be subject to disciplinary action, including termination.

3.5 Conflict of Interest

HICA requires all of its employees to meet the highest standards of ethical conduct and to avoid even the appearance of impropriety. All employees must avoid any situation that may involve a conflict between personal interests and the interests of HICA or its owners. It is the responsibility of each employee to recognize and avoid actions or situations that may be considered conflicts of interest. Questions concerning conflicts of interest should be referred to HAT ISLAND COMMUNITY ASSOCIATION Board of Trustees and/or Island Manager.

3.6 Drug Free Workplace Policy

HICA may deal with contracts involving the federal government and, as such, is subject to the provisions of the Drug Free Workplace Act of 1988.

HICA prohibits the unlawful manufacture, distribution, dispensation, possession, or use of controlled substances on any of HICA premises, or any other area at which an employee is to perform work for HICA. Violation of the Drug Free Workplace Act can result in immediate termination of employment, and prosecution.

Employees are required to notify the company of a conviction of any drug violation occurring on or off the job no later than five days following the conviction.

HICA may require employees to participate in pre-employment screening, random testing, or for cause testing. Refusal to participate in these tests will result in termination.

All HICA employees are required to abide by the terms of this statement as a condition of employment. All vessel crew must participate in a drug/alcohol screening program in compliance with 49 CFR.

3.7 Alcohol Free Workplace Policy

HICA Employees will not consume alcohol during work hours, including meals, and will not consume alcohol prior to reporting for work. An employee who appears to be under the influence of alcohol while on duty is **subject to mandatory testing** and if found to be under the influence of alcohol during duty hours is subject to disciplinary action including immediate termination. An employee who refuses testing is subject to immediate termination.

3.8 Employment Safety and Health

It is the policy of HAT ISLAND COMMUNITY ASSOCIATION to assure a healthy and safe work environment for all employees, and to carry out our commitment of compliance with all applicable federal and state health and safety laws.

All HICA employees have the authority and requirement to stop an ongoing activity which they feel has the potential to produce personal injury or damage to property.

HICA will attempt to provide a workplace that is free from recognized hazards. However, it is the responsibility of all employees to report to management any situation that may pose a threat to their

health and safety or of their coworkers. Reported complaints regarding a possible unsafe condition will be investigated promptly. Furthermore, disciplinary action will be enforced in cases where employees are found to be willfully negligent in the safe performance of their jobs.

Employees who are injured on the job must report all injuries to their supervisor or Island Manager immediately.

3.9 *Smoking*

HICA offices strive to provide a healthy, safe and pleasant environment for its employees and customers. To that end, smoking is not permitted on the premises or HICA vehicles. Smoking is permitted outside HICA facilities, (outdoors), for employees and/or customers who wish to.

3.10 *Personal Appearance/Grooming*

The success of HICA is determined in part by establishing and maintaining a proper business atmosphere, including a professional appearance by staff members. Employees are expected to maintain personal grooming and to dress in a manner consistent with business standards (including safety standards) and the nature of the work performed.

3.11 *Attendance/Punctuality*

All HICA personnel are expected to report to work on time each work day and to observe local office/vessel requirements concerning hours of work.

Consistent attendance and punctuality are critical to day-to-day business operations and are necessary conditions of continued employment at HAT ISLAND COMMUNITY ASSOCIATION. Unauthorized absences or failure to report to work on a timely basis may be grounds for disciplinary action up to and including termination.

In the event an employee cannot report to work as scheduled, the employee is required to notify management as soon as possible.

4 EMPLOYMENT PROCESS

4.1 *Recruitment and Advertising*

The goal of the recruitment program at HICA is to attract highly motivated, qualified applicants with the necessary skills and expertise to match the applicable job requirements.

It is HICA policy to use recruitment methods that comply with all legal and regulatory requirements, while remaining cost effective. To ensure that our efforts are fair and equitable, it is important that:

- * All external sources are aware of the HICA Equal Opportunity/Affirmative Action policy.
- * All recruitment advertisements include "Equal Opportunity Employer" or abbreviation (EOE).
- * All interview techniques are impartial and relate to the job content in a way that measures the applicant's ability to perform the duties of the position under consideration.

All recruitment advertisements will avoid representations regarding job security and references to permanent or career positions.

4.2 *Employment Application*

Biographical information will be collected for all job applicants either in the form of an employment application or resume. An applicant's experience, training, and educational data will be validated and interpreted by those in positions of hiring authority.

4.3 Verification of Background

To assure a highly qualified employee population, HICA requires that all job candidates be screened through a check of three (3) references before an offer of employment is made.

A computer background check to verify work experience, relevant education, or other credentials will be conducted by an outside screening agency. These checks are done in a secured environment. This information including 3 professional references must be received and reviewed by the selecting manager before a final decision to hire an individual is made. The candidate's current employer will not be contacted without the candidate's permission.

In the event that an HICA employee is contacted by an outside source to verify the employment of current or past personnel or to act as a reference, it is HICA policy to provide only "neutral references". This means that only the following information is provided:

- * Verification of Employment by HAT ISLAND COMMUNITY ASSOCIATION.
- * Dates of Employment (Includes Hire Date and Termination Date)
- * Job Title

Salary information will not be released to outside sources unless it is requested in writing and accompanied by an authorization that has been signed by the subject employee.

4.4 Offer Letter

Employees will receive an offer letter indicating the position title, employee status, authorized hours per week, an overview of duties, identification of compensation and benefits and the period of employment

4.5 Employee Orientation

During an employee's first week of employment, management is responsible for communicating HICA goals and policies and ensuring that all appropriate forms are completed.

The employment eligibility of all newly hired employees must be verified under the guidelines of the U S Immigration and Naturalization Service (INS), including the completion of Form I-9. The hiring manager must review the appropriate documentation, specified by the INS, and verify each new employee's identity and eligibility for employment in the United States.

It is the responsibility of each individual manager and designated lead to conduct a thorough orientation of the appropriate operating organization and functions, the employee's role, training, performance evaluation and any other matters relevant to the new employee's position.

4.6 Transfers

In filling available openings, HICA will give full consideration to applications from qualified current employees. The employment decision will be made by the manager of the hiring function based on the employee's qualifications for existing job vacancies.

Employees who transfer to a different HICA function/department will maintain their existing company seniority.

4.7 Terminations

When termination of employment occurs, for any reason, it is the responsibility of the employee's manager to ensure that the appropriate documents are completed and forwarded to the personnel and payroll functions, and that all HICA owned property is recovered.

4.7.1 Termination for Cause

Any termination for cause will be handled on a case by case basis. The HICA Board President will review each case with the Island Manager prior to notifying the employee of the termination.

4.7.2 Reduction in Workforce

Employees affected by a reduction in work force will be given a reasonable amount of notice, as conditions permit. The Island Manager will be consulted by the HICA Board members prior to initiation of a reduction in work force.

4.7.3 Resignations

Written resignations should be provided to management from any terminating employee at least two (2) weeks prior to the date of separation.

HICA management will determine whether it is advantageous to HICA for terminating employees to work the final two weeks of their employment.

4.8 *Exit Interviews*

All terminating employees will be asked to participate in an exit interview with a management representative. The exit interview should include:

- * Collection of HAT ISLAND COMMUNITY ASSOCIATION property
- * Discussion of IRA account (if applicable)
- * Arrangements for final paycheck

5. **PERFORMANCE APPRAISAL & COMPENSATION**

5.1 *Overview of Performance Appraisals*

Performance appraisals are used to evaluate employee performance relative to the performance standards of the job. It is the basic responsibility of all managers to review the work of the people reporting to them.

Performance appraisals should be used to measure performance against standards, prescribe means and methods of correcting deficiencies and establish goals for the following rating period.

5.2 *Performance Appraisal Guidelines*

Annual performance reviews are to be completed based on performance during the established rating period. Formal performance appraisals are to be completed on each employee annually. In evaluating performance, reviewers are expected to maintain objectivity. Performance reviews should take into account the following:

- * Performance should be evaluated over the entire rating period without being unduly influenced by one incident.
- * Goals established at the beginning of the rating period should be compared with employee performance throughout the rating period.
- * Employees should be evaluated as individuals against agreed-upon standards and not merely in comparison to other employees.
- * Performance appraisals should be completed independently of salary actions.

- * It is the responsibility of the employee's manager to complete the appraisal on a timely basis and discuss it with the employee.
- * In conducting the performance evaluation with the employee, the manager should recognize the employee's strengths and accomplishments, identify opportunities for improvement and establish goals for the following year.

5.3 Performance Appraisal Forms

The employee performance appraisal forms currently in use within HICA are located in Appendix A of this manual.

5.4 Wage / Salary Determination

HICA operating management has the authority to make salary determinations for new and current employees subject to HAT ISLAND COMMUNITY ASSOCIATION Board guidelines.

HICA salary determinations strive to be internally equitable as well as externally competitive. HICA'S goal is to maintain a competitive posture in the marketplace while recognizing and balancing internal job worth and individual performance. Merit salary increases are based on performance and will reward outstanding accomplishments. However, a performance review does not necessarily generate a salary increase.

Compensation programs within HICA will be designed to attract qualified applicants and retain skilled current employees. Periodic reviews of job classifications and related market-based compensation will be conducted to assist in making future salary determinations.

5.5 Overtime Compensation

HICA compensates non-exempt employees for authorized overtime worked in accordance with the provisions of the Fair Labor Standards Act. All overtime work requires the prior approval of the employee's manager.

In compliance with federal law, overtime for non-exempt employees is paid for actual time worked in excess of forty (40) hours per week, at a rate of one and one-half times the hourly rate. HICA will also comply with state mandated overtime requirements. Management employees are generally exempt and do not qualify for overtime compensation.

The general rule for HICA employees who work overtime is that they will receive monetary compensation for such earned overtime rather than being given time off in lieu of pay for overtime hours worked. However, management may permit compensatory time off for overtime worked (at the rate of time and one-half) to be granted to employees who request it, provided that the compensatory time is permitted by applicable law and is taken not later than the pay period immediately following the one in which it was earned. All compensatory time is tracked by the office manager.

6. EMPLOYEE ABSENCES

6.1 Vacation

All HICA regular full-time and regular part-time employees are eligible to earn paid vacation based on the number of hours worked. Time off for vacation must be approved in advance by the employee's manager. Approval of vacation is contingent upon current staffing and scheduling needs of the particular work group. When there is a conflict in employee preference for scheduling, work group seniority will be the determining factor.

A new employee begins accruing vacation at the start of employment.

All Regular full-time and part-time employees will receive credit for years of service. Vacation is accrued at a rate based on the following schedule; years of service are based on anniversary of hire:

* First year*	5 days/year	Accrued at the rate of .0192- hr./regular hr. worked
* 2 nd and 3 rd year	10 days/year	Accrued at the rate of .0385 hr./regular hr. worked
* 4 th and 5 th year	15 days/year	Accrued at the rate of .0577 hr./regular hr. worked
* 5 th thru 10 th year	20 days/year	Accrued at the rate of .0769 hr./regular hr. worked
* 11 th on	25 days/year	Accrued at the rate of .0962 hr./regular hr. worked

Vacation may be advanced to employees during the year. If an employee terminates and has taken advanced vacation, the unearned vacation will be deducted from the employee's final paycheck.

Vacation will normally not be taken in blocks of more than 14 calendar days.

Vacation is intended for the rest, recreation and mental health needs of employees. Vacation is intended to be taken during the current year; however, employees may accrue up to two years of vacation at any one time although at no time may an employee accrue more than eight weeks of vacation. Vacation in excess of two years allocation or 8 weeks whichever is less, will be lost on the anniversary of hire each year. Upon termination HICA will pay the terminating employee up to 4 weeks of accrued vacation. Vacation in excess of 4 weeks is lost at termination. Terminating employees will receive payment in their final paycheck for accrued vacation not taken.

* Hire date is used to determine years of employment for vacation time accrual (Need to review this)

6.3 Sick Leave

Regular full-time and Regular part-time employees earn sick leave based on the amount of hours work. It is accrued at the rate of .0577 hr./regular hr. worked. A sick day is fairly self-explanatory and can be used for everything from a common cold to a more serious illness that could require hospitalization or even surgery. Sick days taken in conjunction with vacation must be accompanied by a written doctor's explanation. Sick days may be carried over year to year but at no time may an employee accumulate more than 4 weeks of sick days. Sick days have no monetary value and are not paid out at termination.

6.4 Personal Days

Regular full-time employees are authorized 2 personal days per year. Personal days are meant to provide for employees to deal with personal matters such as legal issues, religious holidays, eye glass, dental cleanings and other necessary personal issues not falling under sick time. Personal days are not carried over year to year and are not accrued year to year but are lost each year on December 31st if not used. Personal days have no monetary value and are not paid out at termination. Personal days are not allowed to extend a holiday or vacation.

6.5 Holidays

Regular full-time employees will be compensated at their usual base pay rate when a listed holiday occurs on a normally scheduled work day. Regular part-time employees will be compensated at a prorated rate of the base pay. Employees whose normal work schedules require holiday work are not compensated at overtime rates. Generally, a designated holiday may be the Friday or Monday preceding or following a recognized holiday. An alternate day will be scheduled for employees required to work on observed holidays, or additional pay (at regular pay rates) will be added to the employee's paycheck if there is no suitable date within the pay period to adjust the employee's work schedule.

New Year's Day
President's Day
Memorial Day
Independence Day
Labor Day
Thanksgiving Day
Christmas Day

In addition to the above recognized holidays, HICA management team will designate at their discretion any supplemental paid days. Generally, a designated holiday may be the Friday or Monday preceding or following a recognized holiday. If necessary, an alternate day will be schedule for employees required to work on observed holidays.

6.6 *Vessel Work Schedule*

All vessel activities, work schedules and holidays are coordinated by the Port Captain in conjunction with the Island Manager. Due to unique Island demand, vessel schedules may change on short notice.

6.7 *Medical Leave of Absence*

When an employee becomes aware of a medical condition that may require an extended leave, management is to be notified in writing of the estimated duration of the absence. Medical disability leaves will be granted if medical proof substantiating the condition is provided. An employee's job or a comparable position will be available for up to three months except in cases where specific state law mandates otherwise.

Medical Benefits, if any, for fulltime employees will continue for the approved period of the medical leave as it does for other regular employees while on an approved leave. Beyond the approved medical leave, continuation of medical benefits will be determined by the Board of Trustees on a case-by-case basis.

Employees may use their accrued vacation and sick days for medical leaves. They will continue to accrue time off while on paid-leave status.

6.8 *Personal Leave of Absence*

Employees may be authorized by HICA management to take an unpaid leave of absence for personal reasons.

6.9 *Military Leave of Absence*

When employees are called to active duty for annual reserve component training in the U.S. Armed Forces, they will be granted an unpaid military leave of absence for the customary two-week period. In such cases, individuals maintain their regular employee status with respect to benefits coverage, seniority and accrual of time off.

6.10 *Jury Duty*

Employees required to serve on jury duty must furnish HICA with a copy of the summons. An employee's job will be held open during the period of jury service. In addition, regular employment status will be maintained for purposes of benefits coverage and accrual of time off.

6.11 *Compassionate Leave*

In the event of a death in an employee's immediate family, paid leave of up to five regularly scheduled work shifts will be granted for each occasion. Immediate family is defined as spouse, children, parents, parents-in-law, brothers/sisters, grandparents and grandchildren. This leave is granted to any employee working for the HICA.

6.12 *Employee Attendance for Emergency Fire or EMS Calls*

Any employee who is a member of the District 27 Fire Department on Hat Island, shall be compensated during regular business hours for time spent responding to fire or EMS emergencies after being dispatched by Snohomish County Communications (“SnoCom”).

7 EMPLOYEE BENEFITS

7.1 *Health Insurance*

Currently the HICA does not provide health insurance to its employees.

7.2 *Continuation of Health Benefits: COBRA (Consolidated Omnibus Reconciliation Act).*

Currently COBRA is not offered to employees.

7.3 *Vehicle*

Certain employees, because of the nature of their job are given the use of an HICA owned vehicle. HICA vehicles may be restricted for personal use. This will be determined by written agreement. Certain other employees receive a fuel allowance for use of their personal vehicles.

7.4 *Retirement*

HICA may offer its regular employees’ participation in a retirement plan. Details of this plan are provided under separate cover and may be changed at any time at the discretion of the Trustees.

7.5 *Other*

Other benefits may be offered to certain employees based on the nature of their duties. If offered, these additional benefits will be listed in the employee’s offer letter.

8 DISCIPLINARY PROCEDURES

HICA seeks to resolve performance problems in the most constructive manner possible. In cases where disciplinary action may be necessary, it is recommended that management consult with the Island Manager/Board President/Board of Trustees before taking action.

8.1 *Progressive Discipline*

Disciplinary action will be taken whenever an employee's behavior or performance falls below a satisfactory level as determined by management. Employees who fail to comply with legal requirements or general community standards of conduct may have their HICA employment terminated.

Violations of HICA rules or standards may result in immediate termination. In cases of violations deemed serious by management, management reserves the right to bypass some disciplinary steps and apply other steps up to and including termination. Less serious violations and individual performance deficiencies will result in a series of progressive disciplinary steps as outlined below:

Step 1: Oral Counseling

Following the first occurrence of an infraction or deficiency, the employee will be counseled concerning the performance deficiency or incident. A witness should be present and the conversation must be documented for the record.

Step 2: Written Notice

After a second occurrence or a failure to correct a deficiency, a written reprimand will be presented to the employee with a witness present. Both manager and employee should sign the written reprimand and a copy should be maintained for the record.

Step 3: Termination

A third occurrence of a rule violation or a failure to improve performance may result in a termination of employment.

At each stage of the progressive discipline process, management will inform the employee of the violation or performance deficiency. Management will also provide specific guidelines for corrective action and will establish a reasonable timeframe for improvement or correction. The use of progressive discipline is solely within the discretion of HAT ISLAND COMMUNITY ASSOCIATION, the Island Manager and Board of Trustees.

8.2 Management Review

It is recommended that all progressive disciplinary actions be reviewed by the Board President. The decision to terminate an employee will be reviewed and affirmed by the Board of Trustees.

Management review is for the benefit of HICA and is not an employee right of appeal. Reviewing management will ensure that the recommended action is supported by the facts and is documented for the record.

9 EMPLOYEE COMMUNICATIONS

9.1 Accessibility of Management

All managers throughout the organization will remain accessible to their employees in the working environment. The maintenance of a two-way communication process is essential for developing and preserving effective employment relationships as well as for stimulating creative solutions to operational problems.

Prompt Resolution of Issues

Every manager will attempt to resolve issues of concern to employees in a prompt and equitable manner. Although it is unrealistic for any organization to achieve a complete resolution of every issue raised by its employees, an open and positive approach by management will increase the prospects for success. Problems should be solved at the earliest stage of development by the manager most closely involved.

10 PERSONNEL FILES

10.1 Contents

A record of employment or individual personnel file will be maintained for each employee by the local operating company. To ensure that all HICA employment information is consistent, all personnel files should contain the following information:

- * Application form and resume
- * Signed offer letter
- * I-9, Immigration and Naturalization Service
- * W-4, Federal Withholding Form
- * State Withholding Form (if applicable)
- * Signed Confidentiality Agreement

- * Performance Evaluation Forms
- * Pay change notices
- * Job classification change notices
- * Letters of commendation
- * Records of disciplinary action

Since it is important to keep all personnel data accurate and up-to-date, employees are urged to notify the Office Manager of all status changes. Such information includes: change of address, telephone, marital status, name, number of dependents, beneficiaries, emergency contact and educational or professional accomplishments.

10.2 *Security*

Due to the highly confidential nature of information contained in the personnel file, all files are maintained in a locked file cabinet at the office location.

10.3 *Accessibility of Personnel Files*

Employee personnel files are the property of HAT ISLAND COMMUNITY and are subject to all applicable federal and state laws. Due to the confidentiality and sensitivity of personnel information, access to personnel files is limited to:

- * HICA management
- * HAT ISLAND COMMUNITY ASSOCIATION Board of Trustees

Individual employees may be permitted to review their personnel file in the presence of a HICA management person, but in any event HAT ISLAND COMMUNITY will comply with applicable law. Employee files and all items in them are the property of HIC, employees may request copies of items in their files and these will be provided within 5 business days of the date of a written request.



3616 Colby Ave., PMB 335 - Everett, WA 98201
 Office: 360-444-6611 - FAX: 360-444-6614
 "www.hatisland.org"

APPLICATION FOR EMPLOYMENT

We are an Equal Opportunity Employer. Applicants for all job openings are welcome and will be considered without regard to race, color, religion, national origin, sex, age, sexual orientation, physical or mental disability, or any other basis protected by state, federal or local law. It is the intent of HIC to comply with all applicable federal, state and local legislation concerning equal opportunity in employment.

To help us learn about your experience, abilities, and interests, please complete this Application for Employment as thoroughly as possible.

PERSONAL INFORMATION

NAME: Please PRINT or TYPE	Social Security No.	Home Telephone No.
ADDRESS: Street Number and Name, City, State, Zip Code	Number of years at present address?	Message/Business No. + Ext. ()
PREVIOUS ADDRESS: Street Number and Name, City, State, Zip Code	Number of years at previous address:	
Can you, after employment, submit verification of your legal right to work in the United States? <input type="checkbox"/> YES <input type="checkbox"/> NO		
Are you over 18? If hired, do you have a reliable means of transportation to get to work? <input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> YES <input type="checkbox"/> NO		
Have you ever been convicted of a felony, or for child abuse or sex-related crimes? (Do not include marijuana related convictions which occurred more than two years prior to the date of this application) <input type="checkbox"/> YES <input type="checkbox"/> NO If yes, please explain: (A conviction will not necessarily disqualify you.)		
Please refer to the attached job description for the position to which you are applying. Are you able to perform all of these tasks with or without an accommodation? <input type="checkbox"/> YES <input type="checkbox"/> NO		
Please describe below which tasks, if any, you will need an accommodation to perform, and explain what type of accommodation you will need:		

EMPLOYMENT DESIRED

Position Applied For:	Date Available	Salary desired
Are you presently employed? <input type="checkbox"/> YES <input type="checkbox"/> NO If yes, may we contact your present employer? <input type="checkbox"/> YES <input type="checkbox"/> NO		
Please refer to the attached job description for the position for which you are applying. Will you be able to work the schedule described therein? <input type="checkbox"/> YES <input type="checkbox"/> NO If not, please describe how the Company could accommodate you:		
Have you ever applied at HICA before? <input type="checkbox"/> YES <input type="checkbox"/> NO If yes, when?	Have you ever been employed by HICA before? <input type="checkbox"/> YES <input type="checkbox"/> NO If yes, when?	
How were you referred to HICA? <input type="checkbox"/> Advertisement <input type="checkbox"/> Employee Referral <input type="checkbox"/> Walk-In <input type="checkbox"/> Agency <input type="checkbox"/> Other (please specify below) (Please identify source below) _____ Name of Employee _____		

EDUCATION AND TRAINING

SCHOOL NAME & LOCATION	Years Attended From To	Graduate? (Yes/No)	What Degree	Major Subject/ Total Hours (if applicable)
Elementary				
High School				
College/University				
College/University				
Highest Degree Earned (Circle one number only): 1. High School 2. Associate 3. Bachelor 4. Master 5. Doctorate				Overall College Scholastic Average
Additional Education, Vocational and/or Professional Information such as special areas of research or study, seminars, etc. Please attach any written resume or other summary of information that is relevant to the position for which you are applying. If familiarity with a foreign language is listed on the job description, please describe your foreign language skills below.				
Professional memberships, certificates or licenses held. (Exclude those indicating race, color, religion, sex, sexual orientation, national origin, age, physical or mental disability or labor organization affiliations.) Supplement this information by written attachment if applicable.				
<input type="checkbox"/> Keyboarding _____ WPM	Computer Skills, i.e. Microsoft Office-Word, Excel, Outlook, etc.		<input type="checkbox"/> Other machines requiring special skills:	

U.S. MILITARY SERVICE DATA

Branch:
List Special Training or Skills:

EMPLOYMENT DATA

PLEASE LIST IN ORDER OF MOST RECENT EMPLOYMENT FIRST			PERSONNEL USE ONLY
Company Name	Phone No. ()	Dates of Employment From (Mo/Yr) To (Mo/Yr)	
Address (Include Street, City, State, Zip Code)			
Job Title-Start	Job Title-Final	Base Rate of Pay Start Final	
Supervisor (Name & Title)			
Description of Job Duties			
Company Name	Phone No. ()	Dates of Employment From (Mo/Yr) To (Mo/Yr)	
Address (Include Street, City, State, Zip Code)			
Job Title-Start	Job Title-Final	Base Rate of Pay Start Final	
Supervisor (Name & Title)			
Description of Job Duties			
Company Name	Phone No. ()	Dates of Employment From (Mo/Yr) To (Mo/Yr)	
Address (Include Street, City, State, Zip Code)			
Job Title-Start	Job Title-Final	Base Rate of Pay Start Final	
Supervisor (Name & Title)			
Description of Job Duties			
Reason for Leaving:			
Company Name	Phone No. ()	Dates of Employment From (Mo/Yr) To (Mo/Yr)	
Address (Include Street, City, State, Zip Code)			
Job Title-Start	Job Title-Final	Base Rate of Pay Start Final	
Supervisor (Name & Title)			
Description of Job Duties			

REFERENCE DATA

PROFESSIONAL/WORK REFERENCES WE MAY CONTACT

Name	Address	Area Code	Phone

**EMERGENCY CONTACT DATA
TO BE USED IN CASE OF EMERGENCY**

Name	Phone	Relationship

PRE-EMPLOYMENT CERTIFICATION

I understand that this application is only valid for the position applied for at present and that HIC is not obligated to retain or consider this application for future openings.

Initial

I authorize investigation of all statements contained in this application. I understand that falsification, misrepresentation or omission of facts called for will result in immediate termination from employment or removal of my application from consideration. I authorize HIC to secure information about my experience with former employers, education institutions and agencies, and for those parties to provide information concerning my experience releasing all parties from any liability arising there from.

Initial

If employed by HIC I will abide by the Community's policies and rules. I understand that I will be required to possess a current and valid driver's license if my position requires me to drive in the course of my work.

Initial

If I am offered employment, I understand and agree that I may be required to undergo a physical examination at HIC's expense and that my offer of employment may be conditioned by that examination. I agree to authorize release of all results or information obtained from such physical examinations.

Initial

I agree to submit to legally permissible drug and/or alcohol testing upon request by HIC. I recognize that the results of these tests may be used to determine my employment or continued employment. I understand and expressly agree that if employed by HIC storage areas provided for me (locker, desk, etc.) are open to investigation by HIC without prior notice to me.

Initial

If I am employed by HIC, I understand my employment can be terminated, with or without cause and with or without notice, at any time at the option of HIC or myself. I understand that, other than the PRESIDENT of HIC, no manager, supervisor or representative of HIC has authority to enter into any agreement for employment for any specific period of time, or to make any agreement contrary to the foregoing. Only the PRESIDENT of HIC has the authority to make any agreement contrary to the foregoing and then only in writing. I further expressly agree that, with respect to the at-will employment relationship, this constitutes the full, complete and final expression of the parties' intent concerning the nature of any employment relationship between myself and HIC.

Initial

My signature below certifies that I have read and understand the foregoing and to the best of my knowledge and belief, the information on this form is true and correct.

My signature below also certifies that I agree to be bound by the terms and conditions stated in this application. This application contains all the understandings and agreements between me and HIC concerning the nature of my employment, if any, by HICA and supersedes all prior and/or contemporaneous practices, oral or written agreements, understandings, statements, representations and promises, express or implied, between me and HIC. I understand and agree that, except as noted above, no person who is either an agent or employee of HIC may modify, delete, vary or contradict, whether orally or in writing, the terms and conditions set forth herein.

Applicant Signature

Date of Application

FOR EMPLOYMENT DEPT. USE ONLY

Interviewer's Signature

Date

Employee Code of Ethics and Rules of Conduct

Hat Island Community Association

As an employee serving the interests of the Hat Island Community Association, I agree to the following code of ethics and rules of conduct:

Be knowledgeable:

Read and become knowledgeable of the Articles of Incorporation, Bylaws, and Covenants and Restrictions of Hat Island, and all policies and regulations that apply to the scope of their employment such as: ferry rules, marina and golf rules etc. In addition, each employee will review and understand the Employee Handbook and Personnel Policy Guide as developed and approved by the Island Manager and Board.

Act in the community's interest at all times:

Employees shall strive for the common good of the Association, foregoing personal interests. No gifts of any type (other than the employee bonus fund, Christmas gifts) shall be accepted by any employee from any resident, contractor, or supplier that implies return services will be provided. Conflicts of interest must be avoided. An employee must notify the Island Manager if they find they have a conflict of interest relating to contracts with subcontractors, suppliers, and vendors with whom the employee has a personal relationship (e.g. partnership, friend or relative) or with whom the Employee stands to benefit in any way. No promise of anything can be made to any resident, subcontractor, supplier, or contractor during negotiations without the approval of the Island Manager and Board as a whole. The selection of vendors, suppliers, and subcontractors and any subsequent business relationship shall be in full compliance of the Hat Island Community Association procurement guidelines, as developed and approved by the Island Manager and Board.

Do not engage in unlawful acts:

All actions of the employee shall comply with governing documents, island policies and procedures, and the law.

Maintain a high standard of conduct:

Employees are in the spotlight. Their conduct should be above reproach and avoid the appearance of impropriety. This holds for all employee work activities and processes including (but not limited to) the procurement of goods and services, collection and accounting of Association funds, use of Association owned assets (vehicles and other operations equipment), use of time, use of Association owned phones and computers, handling of legal proceeding information, and any interaction with vendors, contractors, subcontractors, and homeowners. An employee may not knowingly misrepresent any facts to anyone involved in anything with the community that would benefit himself/herself in any way.

Demonstrate mutual respect

Employees, even if they are home or property owners on the island, shall, at *all times*, address each other, homeowners, board members, committee members, volunteers, vendors, contractors, and subcontractors with respect, even when in disagreement. Personal attacks and rumor spreading against fellow employees, homeowners, board members, committee members, vendors, contractors, or subcontractors are prohibited and are not consistent with the best interest of the community. Differences of opinions will exist. They should be expressed in a clear and respectful fashion. Employees will follow proper procedures for reporting and resolving problems in the workplace with the Island Manager.

Be prepared:

Employees shall report for duty on time and ready to start work. All work assignments must be executed in a timely fashion. If an employee needs to be away from their work place for any reason they will provide timely notification to the Island Manager. Employees will not place volunteers or committee members under their control in a position of responsibility requiring decision making on behalf of the Association.

Maintain safety at all worksites and community areas:

Employees will foster and support a safety-conscious environment for fellow employees, homeowners, vendors, and contractors. Safety hazards of any kind will be reported immediately. Hazards will be safeguarded until remedied. Accident prevention will be a priority for all employees. All employee,

homeowner, guest, contractor or vendor accidents will be promptly reported to the Island Manager. All employees will comply with drug and alcohol policies as stated in the Employee Handbook and Personnel Policy Guide.

Maintain confidentiality and public trust:

Employees shall not share sensitive information and will respect the privacy of all other homeowners, staff, board members, vendors, contractors, and subcontractors. Issues and concerns will only be communicated to those directly involved. Gossip and rumor milling will not be tolerated. Any communication (written or verbal) that has not been entered into the public record at a board meeting shall be assumed to be sensitive information.

Maintain a supportive and positive attitude:

Employees shall encourage co-workers, volunteers and committee members to promote better performance and teamwork. Conversations and correspondence between individuals within the association or between members must be solution oriented.

Be loyal:

Employees shall respect the authority of the Board and Island Manager by not undermining Board/Manager decisions, actions, and enacted policy.

Respect the rules:

Employees shall obey Association rules to set a positive example for others. Employees are not "above the law".

I, the undersigned, certify that I have read, understand, and agree to abide by the Employee Code of Ethics and Rules of Conduct. I agree my actions will fully comply with the statements and intent of the Code of Ethics and Rules of Conduct. I further understand that violation of the Code of Ethics and Rules of Conduct or Employee Handbook and Personnel Policy Guide may be grounds for suspension or termination of employment.

Signed _____ Date _____

Purpose

The purpose of this code of conduct is to codify standards that are reasonably designed to deter wrongdoing and to promote:

- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) Avoidance of conflicts of interest, including disclosure to an appropriate person or persons identified in this code of any material transaction or relationship that reasonably could be expected to give rise to such a conflict;
- (c) Full, fair, accurate, timely, and understandable disclosure in reports and documents that the HICA files with, or submits to;
- (d) Compliance with applicable governmental laws, rules and regulations;
- (e) The prompt internal reporting to an appropriate person or persons identified in this code of violations of the code; and
- (f) Accountability for adherence to the code.

Policy

The Island Manager and their staffs are relied upon by the Association to:

- Develop honest and accurate financial statements.
- Safeguard company assets.
- Prepare honest and meaningful financial plans, forecasts and analyses of business proposals.
- Enforce Corporate policies in relevant areas (e.g., Cash Disbursements, Business Ethics, Capital Appropriation, Accounting, Financial Planning and Analysis, Tax compliance, Financial Operations).
- Ensure that effective internal accounting and operating controls are maintained.
- Provide objective feedback to the Board and Association on business alternatives.

The Associations ownership and Board look to the Island Manager/Financial staff to prepare and disclose financial data that fairly present the Association's financial position, results of operations and cash flows in accordance with generally accepted accounting principles, consistently applied.

Definitions:

- "Senior Financial Management" shall include, without limitation, the Board of Trustee's President and Finance Chair (volunteer Board Appointed), Island Manager, or persons performing similar functions.
- "Financial Management" shall include Board Representatives, Island Manager.,.

- "Financial Staff" shall include without limitation all employees working in departments handling financial transactions (Office, Ferry, Golf, Marina, Fuel etc.).
 - **Requirements:**
1. All HICA staff must meet the highest levels of honesty, integrity, objectivity and independence and comply with all relevant laws, governmental regulations, corporate policies, ethics requirements and professional standards. Additionally, all staff must also have leadership responsibilities that include creating a culture of high ethical standards and a commitment to compliance; maintaining a work environment that encourages employees to raise concerns; and promptly address employee compliance concerns.

Minimum Standards: All Financial Personnel must:

- Avoid actual or apparent conflicts of interest and to report any material transaction or relationship that reasonably could be expected to give rise to such a conflict as required by this Code. A conflict of interest occurs when your personal interests interfere in any way, or even appear to interfere with, your professional responsibilities or the interests of the HICA as a whole.
 - Refrain from participating in any activity that would prejudice their ability to carry out their duties ethically.
 - Not accept, from any supplier or owner of the HICA, gifts, payments, favors, special considerations, which go beyond common courtesies usually associated with accepted business practice
 - Communicate unfavorable as well as favorable information and professional judgments or opinions.
 - Maintain awareness of laws, regulations, etc. and request appropriate legal advice as required.
 - Be cognizant of potential violations of HICA policies or laws that become visible through financial data and knowledge of business operations and report these as appropriate.
 - Set a visible example of commitment to the letter and spirit of this Code for all personnel who handle financial transactions.
 - Maintain appropriate professional standards in the documentation of accounting and other finance matters and in HICA communications including e-mail correspondence.
2. All financial personnel are responsible for reporting financial data accurately and in accordance with generally accepted accounting principles, governmental regulations and corporate policy; and take

appropriate measures to protect the HICA's assets including proprietary information against loss, theft and misuse.

Minimum Standards: All Financial Personnel

- Maintain an acceptable level of internal controls.
 - Record and report financial information, e.g., Actuals, Plans, Projections, and Financial Analyses accurately and honestly.
 - Accurate and honest reporting means that all information is to be communicated fairly and objectively. This includes disclosing fully all relevant information that could reasonably be expected to influence an intended user's understanding of the reports, comments and recommendations.
Reported financial data must not be influenced by:
Operating unit or individual performance or compensation objectives,
Plans and forecasts, and
Organizational commitments.
 - Dishonest reporting is not only strictly prohibited; it could lead to civil or even criminal liability, for the individual as well as the HICA. This includes reporting information or organizing it in a way that is intended to mislead or misinform those who receive it.
 - Take appropriate steps to protect against unauthorized distribution and/or disclosure of confidential data to anyone without a "need to know".
3. The Board/Island Manager must ensure that Financial staffs have the appropriate level of functional expertise to accomplish operating and ethical objectives.

Minimum Standards: Staff with key financial responsibilities:

Should contain the appropriate mix of financial and operational skills Staff should contain the appropriate mix of financial and operational skills such as:

- Accounting and internal control
- Taxes
- Information Systems
- Financial Planning
- Financial Analysis
- Revenue Management

Staff must be provided with adequate ongoing training and be fully aware of all HICA policies and procedures.

Staff should not be reduced to a level that precludes the ability to meet the minimum levels of internal control.

The Board or Island Manager must refrain from exerting pressure on accounting personnel, with respect to accounting judgments and estimates, for the purpose of inappropriately influencing reported financial results.

Reporting Code of Conduct violations

Code of Conduct violations, including conflicts of interest, should first be reported to the next highest level of management and Board of Trustees. If the violation is not appropriately addressed, the violation should be reported HICA attorney.

Enforcement

Violation of ethics policies, the Finance Code of Conduct, falsification of records or any other unethical behavior may lead to severe disciplinary action including termination of employment with the HICA. In addition, the HICA may have a disclosure obligation as a result of fraud committed by an individual involved in internal control.

Responsibilities

The Island Manager must distribute this policy to their staff and ensure that each employee understands the contents of the policy.