



Hat Island Community

Business
NEWS

Official Business News Publication for the Hat Island Community

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March 2014 Board Meeting

Date: 3/15/2014

Time: 10:30 am

New Location

Port's Waterfront Center

(where Scuttlebutt's is)

Second floor Blue Herron Room B.

We look forward to seeing you there!

Finance Committee Notice

"The Finance Committee is currently working on the next edition of the Frequently Asked Questions (FAQs). If you have any questions, please send them to HICFAQs@gmail.com."

If you have any questions, please contact
Cynthia Petrie, John (at 206-769-3322) or me.

Thanks!

Mandy Melgaard
cell: 206-380-5779

April Business News Submission Deadline

Business News April Edition

Deadline: March 22nd 2014

For Board Approval

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Board Meeting Minutes December 21st 2013 (1 of 3)

Minutes of Hat Island Regular Board Meeting, December 21, 2013

Community notice was provided on December 17, 2013 for the December 21, 2013 Regular Board meeting. The meeting was held at the Hat Island Yacht and Golf Club and was called to order at 10:35 AM by Gary Duffner, Board President. Treasurer Larry Bender, Secretary Karen Conner, and Board member Kerwin Manuel attended in person and Vice President Mike Zyskowski, and Board members Alan Dashen and George Harmon attended via teleconference.

Minutes:

The Board discussed the Nov 16, 2013 Board meeting minutes as provided by the Secretary on Dec 5 and determined no revisions were needed before being included in the Business News distribution to the Community.

Karen motioned to approve the November 16, 2013 Regular Board meeting minutes as distributed to the Board on December 5. Gary seconded.

Voting results: motion unanimously approved.

A Communications Committee member requested to continue the practice of distributing the minutes and addressing the approval of the minutes in the next Board meeting.

Announcements:

None

Community Input

2014 Budget Ratification Ballot

A community member pointed out an anomaly in the portion of the ballot that is returned to cast a vote in the ratification of the 2014 budget. The ballot slip referred to the "2014 Budget as approved by the Board of Trustees on March 17, 2012".

The budget description attached to the ballot correctly referred to and presented the budget as that approved by the Board on November 16, 2013. The Board confirmed that the budget attached to the ballot was indeed the 2014 budget as approved on November 16, 2013.

Potential courses of action were discussed and it was determined that clarification would be included with the assessment mailing to indicate that the budget description included with the ballot was indeed that passed by the Board on November 16, 2013.

A Finance Committee member indicated that he researched the HIC bulldozer and found that it came from the Caterpillar factory and is not "gray market" as referred to during previous budget discussions.

A community member expressed concern over the cash flow in the last quarter of the year and the reserve balance in the out years. It was noted that the Finance Committee would be asked for a recommended method to allocate funds to the marina loan as assessment payments are received, as discussed during the November 16 Regular Board meeting.

Puget Sound Yacht Club Docks

A community member inquired as to the next steps regarding the PSYC docks. It was noted that the PSYC Board and

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December 21st 2013 (2 of 3)

membership have approved the HIC proposal for transition to HIC ownership. Details such as liability during the transition have not been negotiated.

Alan motioned to send the proposal to the HIC attorney to work agreement of remaining details with PSYC and bring back to the Board. Karen seconded the motion.

Voting results:

Yes: Alan, Karen, Kerwin, Mike, George

No: Larry, Gary

Motion passed.

Kerwin motioned to cap the attorney fees for working the PSYC agreement at \$2000. Alan seconded.

Voting results:

Yes: Kerwin, Alan, Mike, Karen

No: Larry, Gary

Motion passed.

The PSYC Committee, chaired by Bob Gowing, is assessing the options, in addition to the PSYC proposal, that will be presented to the Board for Community vote.

Correspondence:

None

Committee Reports:

- Puget Sound Yacht Club Committee
 - Committee is chaired by Bob Gowing. Membership includes Board member Alan Dashen with the remainder of the membership in work.
 - The committee will identify any additional options for PSYC docks.
- Island Manager's Search Committee
 - Committee is chaired by Kevin Smith and membership established, including Linda Ebner, John Melgaard, Jim Murphy, and Becki Snellenberg.
 - Workshops will be scheduled over the next few weeks.
 - See Business News for full committee report.
- Division H Committee
 - Committee is chaired by Zona Wyatt. The committee charter and membership will be available in the January 18, 2014 Regular Board Meeting.
- Technology Committee
 - Committee is chaired by Kerwin Manuel. Kerwin is seeking members.
- Golf Committee
 - Looking for volunteers to help aerate in the spring.

Old Business

Budget Ratification and Audit Waiver

Thank you went out to the volunteers who counted the ballots. The results were read and are to be ratified by the full Board after discussion.

Division H Status

The Island Manager is continuing to work on the catch up plan as weather permits. The Island Manager drove to H48 after the clearing the prior week and it was passable without four wheel drive.

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A community member expressed concern regarding reduced road width near H33 due to placement of ecology blocks protecting the stand pipe.

The Island Manager was asked to move the ecology blocks near H33 as soon as possible taking into account weather and safety.

The Island Manager asked the Board to review the priority list and approve or comment.

Parking in Everett Marina

The Island Manager reiterated that the HIC parking will be moved 300 feet to the east off the graveled area due to Port of Everett revitalization plans and shoreline management requirements.

50 preferred parking spaces will be available for purchase through this year. After this year, there is no agreement or requirement to accommodate HIC parking as preferred.

Island Manager asked the Board to prioritize the efforts to address the parking. The Board President asked Vice President Mike Zyskowski to investigate a chair for the Everett Marina Parking Committee.

Gas Pump

Kerwin Manuel looking into systems to offer payment options other than cash or check and potentially expanded hours of operation.

New Business

Car Fees

Board to establish car fees, referenced in the 2014 budget, no later than Jan 8 to support invoicing.

A community member noted that the Long Term Planning Committee recommended fees for golf carts and ATVs as well as cars and trucks.

Tire marking underway for the long term parking fees in the marina parking lot for the Sept – March time frame.

Kerwin motioned to enforce the Long Term Parking Policy for the marina parking lot. Gary seconded.

Voting results: motion unanimously approved.

Marina Fees

Board to establish updated marina fees no later than Jan 8 to support invoicing.

Kerwin asked the Marina Committee to revise the Marina rules with feedback from the Island Manager and the Harbor Master to ensure the revised rules are enforceable.

Water Billing Cycle

The Board agreed with the Island Manager's request to start the quarterly billing cycle for water usage in January as opposed to December.

This will improve cash flow in the last quarter and avoid the high-volume of mail during the December holiday season.

Kerwin motioned to adjourn to executive session to discuss the below agenda. Gary seconded.

Collections (legal)

County Permitting Irregularities

Employee Turnover Planning (personnel)

Staff Bonuses (personnel)

Voting results: motion unanimously approved.

The Board adjourned to Executive Session at 1:20 PM.

The Board reconvened into open session at 2:17 PM.

Kerwin motioned to adjourn the meeting. Alan seconded.

Voting results: motion unanimously approved.

Meeting adjourned at 2:18 PM.

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Special Board Meeting Minutes December 30th 2013 (1 of 1)

Minutes of Hat Island Special Board Meeting, December 30, 2013

Community notice was provided on December 21, 2013 for the December 30, 2013 Special Board meeting. The meeting was held via teleconference and was called to order at 5:12 PM by Gary Duffner, Board President. Vice President Mike Zyskowski, Treasurer Larry Bender, Secretary Karen Conner, and Board members Kerwin Manuel, Alan Dashen and George Harmon were in attendance.

Marina Fees

George Harmon motioned to accept the Marina Committee's recommendation of \$18/foot for all the slip sizes and to re-categorize the 23-foot slips on the back side of B Dock as 22-foot slips. Karen seconded the motion.

Voting Results:

Yes: Alan, Gary, Larry, Mike, George, Karen

No: Kerwin

Motion passed.

Recommendations for policies to allow guest or transient boats moorage will be discussed in the next Board meeting.

Car Fees

Larry motioned to charge every car and every truck (under 1 ton) a fee of \$125/vehicle, whether running or not, with the exception of one vehicle per HIC employee. The HIC employee must be the legal owner of the vehicle to receive the fee exception. George seconded the motion.

Voting Results:

Yes: Alan, Gary, Larry, Mike, George, Karen, Kerwin

Motion unanimously passed.

Ratification of 2014 Budget & Audit Waiver Election

Mike motioned to amend the vote count to include an additional 30 votes that were not originally counted. Larry seconded.

Voting Results:

Yes: Gary, Larry, Mike, Kerwin

No: Karen, Alan, George

Motion passed.

Karen motioned to ratify the 2014 Budget election results as the 2014 Budget passed.

Voting Results:

Yes: Alan, Gary, Larry, Mike, George, Karen, Kerwin

Motion unanimously passed.

Karen motioned to ratify the 2014 Budget Audit Waiver election results as the 2014 Budget Audit Waiver passed. Larry seconded.

Voting Results:

Yes: Alan, Gary, Larry, Mike, George, Karen, Kerwin

Motion unanimously passed.

Karen motioned to adjourn the meeting. Alan seconded.

Voting results: motion unanimously approved.

Meeting adjourned at 6:37 PM.

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Board Meeting Minutes

January 18th 2014 (1 of 4)

Minutes of Hat Island Regular Board Meeting, January 18, 2014

Community notice was provided on January 16, 2014 for the January 18, 2014 Regular Board meeting. The meeting was held in the Activity Room at the Public Library in Everett, Washington and was called to order at 10:36 AM by Gary Duffner, Board President. Vice President Mike Zyskowski, Treasurer Larry Bender, Secretary Karen Conner, and Board member Alan Dashen attended in person and Board members George Harmon and Kerwin Manuel attended via teleconference.

Minutes from December 21, 2013 Regular Board Meeting:

Mike Zyskowski motioned to strike the numbers and the statement that the budget and audit waiver passed from the December 21, 2013 meeting minutes and modify the minutes to reflect that the results were read and to be ratified by the Board after discussion. Larry Bender seconded.

Voting results:

Yes: Kerwin, Larry, Mike, Gary

No: Alan, Karen, George

Motion passed.

Mike motioned to approve the December 21, 2013 minutes as amended. Larry seconded.

Voting results:

Yes: Kerwin, Larry, Mike, Gary

No: Alan, Karen, George

Motion passed.

Minutes from December 30, 2013 Special Board Meeting:

Mike motioned to approve the December 30, 2013 minutes as written. Gary seconded.

Voting results:

Yes: Kerwin, Larry, Mike, Gary, Alan, Karen, George

Motion unanimously passed.

Announcements:

Apology Letter

Mike Zyskowski read an apology letter from the President to a property owner.

Gary motioned to record the apology letter in the minutes as Mr. Daher requested. Larry seconded.

Voting results:

Yes: Kerwin, Larry, Mike, Gary, Alan, Karen, George

Motion unanimously passed.

The content of the apology letter read is as follows:

“Dear Mr. Daher,

The board would like to make a formal apology to you for any previous board actions that could be construed as inappropriate, including the disclosure of your personal information as part of regular board meeting minutes. The board recognizes the importance of maintaining confidentiality for legal matters pertaining to the HIC and the island residents, and have taken action to mitigate risk of this type of disclosure in the future.

We appreciate your support of the island and further apologize for any other confusion the board may have caused.

Thank you

Gary Duffner

Hat Island President”

Island Manager noted that actions he took were at the direction of the previous Board. The Island Manager asked that

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someone from the Board contact the property owner to explain. Mike Zyskowski apologized that the Board put the Island Manager in that position.

Larry Bender announced that the marina expansion was near completion and will definitely fall under the \$4.5 million threshold.

Community Input

Alan Dashen asked for community input regarding holding the Board meeting off Hat Island. Five of the 21 attendees were in favor.

Current marina slip length classification

A boat owner asked that the assignment of slip size be reconsidered to take into account the beam of a boat. The owner noted that slips currently designated as 34 feet for example, could not accommodate two boats of 32 foot length without considerable risk of damage due to the beam of many boats of that length. The owner noted that the problem was not of price but of designation.

The owner also noted that HIC does not require proof of insurance when moorage is sold.

The Marina Committee Chair indicated that the issue of beam hadn't come to the attention of the committee. The Marina Committee Chair offered for the committee to reassess the slip size classification considering boat beam and make a recommendation.

The Board also asked that the Marina Committee make a recommendation regarding a policy on proof of insurance. It was also a topic noted by the Long Range Planning committee.

Gary Duffner asked the Vessel Committee make a proposal to be considered by the Community. The Vessel Committee chair asked that Gary review the committee's charter.

Letter to Board

A letter to the Board from 34 community members was read which requested that the Board authorize the HIC attorney, Barker Martin, to review a certain settlement agreement and the validity of the 30 votes pertaining to this settlement agreement cast in the September Board election. The 34 community members offered to donate funds to the HIC office to pay for this initial review and recommendation from the attorney. A copy of the letter was requested to be entered into record and is attached to these minutes.

Alan motioned that the Board authorize sending the information to the HIC attorney via the Island Manager for his review and assessment. His review will not be paid for by the HIC as referenced in the letter read. Karen seconded the motion.

Voting results:

Yes: Alan, Karen, George

No: Kerwin, Larry, Mike, Gary

Motion failed.

A community member announced that they have filed a small claims court case against HIC regarding \$705.60 for 14 days of long term moorage.

Correspondence:

None

Committee Reports:

- Golf Committee – no report
 - Equipment Committee – no report
 - Architectural Committee – no report
 - Marina Committee
- O The Marina Committee will review the long term moorage policy and make a recommendation on how to handle moorage for island residents who leave their boats in the marina for more than 14 days.
- O Finance Committee
- O Comfortable that marina expansion won't exceed \$4.5 million.
- O Had more funds remaining at the end of December than in the past.
- O Long Range Planning Committee
- O The Long Range Planning Committee requested status on the letter from the HIC attorney with recommendations on risk management assessment by HIC insurance broker.
- O The Island Manager will redistribute the letter to the Board.
- O Water Committee

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- Gary noted that Karl and Lisa have done excellent job taking care of the water system. Gary Duffner will discuss with the Island Manager the proposal of HIC paying for Karl's certifications and no longer paying for the outside consultant.
- Mike Zyskowski asked if the Island Manager was concerned about the water distribution infrastructure on the island. The Island Manger indicated concern over the age of the distribution system, the installation depth, the use of schedule 40 pipe, and the lack of staff to do the physical labor needed.
- The leak in J Division near the corner of Everett and Tulalip was isolated.
- Technology Committee – no report
- Division H Committee
- Zona Wyatt, committee chair, presented the charter to the Board.
- Alan Dashen provided comments.
- Port of Everett Parking Committee
Hope to have a committee chair by the February Board meeting.

Old Business

Puget Sound Yacht Club Status

Discussions progressing between HIC attorney and PSYC attorney. Remaining discussion points are liability during the transition and the boat length in the outer slips.

The HIC attorney is aware of the legal fee cap approved by the Board.

The PSYC Committee chair, Bob Gowing, indicated that pursuing payment via litigation is the alternative to the agreement being negotiated with PSYC.

The Island Manger was requested by the Board to coordinate with the HIC attorney to share the agreement, as it stands, with the Board and the PSYC Committee at the February Board meeting to consider sending to the Community for vote.

Gas Card

Kerwin Manuel reported that the cost to implement system for payment option other than cash/check would be large.

New Business

Water Leak Policy

Alan motioned to update the Water Leak Policy to the below listed policy. Gary seconded.

“Potable water on Hat Island is a precious commodity and all residents are encouraged to conserve water throughout the year. It is strongly recommended that water be turned off at the meter every time you leave the island, reducing the chance of leakage at a house and a large bill. If a resident leaves the island and forgets to turn off the water at the meter, the resident is encouraged to call the HI office and ask to have the water turned off. This service will be offered free of charge once per calendar year and a nominal \$50 fee each time after that. Except for High Season, for abnormal usage due to a leak, the total bill will be reduced by applying the middle tier water rate to all excess water, rather than the maximum rates, up to \$500 maximum benefit. However, such exception will only be allowed one time per owner and is not retroactive to past bills. During High Season, residents are responsible for paying all water bills as shown on their meter.”

Voting results:

Yes: Kerwin, Larry, Mike, Gary, Alan, Karen, George

Motion unanimously passed.

Collections Policy

Gary proposed that the second or third mailing of an overdue bill be sent via certified letter. Karen noted that the recipient could refuse to sign and accept the delivery. Alan and the Island Manager noted that the law states if a letter is mailed first class, and not returned, it is legally considered delivered. Island Manager commented that delivery receipt would be less burdensome if implemented for the 60-day delinquencies only.

Larry was asked to provide a proposed change to the current 60-Day Delinquency, paragraph 7, of the Collections Policy and corresponding cost estimate for review at the February Regular Board Meeting.

Home Owner's Lot Adjustment

The home owner request to combine lots has been retracted.

Hat Island Yacht and Golf Club Request for View Point Ad in Exchange for Clubhouse Use

HIYC Commodore requested that a half-page add be placed in the View Point each quarter in exchange for use of the clubhouse for Board meetings.

Alan motioned to put a monthly add, up to half page, in the View Point for the HIYC in exchange for use of the HIYC clubhouse for Board meetings. Larry seconded.

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Voting results:

Yes: Kerwin, Larry, Mike, Gary, Alan, Karen, George

Motion unanimously passed.

Recycling Container Idea

Larry proposed that HIC consider allowing home owners to transport materials in the recycling containers when brought to Hat Island for half the cost that HIC is charged to transport the containers.

The Island Manager was requested by the Board to bring a proposal for pricing and logistics to the February Board meeting.

Contractor's Auto Fee

Chuck Bright Construction does work for the HIC at a reduced rate and has 9 vehicles on Hat Island, only two of which are parked in the marina lot.

Larry motioned that the car fee be updated to include "Car fees are exempt for licensed construction contractors for vehicles used for commercial/construction work on Hat Island only, up to 7 workable vehicles. Vehicles used for personal purposes are NOT exempt, regardless of who owns the vehicle. Commercial exemptions require registration with the Hat Island office and proof of ownership by a licensed, bonded and insured contractor." Alan seconded.

Voting results:

Yes: Kerwin, Larry, Mike, Gary, Alan, Karen, George

Motion unanimously passed.

Boat Owner's Request

The Board received a letter requesting relief on the fees incurred per the marina policy for long term moorage.

Gary noted that he contacted the Marina Committee Chair to request that the committee work on updating the marina regulations and policies, including the long term moorage. Larry agreed that the committee should review the long term policy and bring a recommendation to the Board.

Mike motioned that due to extenuating circumstances, the Board grant a one-time relief to the fees imposed for the long term moorage policy. Kerwin seconded.

Voting results:

Yes: Kerwin, Larry, Mike, Gary, Alan, Karen, George

Motion unanimously passed.

The Island Manager requested that the initial update of the marina rules and regulations be completed by summer.

Alan motioned to adjourn to executive session to discuss the below agenda items without coming back into open session. Gary seconded.

Captain's Letter

Response to Division H Owner Letter

Response to Home Owner Letter

Voting results:

Yes: Kerwin, Larry, Gary, Alan, Karen, George

Absent: Mike

Motion passed.

It was discovered that the Library's Activity Room was booked by another party at 1PM. Hence no Executive Session was held.
Meeting adjourned at 12:53 PM