



Hat Island Community

Business
NEWS

Official Business News Publication for the Hat Island Community

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Summary of Power Point By Barb Harris

New Accounting System

The next 6 months we will lose key employees of Island. Chuck will retire in December followed by Melody in 1st Qtr. 2015. Replacing two key employees within 6 months is a challenge to any organization. In order to keep the financial side of the island operating after Chuck and Melody retire, the Finance Committee developed two key goals for 2014.

“Work with the Island Management Committee (Kevin Smith, Chair) in analyzing and recommending transition of bookkeeping/bill-paying services upon Melody’s retirement in March 2015; “

AND

“Research and recommend replacement financial software with implementation scheduled by year end”.

The objective of replacing the financial software was to find an application with the following features:

It had to be a common Accounting Application. With a common application, we have more options in fulfilling the Bookkeeper position.

It had to have built in automated processes such as invoicing and bill paying along with the ability to interface with future applications, such as Marina, Gas, Golf, etc.

It had to have many options for converting the Data. Since the first marina assessment occurred seven years ago, we need to convert 7 years of financial transactions.

The Application had to be on line “In the Cloud” and cost effective.

At the June 21st board meeting the Finance Committee, represented by Barbara Harris recommended that we replace our current Sage / ACCPac system with QuickBooks on Line Plus. The board approved the recommendation and we are now moving forward. Although it will cost us up to \$7,000 to convert the data, we will generate a yearly software license savings of \$2,700. In addition, we will be able to automate many of our invoicing and collection processes.

During the months of June and July, we will convert our current data to the new system with a plan to go live in August. Once the system is up and running, the Finance Committee will identify automated processes which will be communicated to the community this fall. Our intent is to implement electronic billing starting in January of 2015.

Change is never easy and moving from a manual to an automated system brings a lot of challenges and opportunities for us to improve the billing and payment processes of the Island. The Finance Committee asks for your support as we go through the process of making the Island more efficient.

Barbara Harris
John Melgard
Finance Committee

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Searching for Hat Island Manager

The search for a new Hat Island Manager is underway and gaining momentum each week. As a community, we all need to be invested in this process since we will all benefit from finding a super replacement for Chuck Motson! To that end, there are ads on Craigslist to view and/or refer people to. And, in the office there are laminated posters and pamphlets. If you are out and about, cruising, or whatever, please take some posters and put it on a bulletin board in the marinas, yacht clubs, and small towns that you visit on the Puget Sound and beyond. If you know or have a connection to someone that you think might be interested and/or good for this job, please get a pamphlet to them. Copies of these documents will be on the Hat Island webpage soon for you to download and print or send electronically as well. Game on and thanks for any/all help and support you can offer! More info to follow soon. Cheers, Your Hat Island Manager Search Committee (Linda Ebner, JohnMelgaard, Jim Murphy, Kevin Smith, and Becki Snellenberg)
PS - If any questions or feedback, contact Kevin Smith at klshomeacct@yahoo.com.

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Board Meeting Minutes

April 19th 2014 (1 of 6)

Minutes of Hat Island Regular Board Meeting, April 19, 2014

Community notice was provided on April 15, 2014 for the April 19, 2014 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. Vice President Mike Zyskowski, Treasurer Larry Bender, Secretary Karen Conner, and Board members Alan Dashen and Kerwin Manuel attended in person. Board member George Harmon attended via teleconference.

Minutes from March 15, 2014 Regular Board Meeting:

Revisions to the meeting minutes were discussed.

Gary motioned to approve the March 15, 2014 minutes with the discussed amendments. Mike seconded.

Voting results:

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

Motion unanimously passed.

Announcements:

Gas will be sold during the normal time window.

A community member received a birthday serenade.

Committee Reports:

- Finance Committee
 - The Committee will meet next week. The next installment of FAQs will be distributed later this month.
 - Mike will provide Board feedback on the 2014 priorities outlined in the last Finance Committee report.
 - Golf Committee
 - There will be an all island tournament in July. The date is still to be determined.
 - Communication Committee
 - The timeliness of the communications has improved. The Business News, minus the Treasure's Report, is hosted on the island website.
 - Division H Committee
 - The catch up plan approved by the Board has not been completed.
 - Equipment Committee
 - The first meeting was this month. There is consensus that the old grader is no longer needed and hasn't been used this year. The committee recommended authorizing the moving of the grader to an auction firm for sale.
 - The Committee is still studying the rest of the equipment needs and don't recommend replacement of the grader until the over-all recommendation is completed.
 - Marina Committee
 - The Marina Committee made recommendation on the marina slip pricing and have completed a recommendation pertaining to other marina revenues.
 - Outside yacht clubs

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- The Committee made a recommendation on a revenue policy that included revenue from use of the marina by outside yacht clubs. The Committee recommended that outside users be limited to other yacht clubs as a trial basis before extending to non-clubs users.
 - It was noted that the outside yacht clubs would be permitted to pay for use of the golf course but the Community would not provide transportation.
 - Year rental of a slip
 - Discussed option of offering the rental of a slip for a year, to a Community member, as a test program was discussed.
 - A community member suggested that the Community use the new marina for the first year before offering to rent a slip for the year.
 - Recommendations were also made for guest tie-up fees, stop over privileges, and paying for multiple years of moorage
 - The Committee also made recommendations on revisions to the Marina Rules and Regulations.
 - The Committee will revisit the rules next year to address owners of smaller boats paying for slips substantially larger than their boat and any adjustments to slip classifications based on width.
 - The Island Manager suggested that high season be the same for moorage as for the ferry.
 - Vessel Committee
 - Mike Immel, committee chair, presented an extensive overview of the preliminary financial and vessel options.
 - The Committee has built a good relationship with the builder of the option presented, which leveraged existing plans to reduce engineering cost.
 - It was noted that Ray, the ferry captain, spends more time maintaining the ferry than piloting it.
 - The Committee needs direction from the Board on next steps.
 - Port of Everett Parking Committee
- An update was sent to the community on April 7. Contact Gail Hoekendorf with any questions.

Old Business

Gas Cards

Kerwin reported that there is a potential to reduce the ~\$7,000 cost by \$500-\$750.

Madeline Progner, on the Finance Committee, has looked at systems like this and can help assess.

There were suggestions for other ways to provide this convenience.

The next steps are to assess how to justify and pay for the convenience.

Kerwin will look at the potential cost savings over cashing checks.

Gary has been approached by community members that are willing to help pay for the convenience. Gary will provide a list of who would be willing to donate and how much.

Insurance Policy

Kerwin reported that there is the potential for savings with our current broker and coverage.

Car Fees

Kerwin reported that he has been approached by Hat Island Fire Department members suggesting an exception to the car fee.

Kerwin proposed an exception to the car fee for Fire Department members, in addition to the current ferry passage offered on drill weekends.

Kerwin will gather data on how much revenue in car fees this would apply to, what the requirement would be for Fire Department participation, and how it would be handled if the criterion was not met by the end of the year.

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Puget Sound Yacht Club

The initial allocation of attorney fees has been expended. Alan will send the current proposal to the Board for review.

The next steps are for the Committee to meet with the PSYC representatives to resolve the last issues, like boat length and reserving slips, then take to the attorney to incorporate into the departure agreement for Community vote.

The options to be presented to the Community vote are proceeding to court to pursue what the Community feels is the full amount owed by PSYC or to implement the departure agreement.

The proposal will be reviewed in May.

New Business

Road Grader

Gary motioned to haul the road grader off the island on the next barge run and sell. Mike seconded.

Voting results:

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

Motion unanimously passed.

Ferry Rates

Gary suggested that the discounted fare offered for purchase of a ticket book be reinstated to encourage purchase of ticket books to make ticket sales easier and avoid the need to cash checks.

Offering credit card payment and other options were also suggested to make the ticket sales process easier.

The Island Manager noted approximately \$22,000 resulted from ticket book sales last year.

Gary motioned to reinstate the discount of \$1 per ferry ticket if a ticket book is purchased. Mike seconded.

Voting results:

Yes: Kerwin, Larry, Mike, Gary, George

No: Karen

Abstain: Alan

Motion passed

Gary approved the chartering of a Ferry Operations Committee, chaired by Geri Motson to review the requested considerations from the ferry captain and Island Manager.

A ferry maintenance policy was discussed and was tabled until next meeting.

Fines and Fees Enforcement Policy

It was agreed that discussion of the Fines and Fees Policy previously proposed will be put on the May Regular Board meeting agenda.

Island Wide Drainage Plan

An island wide drainage plan was completed by Western Engineering.

Karen motioned to approve the below drainage motion below. Mike seconded.

That the Board accepts the overall Island Wide Drainage Plan provided by Western Engineers and sets the first two priorities for detailed work to be Basin A followed by Basin G.

That the Board Approves the Design of the drainage plan for Basin A as depicted on the drainage map provided by Western Engineering

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That the board adopts the following policy statement on Driveway access where open drainage ditches are called for in the plan. "The primary method of controlling surface water island wide will be open ditches in the Island's easements. Where open ditches front a property with an existing single family residence the Island will install a single 10' wide access point with culvert concurrently with ditch installation. Where ditches fronts properties without a single family residence, installation of driveway access is the owner's responsibility". Hat Island Community will be responsible for maintenance of the drainage ditches installed under this plan.

Voting results:

Yes: Alan, Larry, Mike, George, Karen

Abstain: Kerwin, Gary

Motion passed.

Leakage Detection Plan

The Island Manager recommended a leak detection plan for Board consideration below.

Karen motioned approval of the water system motion below as recommended by the Island Manager to comply with state water efficiency requirements for leakage reduction of 10% for a 3-year running average:

That the board approves the design of a leak detection system including the replacement of production meters as necessary, the installation of an updated communications system for M tank and the installation of 8 "by-pass" meters as depicted on the Island Water System map dated 3/3/14 and authorizes up to \$5,000 (not including Labor) for its installation.

Voting results:

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

Abstain: Gary

Motion passed.

Marina Loan Extra Payment Guidelines

Guidelines for making the extra principal payments for the marina loan will be discussed in the next Finance Committee meeting.

Hazardous Trees on Roads Leading to H and N Division

The tree removal work approved in the April Regular Board Meeting requires a geotech assessment to secure a permit for the tree removal.

Marina Revenue Policy

Mike motioned to approve the attached Marina Revenue Policy as amended during the Board meeting.

Voting results:

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

Motion unanimously passed.

The Marina Revenue Policy is attached to these minutes.

Community Input: none

Gary motioned to adjourn to executive session to discuss the below agenda items and not reconvene into open session. Kerwin seconded.

Personnel

Voting results:

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

Motion unanimously passed.

Meeting adjourned at 2:10 PM.

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Motion: New Marina Revenue Policies

Summary: The following policies are intended to put in place a means to increase revenue to HIC for the sole purpose of paying down the marina loan. The income generated by these fees shall be placed in a separate account dedicated to marina loan principle payments. These policies have been based on recommendations from the Marina Committee with input from the Island Manager. For the purposes of this motion, the term "visitor" is used to differentiate from "guest" in that a visitor to the island is unsponsored by any island resident. A "guest" is someone coming to the island that has been invited by an island resident, regardless of if that resident is present on the island or not.

Visitor Cruises: The existing policy of 2 Yacht club and 1 sailing club cruise per year in the offseason shall be modified to allow visitor cruises without a direct HIC owner sponsor.

Yacht clubs wishing to participate in this program must make arrangements with the HIC office and Harbor Master at least 1 week in advance. Community must be notified when Visitor Cruises are scheduled.

"G" dock is the preferred dock for guest cruises. In all cases the Harbor Master has final authority on slip usage.

Visitor cruises are not allowed the weekend before, during and after Holiday weekends:

Memorial Day

Independence Day

Labor Day

Limits

Maximum 600 boat feet and 20 boats per cruise, whichever is less.

Island events take priority over Visitor Cruises.

Fees:

\$10.00 reservation fee per boat

1.00/foot fee per boat

All other island guest fees apply

Guest tie up Fee: Using the existing 5-5-5 tie up fee as a basis, this new fee is intended to allow short visits to the island by non-owners:

For the purpose of allowing guests to the island, guests will be allowed to tie up their vessel for up to 5 hours for a nominal tie up fee of \$10.00. This option is only available mid-week during summer season or any day during the offseason.

Guests must register and pay upon arrival and must vacate the marina before 5 pm.

Violations of these parameters will result in a full day's moorage and an additional \$10 billing fee to be billed to the owner sponsor.

Visitor Stopover Fee: The purpose of this fee is to allow boaters from neighboring Yacht Clubs to stop at Hat Island for the night when cruising between the southern and northern cruise destination.

It was noted that a popular cruising magazine wrote an article saying, "As you are boating past Hat Island enjoy the view but don't stop because guests are not welcome..." Hat Island would be a great stop over for the night as you cruise through the Puget Sound area to or from distant locations.

This privilege will be limited to members of approved HIG&YC reciprocal yacht clubs as registered with the Hat Island office.

\$10 reservation fee.

Limit to one night stop over. Visitors must register and pay upon arrival and must vacate the marina before 5 pm the next day.

Limited to mid-week during the summer, any night during the off season.

All daily guest moorage fees apply.

Visitor Privileges: Visitors to the island under these arrangements would be required to limit their visits to designated island community areas:

Marina

Picnic Area

Golf Course

Tennis courts

Beach area from C5 to D18

Roadways to/from the these areas only

Remainder of the island is private property and should be respected as such

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The island will not be responsible for providing transportation of any kind

Signage

Additional signage will be required to provide notice to visitors to the island informing of designated visitor areas as well as rules under which visitor privileges are granted.

Signage wording should be determined by the staff with input from the Communications Committee and approval by the board.

Signs should be posted at locations appropriate for visitors, permanent and professional in nature.

The signage should be welcoming in nature and encourage visiting, but be clear that violation of island rules would be grounds to revoke visitor privileges.

Detailed island map designating visitor areas, things to do and detailed visitor rules should be made available to all visitors of the island.

August Business News Submission Deadline

Business News August Edition

Deadline: July 25th, 2014

For Board Approval

Hat Island Community

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Special Board Meeting Minutes

June 12th and June 17th 2014

Minutes of Hat Island Special Board Meeting, June 12, 2014

Community notice was provided on June 12, 2014 for the Special Board meeting. The meeting was held via teleconference and was called to order at 4:15 PM by Gary Duffner, Board President. Vice President Mike Zyskowski, Treasurer Larry Bender, Secretary Karen Conner, and Board members Kerwin Manuel and George Harmon were in attendance via teleconference.

Gary motioned to approve \$250 to go towards certificates for the employee appreciation luncheon. George seconded.

Voting results:

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

Motion unanimously passed.

Gary motioned to go to executive session to discuss a couple legal matters. Karen seconded.

Voting results:

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

Motion unanimously passed.

Meeting adjourned to Executive Session at 4:20 PM.

Minutes of Hat Island Special Board Meeting, June 17, 2014

Community notice was provided on June 16, 2014 for the June 17, 2014 Special Board meeting. The meeting was held via teleconference and was called to order at 6:43 PM by Gary Duffner, Board President. Vice President Mike Zyskowski, Secretary Karen Conner, and Board member Kerwin Manuel were in attendance via teleconference.

Gary motioned to go to executive session to discuss a couple legal matters. Mike seconded.

Voting results:

Yes: Kerwin, Mike, Gary, Karen

Motion unanimously passed.

Meeting adjourned to Executive Session at 6:45 PM.