

HICA Board of Trustees Meeting February 18, 2017

Respectfully Submitted by Scott Wilson, HICA Secretary

The Meeting was called to order by Treasurer Mike Immel at 10:30AM.

Present were Treasurer Mike Immel, Secretary Scott Wilson, Trustees Darla Younce, Kevin Smith and Island Manager Sandra Bettencourt. Attending telephonically were President Scott Holte, VP Karen Conner and Trustee Udo Gerz.

Treasurer Mike Immel asked for a motion to approve the Minutes from both Special Meetings held on January 28, 2017. Darla Younce so moved, Kevin Smith seconded. Motion passed unanimously by all Board members in attendance; Mike Immel, Scott Wilson, Darla Younce and Kevin Smith along with Scott Holte, Karen Conner and Udo Gerz telephonically.

Island Manager's Report

Sandra Bettencourt reported that there had been another slide in H Division yesterday (2/17). Slide material had brushed up against a property owner's home. Water was seeping/gushing out of the bluff wall. Water Operator Scott Gresli's vehicle was literally moved by moving slide material. No injury to Scott Gresli or damage to his vehicle was reported. Sandra cautioned that Island Staff are in H frequently and it is dangerous. She is recommending that a suspension of Water Meter Reading during the Winter Months be considered.

Sandra Bettencourt then turned to the research she had completed regarding a question in the January Meeting about Hat Island Community Owned Properties that should be For Sale. Sandra reported that there are many possibilities as to the fate of these lots taking into consideration utility easements, wells, property swaps, green space etc. She will be posting a Color Coded Chart of said Properties on the Website for everyone's review. It is very comprehensive and contains all the pertinent data such as Lot#, SNOCO Tax ID, 2016 Taxes, etc.

Treasurer's Report

Treasurer Mike Immel reported that the HICA Office Staff had to submit Financial Reports to Counsel for Plaintiff Review. At the same time the Auditor also needs these reports. Digitizing these Reports is estimated to cost +/- \$12K. The Board will consider this in Executive Session as the Auditor needs these reports in order to craft a cost estimate to execute said Audit.

Mike reviewed January's P&L and Balance Sheet which will be posted on the website.

Mike reported that a P&L to Budget Actual Report is being generated for future Community review but reminded us all that Cash versus Accrual reporting is complicated.

Finally Mike commented that first quarter Assessment Payments are strong.

Legal Report

President Scott Holte reported that as indicated in prior Board meetings the Plaintiff's derivative claims, i.e. claims made on behalf of all owners were dismissed by the Snohomish County Judge. The Plaintiffs appealed that dismissal now, instead of waiting until after the trial, by what is called a Petition for Discretionary Review. If the petition had been granted the trial would have been delayed again. But, on 2/14 the Court of Appeals dismissed the Petition; and we will proceed to trial where the Plaintiffs can't make any claims or argue on behalf of all of us. The Court of Appeals ruling in its entirety will be posted on our web site."

Vessel Report

Scott Wilson reported that the Vessel Committee had met on February 4th. In attendance at the Office were Captain Ray Brown, Mike Immel and Sandra Bettencourt. Scott Wilson and Udo Gerz attended virtually through an online Go to Meeting Session. Ray Brown detailed the condition of the Vessel and prioritized repairs. The group discussed the aging Vessel and the inevitable need to explore a replacement plan. Udo Gerz has done research and will lead the Task Force to determine the best path forward providing a future report to the Community. In the meantime, and in preparation for the future, an Assessment of the condition/value of the Hat Express has been ordered.

Mike Immel added an important component to the Vessel Repair ROI/Dilemma versus the consideration of a new Vessel in pointing out that certain critical components of the Hat Express are simply no longer commercially available by the OEM (original Equipment Manufacturer).

Golf Report – No Report

Marketing Report – No Report

Strategic Planning Report – No Report

Water Report

Scott Wilson noted that the RO, a complicated System, had encountered a shut down due to the aggregate failure of certain supporting appurtenances. The RO is down currently but wells are producing and the Tanks are full. Case Engineering will be on island shortly to bring the RO back up.

Community Input

A Property owner inquired about the change in Board Secretary. Scott Wilson responded that the previous Secretary had resigned from the position of Secretary. Scott Wilson was asked by the Board President to serve as Secretary, he agreed, was summarily nominated and approved unanimously.

Having no further business Darla Younce moved to adjourn, Kevin Smith seconded. The motion passed unanimously by all Board Members in attendance in person and telephonically.

It was then announced that the Board would go into executive session after adjourning stating that there would be no reconvened meeting after executive session.

The meeting was adjourned at 10:52AM.

Hat Island Community Association

Profit and Loss

January 2017

	Total
Income	
Annual Assessments & Fees Income	54,413.36
Annual Assessments and Fees	12,641.39
COMMUNITY INCOME	42,422.48
Operational Income	14,908.16
Other Operational Income	840.48
SPECIAL ASSESSMENT INCOME	78,817.68
Unapplied Cash Payment Income	22,456.50
WATER INCOME	27,458.79
Total Income	\$ 253,958.84
Cost of Goods Sold	
5015-AB COS - Gas	5,184.30
5020-AB COS - Diesel	727.15
5045-AB COS - POE - Ferry Berth Rental	2,813.12
Total Cost of Goods Sold	\$ 8,724.57
Gross Profit	\$ 245,234.27
Expenses	
Administration	1,024.52
Insurance	6,853.75
Maintenance, Repairs, Small Tools (includes Ferry Repairs)	-40.50
PAYROLL	30,622.12
Professional Services	3,090.50
Professional Services, Accounting and \$3K Capital Reserve Study	130.17
REPAIRS & MAINTENANCE	5,645.86
TAX	632.43
Unapplied Cash Bill Payment Expense	0.00
Total Expenses	\$ 47,958.85
Net Operating Income	\$ 197,275.42
Other Income	
Marina Assessments	958.96
Other Income	342.00
Total Other Income	\$ 1,300.96
Other Expenses	
Interest Expense - Marina Loan	4,926.86
Total Other Expenses	\$ 4,926.86
Net Other Income	-\$ 3,625.90
Net Income	\$ 193,649.52

Hat Island Community Association

Balance Sheet

As of February 18, 2017

	Total
ASSETS	
Current Assets	
Bank Accounts	
Operating Cash Accounts	
1100 Cash Petty	231.00
1111 Bank FB Operating Ckg - 41606	469,814.37
1112 Bank FB Operating Invstmnt - 25755	0.00
1121 CCB Bank Operating Ckg Acct #1744	24,695.57
1122 CCB Bank Operating ACH Acct# 6064	3,310.47
1125 Merchant Services / Secure Pay	12,955.45
Total Operating Cash Accounts	\$ 511,006.86
Operating Cash Reserves	0.00
Other Reserves	
1116 FB Marina Acct #19741	8,423.53
1117 FB Bank RO Sys Acct #25797	29,094.11
1129 CCB Bank RO DNR Bond Acct# 3316	1,511.50
Total Other Reserves	\$ 39,029.14
PCB - Capt. Res # 5771	153,862.17
PCB - Cash Reserves #5763	937.73
1110 Cash Reserve Employee Bonus	3,603.86
1113 FB Bank Cash Reserve Acct# 5763	67,377.59
1114 Bank FB Insrnc Reserves	7,665.00
Total PCB - Cash Reserves #5763	\$ 79,584.18
PCB - Marina Acct #9741	58,966.78
PCB - Sweep Acct #5755	4,266.88
Total Bank Accounts	\$ 846,716.01
Accounts Receivable	

Saturday, Feb 18, 2017 08:08:10 AM GMT-8 - Cash Basis