

Approved Minutes for the HICA Regular Board of Trustees Meeting on March 18, 2017 held at the HI Y&G Club respectfully Submitted by HICA Secretary Scott Wilson.

President Scott Holte called the meeting to order at 10:30AM. Also present were VP Karen Conner, Treasurer Mike Immel, Secretary Scott Wilson, Trustees Darla Younce, Udo Gerz and Island Manager Sandra Bettencourt. Trustee Kevin Smith was not in attendance.

Secretary Scott Wilson explained that the Minutes from the February 28, 2017 Special Telephonic Meeting were approved twice by mistake. The Regular Meeting Minutes from the January 21, 2017 hadn't been. As a result a Special Telephonic Meeting was held on March 12, 2017 to get caught up.

President Scott Holte called for a motion to approve the Minutes from the Regular January 21, 2017 Meeting and the Special Telephonic Meeting held on March 12, 2017. Mike Immel so moved, Darla Younce seconded. The Motion passed unanimously.

Island Manager's (Written) Report w/ Secretary Comments so noted;

Old Business:

- **New Employee:**

1. John Brown will be starting this coming Monday. Will be working on a 5 month seasonal position to focus on the leak detection plan, drainage plan, roads primarily. Other projects will be assigned as time allows.

Secretary's Comment: John Brown's Bio to follow.

- **Wet Weather**

1. Continues to be an issue. Not dry enough to hit the roads. Shawn Potter, Chuck Bright, have worked to clear slide materials in H for the Division H property owners. It is still very wet and muddy.
2. Yesterday, we had several trees fall on Beach Drive on the way to Conwell Park. Thanks to Shawn Potter, he sawed his way out and Chuck Bright removed the remainder of the larger trees to the side and cleared the ditches which were overflowing to the road. The road is very slick and muddy. We request unless you live in H to give us a chance to grade the road to hopefully prevent damage.
3. Chuck is working with the Community to restore the ecology blocks down at the beach. George will back fill the remaining materials needed to hopefully secure them from falling again.

- **Ferry Rules:**

Ray is hoping to update the Ferry Rules for High Season (May). We request the Community to give Udo, Sandy and Ray feedback by Friday March 24th. After Board review and approval the recommended changes will be presented to the Ferry Users/Community for their feedback.
Thanks Sandy

Secretary's Comment: Subject to review and Board Approval then to Community for comment.

- **Assessments are Due**

1. 1st Quarter Assessments are due March 31. We will apply a late fee of \$25 dollars if they are not paid by the 15th of April. We are currently sending out invoices for the Marina loan. Most people should be through with the Marina Improvement loan. If not you will be sent late notices with associated late fees. If you have questions about either loan payment, please contact Duan in the office.

Secretary's Comment: Policy for Collections is on the Website.

2. **As of Friday March 17**

- ❖ Developed lots paid – 126 Unpaid – 149
- ❖ Undeveloped lots paid – 52 Unpaid – 223 (does not include major property owner)
- ❖ Half lots (undeveloped) paid – 11 Unpaid - 16

- **Recommended Board Meeting Dates To Be Changed:**

We have two key meeting dates that I would recommend changing due to Ferry delays due to Tides

1. **Saturday, August 19th** ^{Ferry} Ferry leaves at 11:00 gets to Hat 11:43 Suggest an afternoon meeting if YC is available. **Or** schedule for Saturday Aug. 26 if the YC of Fire Department is available. (Meet the Candidates Meeting).
2. **Saturday, September 16** (the Traditional Annual Meeting to Elect Officers) Ferry Leaves at 10 and arrives at 10:45 Option: Either Delay to 11:30 or set a afternoon meeting if the YC is available or move the meeting to the Weekend of Sept 23 or 30th

I would like the Board to come to a decision as soon as possible so I can update the Calendar of Events & Meetings on the Website and do additional communications so people are aware of these date changes.

- **Barge Run for Wednesday, Thursday and Friday:**

1. There is still room on the Barge but we are filling up fast, please email us at harbormaster@hatisland.com
2. Next Barge Run is scheduled for June 29, 30, & July.

Board Resolution for Indemnity of Managing Agent in the current lawsuit.

Scott Holte offered that this had been tabled at the request of Counsel.

Treasurer's Report

Treasurer Mike Immel reviewed the P&L, Balance Sheet and Marina Loan noting complexities. A discussion ensued with random Member Comment surrounding the many challenges facing the Island financially such as rebuilding the PSYC Docks, Marina Loan and the possibility of replacing the Hat Express. P&L, Balance Sheet and Marina Loan Statement are at the end of this report.

Legal Report

President Scott Holte reported he has had many discussions with Counsel all confidential. He also reported there has been no communication from the Plaintiffs about another mediation..

Regarding the POE Parking: Scott Holte has a meeting scheduled with the POE CEO. He noted that direct Member contact with the POE was not helpful. He reported that he and IM Sandy Bettencourt had met previously with the property manager for the Port. A Member suggested that POE Officials and the Board should walk the route to better understand the situation and potential implications. A vigorous back and forth between Members and the Board ensued. No real conclusion was reached.

Sandy Bettencourt offered to send an outline to the Community.

Vessel

Board Chair Udo Gerz discussed the recent "Condition & Valuation Survey". This was ordered to better understand the Value of the Hat Express weighed against the Maintenance Requirements. It also provided a potential replacement cost. The Vessel Committee has been pondering the new Vessel discussion recently as the Hat Express is close to a NO SAIL Condition based on certain mechanical conditions where replacement parts are not available. Udo reported that the discussion had elevated to the potential of two vessels; one for Passenger Service and a second Utility Barge for Vehicles, Building Material and Fuel as the best path forward.

A member pointed out that it would be best for the Board to begin educating the Community on the Reality of a NO SAIL and the need to begin exploring the acquisition of a new vessel.

Another positive and vigorous exchange between Members and the Board ensued but no conclusions were reached.

Community Input

A Member asked about work on H, involving Chuck Bright and George Paris. The Member wanted to know who was paying Chuck Bright and asking if George Paris was insured. Sandy Bettencourt provided clarity relative to actions, compensation, insurance and the fact that all HICA Staff are operating within the guidelines of the Board Resolution..

A Member inquired about the signage on the PSYC Docks. Sandy Bettencourt responded that a meeting with officials from the PSYC, herself and Udo were scheduled to take place in the future. The Signage issue would be on the agenda.

A Member commented on the Agreement Timetable, Dredging implications and noted the Entire Agreement needed to be reviewed.

Water Committee Report (out of order)

Board Chair Scott Wilson thanked Sandra Bettencourt for the Empirical Production Data she provided that will be published to the website. Other significant developments toward the overall goals are;

- Secured Maintenance Contract with Case RO for maintenance and repair of our RO system. I think you have a copy of the contract. Unless something breaks down, they will make 2 annual visits to check the system to make sure it is running properly, provide training to the operator as needed, make repairs to system to maintain quality operations.
- Scotty is currently coordinating with Evergreen Rural to get their representative out here to conduct a training on the use of our newly purchased leak detector (we will be training all the leads on this equipment).
- We have purchased a high quality road metal detector for George to identify the center of the road markers in order to work on ditch placement for the drainage plan. As we work through each area, we will contact those owners of the work to be done and when.

With no further business President Scott Holte called for a Motion to adjourn to Executive Session to discuss personnel and legal matters, with no reconvening of the Regular Board meeting. Mike Immel so moved, Darla Younce seconded. The Motion passed unanimously. The meeting was adjourned at 11:30AM.

*The HICA minutes are intended to be a reasonable summary of the Board's deliberations and actions. The minutes are not a verbatim record of everything said at the meeting. The minutes include all actions taken by the Board.

Hat Island Community Association Profit and Loss

January - February, 2017

	Total
Income	
Annual Assessments & Fees Income	
Total Annual Assessments & Fees Income	\$ 84,083.14
Total COMMUNITY INCOME	\$ 78,399.81
Total Previous Year Collection Income	\$ 23,928.91
Total SPECIAL ASSESSMENT INCOME	\$ 123,630.42
Total WATER INCOME	\$ 40,147.32
Total Income	\$ 383,504.00
Cost of Goods Sold	
Total Cost of Goods Sold	\$ 16,385.19
Gross Profit	\$ 367,118.81
Expenses	
Administration	
Total Administration	\$ 1,336.76
Insurance	
Total Insurance	\$ 13,707.50
PAYROLL	
Total PAYROLL	\$ 60,947.81
Professional Services	
Total Professional Services	\$ 4,388.77
REPAIRS & MAINTENANCE	
Total REPAIRS & MAINTENANCE	\$ 8,099.26
TAX	
Total TAX	\$ 1,498.07
Unapplied Cash Bill Payment Expense	0.00
UTILITIES	
Total UTILITIES	\$ 4,094.16
Total Expenses	\$ 94,072.33
Net Operating Income	\$ 273,046.48
Other Income	
Total Other Income	\$ 1,419.64
Other Expenses	
Total Interest Expense - Marina Loan	\$ 9,819.36
Reserve Contribution	
8200-AB Capital Reserve Transfer	29,795.48

8300-AB Cash Reserve Transfer		19,952.59
8500-AB RO Water Reserve Transfer		10,136.04
Total Reserve Contribution	\$	59,884.11
Total Other Expenses	\$	69,703.47
Net Other Income	-\$	68,283.83
Net Income	\$	204,762.65

