

Hat Island Board of Trustees Special Meeting
October 2, 2021
ZOOM and In Person (Fire house)

Attendees:

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| Paula Bafaro- President | Virtual |
| Dan Jensen- VP | In person |
| Don Stark- Treasure | Virtual |
| Kelly Dukes- Secretary | In person |
| Erik Smith- Trustee | Virtual |
| Aimee Chambers- Trustee | Virtual |
| Ray Stephenson – Trustee | In person |
| Kim Gleeson- Island Manager | In person |

AGENDA

HICA Board President called the meeting to order at 10:31am

Discussion and Board questions regarding Proposed Budget – Dan Jensen, Board Representative to Finance Committee and Don Stark, Treasurer

Dan Jensen presented Executive Report

Finance Committee present: Ginger Harmon and Alen Dashan

2022 budget proposal detailed analysis

Executive report:

Changes from last week review.

Approval of the 2 PPP (Paycheck Protection Program- COVID) loans came through.

The PPP had been on the balance sheet as a liability and the cash in operating cash.

As the PPP loans have been forgiven, the liability of \$190,000 has been converted into income.

That income goes into the “other income category” which traditionally we haven’t put together in the budgeting process as it typically has little impact, but this year (2021) it is \$190,000. You will see where the documents have been adjusted accordingly and show in the 2021 year-end projected values.

The payments from Matt (Matt Surowiecki Sr) to pay off marina loan was previously booked as income, reducing accounts receivables. We wanted to include this as revenue, so we understood where it was coming from. You will now see it on the top line under assessments, payments, and fees. It is payment and not an income item, but it is revenue, and you will see it later in the Sources and Uses tab. This did not materially change anything in the budgetary process but I wanted to provide alignment in the documentation.

2022 and 5-year budget do not include any fee or assessment increases.

Main impact is in reserve dollars decreasing in 2022 due to needed new equipment purchases.

We expect to recover or exceed 2021 reserve levels by 2024.

2022 Budget also includes an additional 30-hours a week in labor expenses for new PTE (Part Time Employee) as well as addition of staff benefits expenses.

Insurance costs have increased due to ongoing lawsuits.

Finance Co Chair Alen Dashen looking at refinance ferry loan due to favorable interest rates so loan payments could be reduced.

Hat Express need to be sold/ off books and the proceeds used to paydown the ferry loan, reduce payments and increase cash flow.

Credit card payment help payment promptness but are now a major expense in the budget. Looking for less expense options.

Legal fees -lawsuits are ongoing expense. The \$150,000 deductible requirement for the latest lawsuit is concerning and is not budgeted. This will need to be monitored as the lawsuit progresses.

2021 Ferry income is approximately \$30,000 over the 2020 income as of Aug 2021, so the 2022 budget estimate is conservative.

Finance Committee approved draft budget and during public feedback community members requested consideration of an additional Monday ferry run and dust control measures on the main roads. These requests need to be reviewed and considered for inclusion.

2022 income is down for 2023 as the marina payment loans from Matt Surowiecki end mid 2023 when the loan is paid off. This is overall positive to overall revenue we will not have to pay our part anymore and interest payments cease. The sources and usage report estimated 2021 year end balances, and all subsequent balances, changed based on higher total income estimates as 2021 now reflects the impact of the PPP revenues.

No inflation factors were included – this could be problematic

Erik: details 4 years tab

No account for inflation? Discussion regarding possible use of predicted inflation.

Potential tool that could assist in calculation- but inflation predictions are going to be hard to estimate.

Possibly use 2%-3% inflation as default.

Could adjust it to items that hit us most: lumber, gas.

Finance Committee took a conservative approach with regards to revenue and was careful when considering increases in costs. The only increase in the base budget was 30 hours in additional staff. Kim was asked to explain why the additional 30 hours in staffing was recommended.

Kim explained background on opportunity to hire a 30 hours per week Part Time Employee (new position). During last Strategic Planning Committee, it was discussed how important drainage was on the island. However we only have 2 staff to work roads/drainage but that they are not

experts in drainage mitigation. When our greens keeper was away on extended time off island this summer, we were able to hire Rick DeFrancisco as a temporary greenskeeper. Rick not only did a great job with the greens, but he is skilled in drainage mitigation. Recent example: Div N hill had a major wash out last year. Rick was able to remove threat of a slide and fixed the drainage issue properly. Additional example: This week Div K had a break in the water line and had to be turned off. Chris Inman (Water Operator) was off island. Rick was immediately there to fix the break- great advantage to island and infrastructure issue. The other option would have been to hire the work to be done by off island labor at a greater costs. Having the 30 hour PTE allows us to work on infrastructure issues or we will have to hire to the work done off island.

First time Finance Committee/Board is looking at projections, Gas does rise/fall with costs. For the first time starting to look at projections for 2023 and out years Finance Committee will have to start putting in their PHD hats to estimate inflation. Conversation “if we don’t think we need inflation calculated and is accounted for already then ok”. But want to make sure reserves going down does not hit us. Further discussion that if we had been making major purchases along the way as originally budgeted, we would not see this large of drop this year without these delayed/needed purchases. Finance committee to consider inclusion of an inflation factor. \$150,000 insurance deductible is concerning and is not accounted for and we are entering into likely inflation period.

Don is doing FAQ for 2021

Kim- Reserves

- 1) Cash reserves-operating back up, with inflation bumping up cash reserves could be considered
- 2) Capital reserves for equipment
- 3) Marina reserves
- 4) Road reserves

Seeking input from the Board on the draft budget, then bring back to Finance committee, then back to Board for final Finance Committee recommendations. Then Board brings forward to the community.

Paula- Monday ferry run 16K net labor cost and revenue covers the fuel costs. Addition of Monday run would be over allowable hours of crew. Recent survey showed support for addition of Monday run. However on low season we are not filling up a Thursday run. We would have to hire a relief Captain to work more days. \$16,000 in payroll does not include support staff costs. Discussed addition of Mondays runs in high season in 2022 as a trial. Not cost effective to start in the winter. Vessel Committee to review.

Road dust control concerns has been raised by multiple groups/owners. Ginger Harmon reported that in 2007 some individual owners paid for application of application of dust control products it worked wonderful- no dust the entire summer. Grading of the destroyed the benefit. Roads would need to be graded first, then dust control application applied. Master plan, consider phased approach.

Kim- phased approach on Marina docks with stained preservatives. Tested on D dock to see how it worked after a season. Suggesting similar phased approached to the dust issue to see how it

works. Also suggestions to use some of the spoils from the R/O system, but concern about rusting. Roads are important part of our infrastructure.

Aimee: inquired about the vessel door adjustment for Another Holiday. It needs to be voted on by the community, is this included in the budget? Dan- yes, it will be in the 2022 budget.

Erik: Detailed 4 years spreadsheet, Line 20 marina repayment from majority shareholder (Matt Surowiecki Sr) Are payments being made as planned? Dan: yes has been paying 10K month on time per the signed Agreement. Contract goes for another one and a half years. As result of settlement of a lawsuit that was settled. If default the interest payment that were forgiven would become payable.

Line 37 because we stopped using coupon book revenues shifted from one category to another.

Row 55 marina dock power usage income increased from 4K to 6K why anticipating increase? Dan- YTD income so far currently 5.4K, based on marina filling up. 6K is reasonable estimate for 2022. Additional power outlets on the dock?- not yet

Row 102 Education Expense/Board Parliamentary Training- Dan to add \$1,500 to budget.

Question from Eric:Row 154-156 Legal

153 legal 2X jump and 2.5 jump from 2022 impending legal issues- why hire? Previous years were lower.

Dan- legal line and expense averages to about the same amounts.

The costs for the latest lawsuit is not included as we are waiting feedback from Jeremy Stillwell (Island attorney)

Don to discuss addition of all or part of the \$150,000 into the budget with the Finance Committee.

Line 178 gas and diesel going down from last year. Inflation and new cars 2020 actual \$6.7 2021 \$5.0 planned. Looked at YTD to project- will double check. COVID impacts changed gas usage.

Good Job everyone- Finance Co did a great job
Open budget process to all- all onboard for future

Aimee- with Technology, Social and Park and Req Committees do we have any budget included? No, we have not previously allocated budget for committees. But there has been request through the planning committee for Committee Chairs to help in the future by providing projected expenses they anticipate to improve future budgeting accuracy. Not sure Committee truly understood. Don working on a meeting of Committee Chairs next month, then quarterly after that. A major discussion topic at these meetings will be around budgetary issues If committee has a expense requirement, they can bring to the board for funding approval so long as it is under \$10,000.

Golf does have a budget that has been included.

The playground has been funded so far with private contributions, no budget in 2022. Committees have been getting donations, planning committee – best if committee coordinate efforts so everyone does not come asking for budget all at once.

Dan- Class summary

Major 5 categories for fee based services to analyze how they are doing in their own

It is hard to see when looking at the basic Income Statement.- Analysis includes:

Prorated salaries and benefits

Expenses

Utilities they use

Loan interest paying

Total costs

Compared to net income

Ferry

Heavily subsidized by assessments

Ferry is part of our road system- transportation- while we don't charge to drive on our roads we do charge a fee (subsidized) to ride the ferry

Fee increases recommendations will be considered on an ongoing basis.

Golf

Holding own- not quite breaking even

Kim: Golf rarely breaks even – labor intensive

Talk of new practice area- Rick DeFrancisco (while Brad was gone)

Using Rick to do this work is low cost, just labor and most of the items needed are already on hand- started now. Little expense and adds value- good idea to start now. Next year need some sand- very low costs.

Golf raised prices/fees last year

Usage of players flat this year.

Restrictions on guests due to COVID impacted revenue

Golf Committee working in addition of resources for enabling Frisbee golf.

Marina

Making money

Interest on loan dropping, goes away entirely by 2023

Park improvements not included in budget

Water

Does well- has own assessment .

Raising rates for heavy users- worked well

Misc topics

Barge rental/ gas/ dumpster day

Used to include parking at port of Everett- that agreement is no longer in place and handled individually by the Port so not a budget item any longer.

Analysis for review and comment on fee-based services
Restrictions on guests (COVID) effected revenue had impacts.

Line 32 capital equipment 2022 and beyond
Typo- should be roof shed

Golf

Don: Greens mower replacement- what is the breakeven plan? Island is subsidizing golf when depreciation cost get factored in.

Dan: Yes- island assessment fees do subsidize golf. By offering a golf course, increased value of land/property for all. General enhancement of lifestyle on island. Class summary does not show depreciation expense at this time.

Dan: We are moving from Cash Accounting to Accrual Accounting and dispensing with the reserve expense category off the P&L statement. Replaced with depreciation expenses Reserve balances and changes will be reflected on the monthly balance sheet. Reserve Studies for capital requirements are based on the reserve study of all Hat Island owned equipment that that estimates when it needs to be replaced.

Don: That is the healthy tension between Finance Committee and Golf Committee. Golf Committee does not want to pay more for golf, and Finance Committee wants a balanced budget.

Kim: Golf did raise fees for annual passes this year and increased coupon fees 10\$ to 12.5\$. The golf course is dependent on a new greens mower to generate income (old mower is frequently not working)

Sources and Uses

Dan: Accrual vs cash accounting

Cash accounting does allow us to properly understand our operations.

Example: Assessments due are booked as income- when not yet paid they show up as an accounts receivable increase.

Once transition is complete and the flow of obligations, payments and bank balances will be much easier to review. Not quite there yet, but interim report is provided to better understand impacts on reserves and casl balances.

Top lineis net ordinary income from executive summary. Subtract cost payments for marina loan, interest on for marina loan, payment ferry loan, interest ferry on loan. To see overall impact on net income and cash available for investments/reserve increases after these payments or considered.

Other income shows the (PPP) impact on 2021, however, the ongoing forecast for Other Net Income is zero (it is difficult to forecast). Then need to look at adjustments for assessment non-payments from major lot owner.. Needs to be backed out of our net income. Line 16 net cash available to fund reserves and equipment purchases.

Eric: So that is the 89K dip? Dan: Yes. The PPP also a factor.

Why change accounting method? Accrual accounting conventional method for bookkeeping. Cash accounting just show movement of cash. Reserves changes show as expense or income..

Does not follow traditional accepted accounting principles. Mike McCarthy, and Kurt Kassahn in agreement. Be able to get cash flow statement and balance sheet that make sense.

Review of additional data.

Next year dip in interest payments. Marina loan goes away by mid-2023 and we will start to rebuild reserves under current plan

However, we need better infrastructure and drainage plan detail. Water system distribution requirements need to be detailed

Alen – Finance Committee Chair:

Productive comments- meet shortly to talk about it

Dan and Kim- excellent basic budget.

Board should consider all the proposed capital expenditures that you will get every year. This is one of the straightforward budget projections we have seen. Finance Committee will meet in the next few days to address these issues. Thank you to Dan and Kim. The HICA Board thanked Finance Committee for doing a good job. (Don and Kurt were also contributors)

Other discussion

Don: Noted question in the chat from Udo on VRBO, wondering if other community members have questions who have been listening.

Paula: This is not an open session meeting; this was intended for HICA Board to look over the proposed Budget then will later be presented to the community at later date. Paula acknowledges Udo's question about the VRBP fee structure in the chat and responded that the Governance Committee (GC) is working on VRBO fee structure.

Aimee: I also had a question on this topic privately from Udo and provided the same response (GC is working on VRBO fee structure).

Discussion on next steps to proceed on Budget

Dan: Hope to get minutes out with the documents early so we could get comments from the community.

Process, Finance Committee to go back and submit to Board Final recommendation and that is what will be presented to the community at the Oct 16, 2021 Board meeting along with the supporting documents and FAQ. Input from Community is welcomed. We would need another Board meeting to approve. Consider a mid-week meeting to approve? General agreement.

Discussion:

FAQ's- how best to enable community to submit questions? Community needs to see the Budget first (not just FAQ's).

Kim: FAQ are basic info. Once Board approves recommended Budget (not draft version) then Finance Committee will have open session for owners to come and ask questions. We will make sure that everyone has opportunity to ask questions and have their voices heard.

AGREEMENT:

- Finance Committee -comments to Dan and Board (appropriate to send out version we believe is the final budget) with FAQ
- Board reviews
- Finance Committee presentation to community- Budget and FAQ review- get community feedback and major items- take into consideration
- Zoom road show to community for input.

Budget discussion concluded

Paula: Next item on agenda

Proposed motion regarding Island Manager's participation at Board Executive Sessions

Ray Stephenson: The motion that I am proposing starts with position overview which is included in the job description of the Island Manager.

Motion:

“Position Overview. The Island Manager is the Chief Executive Officer of the corporation “Hat Island Community Association “which is a not-for-profit homeowner’s association formed under and subject to the provisions of RCW 64.38 Homeowners Associations. The Island Manager is responsible to the Board of Trustees for the management of all activities of the Association. As such, let it be resolved the Island Manager will participate in Executive Sessions with exception of matters that directly affect the Island Manager.”

Second: Aimee

Discussion:

Erik: I rise in opposition of the motion for several reasons.

It is not about Kim, it is about whether we are following the process which has always been the thing that you have heard me say. I supported Kim moving into the Island Manager position, all her bonuses I approved and pay raises. It is more about if we have and or need a Chief Executive Officer (CEO). I don't think we do and think that a CEO has certain executory decision making authority and combined HICA and owners to legal obligations and contractual rights and other abilities that typically CEO's have. I don't understand why we would need that particular language because that language does have meaning. The meaning is not defined in our own governing documents which is the by-laws and articles of incorporation and does not list a CEO officer position it would be probably defined by the state and would ask the motioner to clarify what roles the CEO would have. Regardless I do not really think that we need one in order to function as an island. Open for comments.

Ray: To that comment, I did not draft the position overview description. I took the language from the Island Manger Job Description document. I am not sure when that document and language was developed, but that is how the Island Manager position was described. How it was developed I can't address.

Erik: I can a little bit. The job description was created in Aug of 2018 which included the position of Island Manager and ideal prerequisites, and it did say that the Hat Island Manager is the CEO. How can the Board create a new officer position that is not defined in the by laws? I asked the previous Office Manager- Sandy Bettencourt and asked if this was the case when she took the job and she said no. I looked in meeting minutes from 2018 when they were talking about filling a role not discussion or motion or vote to create an non-elected officer position that is not defined in the bylaws. I think they might have put it in there to be nice. There is not any documentation of Board consensus creating a non-elected decision-making officer role. To perpetuate that is an oversight and outside of what we can do as Trustees.

Paula: When this came up I spoke to the Board President at the time, Scott Holte and he said that there was a committee that created the job description. It was a HICA committee who created the job description and the duties were not just a typical HOA who is worried about when someone takes their Christmas lights down, we are a small city. It was important to have an executive manage all these employees and functions of the island.

Erik- It help create the market, the CEO position, but standing committees are advisory to the Board. The Board has to approve it (job description). There was no Board approval of a new office position. I understand a Committee Standing presented it to the Board. Even if the Board had the authority to do it, which I don't think they do, there was no vote. So there is no CEO, there is no CEO, and there is no CEO of the island in an honorific way, it is CEO of Hat Island Incorporation. It is our legal entity in WA State, we have a Chief Executive Officer that has a lot of abilities and to limit those abilities. They are limited just like any officer, President, Treasure, Secretary by what the bylaws say. To create a roll when we did not have a motion to do it and then not having it defined in the bylaws opens us up to whatever CEO's are defined in the bylaws of WA State as we have no limiting factors. I don't think we should do it, or if we want to research it more. If you really want a CEO position, then I am fine with it but I don't see how we have the power to even do that.

Dan: As far as I know, CEO is not an explicit legal description. I was a CEO once, and it did not mean anything. You can call yourself a CEO if you want to but it does not give you any other legal rights unless it is in your job description.

Erik: The job description is outside of the bylaws. Those terms do have legal meaning I guarantee it.

Dan: Is there anything in WA State laws that defines the duties legally of a CEO. I don't think so but I may be wrong.

Erik: I ask the mover of the motion to research that, I would say you could look at basic things but basically you could say the CEO could be more powerful than the President because no one elects the CEO except the Board. The citizens cannot get rid of the CEO, it has to be the Board. You give them executory decision-making powers, we can limit the powers, but you limit them in our governing documents which is for us is the bylaws and our bylaws and our bylaws still have the CEO position to limit it. We can create it but then let's change our bylaws to make sure we understand it, because in our minds we think we do. Kim would probably never go outside the sidelines; it is not about her. When I first moved to Hat Island we had like 5 Managers. Chris Cote was the first one, he was a nice guy, me as a new owner we would sit and chat about things. Later I learned bad things may have happened. Do we want someone to have the undefined power as the CEO?

Paula: The Island Manager is an employee who is governed by the Board. The motion is, should the Island Manager be allowed in executive session, unless it has to do with her job, position, or salary. Back to the motion.

Erik: If you want to put the motion up so we can ready it. It said CEO, I don't have it, I think I could find it, but if Ray could put it up so we could read it. I think the motion that is being debated is the Island Manager is the CEO Hat Island Incorporation as defined in RCW 64.38 Homeowners Associations, blah blah, blah and can go into executive sessions. There is multiple parts and my first part is the CEO part.

Ray: my main point here is- Island Manager, CEO, both of those terms are in this job description that I did not create, my point here is the Island Manager in my opinion should be part of the executive sessions, unless the Board says for these reason, I am sure there are many of them. Don brought some up, I am sure there are some that we have not even thought about, but if the Board decides the Island Manager should not be executive session, that should be the exception. That is the point, all this other conversation is confusing what this motion is about.

Erik: If you want to amend the motion, we can do that.

Aimee: Is there any reason why we can't amend the motion and say the Hat Island Manager should be present in the meetings. Take the CEO out of motion.

Erik: The motion is on the floor to approve the motion, I am not the parliamentarian, that person is gone, by default it is Paula. There is a motion on the floor to approve the motion, it has been seconded, and it is as stated by Ray. If I can find a copy the Board members had one before but if we have to vote on that. We can just ad hoc, let's do it right. If we want to change it ok but let's do it procedurally correct.

Paula: We can...

Erik: You can make a motion to amend it

Paula: We can, I have Robert's Rules in front of me. We can use an alternative action to the main motion, propose a friendly amendment, which probably makes the most sense with an editorial

change, if no one objects to amend the initial motion. Aimee's idea was to limit the words to just Island Manager. Let's talk it out and see if that revision makes sense if you omit the word CEO.

Ray: if we took the first sentence out of this motion; position overview the Island Manager is the CEO, the last sentence which says the Island Manager is responsible to the Board of Trustees for the management of all activities of the Association as such, let it be resolved that the Island Manager will participate in executive sessions with exception of matters that directly affect the Island Manager.

Paula: Do I have a second to the amended motion.

Erik: Can we write it down. If we are going to amend it, we need to start with the original motion.

Paula: Original motion without the first section.

Aimee: Type it in the chat.

"The Island Manager is responsible to the Board of Trustees for the management of all activities of the Association. As such, let it be resolved the Island Manager will participate in Executive Sessions with exception of matters that directly affect the Island Manager."

Ginger Harmon requested to make a comment, You have 2 past (HICA) Presidents here, and we never had the Manager in Executive Sessions unless they were invited in to provide information. They weever there as a participant, they were only there to give information. They only attended if there were invited in.

Kelly: Paula- when typing I don't get a chance to talk much, I would like to share my thoughts. The Board already knows my opinion on this, but for the greater good of the people that are listening. It is my opinion that when we talk about HOA's, back on the mainland a HOA has say 50 homes. Those HOA's are concentrating on things like Christmas lights, upkeep of your yard, color of your home. Hat Island is not that type of HOA, it is much bigger than that. Most of those HOA's have the benefits of the resources of a city infrastructure, mayor, police, we have fire department here, we don't have all those other things around us. Who does that? We hired an Island Manager. I am not debating if the title included in the job description is appropriate or not, it is there and we can go deal with that secondary. The fact is, typical HOA's don't have Island Managers, in effect we are a small city. We have very limited resources. Kim is in my opinion the heartbeat of everything that goes on this island. She knows what is going in with the people, late light calls, we (Board) are not getting a late-night calls, she is getting called. When we as Board members go into Executive session, she has critical information than can help us to make informed decisions. For me this is about making sure we have the information needed to make informed decisions on behalf of the community. I want to make sure I have information to make good decisions for this island.

Ginger Harmon: Comment- you may have an Island Manager that you do not want in your Executive sessions.

Kelly: We can exclude them.

Ginger: You are writing in they have the right to be there whether you want them to be there or not. So that is why I said it was always the structure that we invited them in when we needed

Ray: Correct- the President of the Board will describe what is going to occur in Executive session. We should also tell the community how long the Executive session will be, what it is about, legal matter, real estate matter and is an announcement expected after the Executive session. That is my 22 years of experience.

Ginger: I think it is important, nothing about Kim or anyone else, but don't write it in such a way that they are there whether you want them there or not.

Paula: We need to bring this back to the Board discussion. I don't know as if we have a motion for the amended motion.

Group discussion: if the motion is in the chat for all to see.

Paula: while we are ensuring the motion is visible to all in the chat, I would like to say that I feel like we have a valuable resource like Kelly was saying, the pulse of the island. We have seen it today at this finance meeting where Kim was able to clarify and provide background that we would not otherwise have. I found it helpful. If we end up with an Island Manager that another Board is uncomfortable having in Executive sessions, they could always do another resolution. Hoping we have a second on this amended motion and take it to a vote.

Erik: I have a comment, but I would like to see it first.

Kim: Technical difficulties on the equipment in the firehouse.

Paula: I can do it- how does that look.

“The Island Manager is responsible to the Board of Trustees for the management of all activities of the Association. As such, let it be resolved the Island Manager will participate in Executive Sessions with exception of matters that directly affect the Island Manager.”

Paula: Do I have a second on the motion

Aimee: I second

Paula: any further discussion

Erik: I rise in opposition to this motion, it is not because I do not want Kim there, I agree with Kelly 100%, Kim is the heart beat. It is just that Executive session typically function – it is an executive session of the Trustees. Let's just invite her to all the Executive sessions we see fit to do it, which would be close to 100%. Lets' not create a new rule where the default position is that she has to be there. It says Manger will participate. If she can't participate then what happens. I would rather just invite her. Best practice. I will invite her to the next one. I would prefer that we are tighter procedurally. You can change I to may and then we invite her to every single one – I am fine with that.

Aimee: We have an motion to vote on.

Erik: because it was asked if there was any further discussion. I was not quite done. Don Starke sent out material that listed even non legal reasons, best practice for better team cohesion. Did anyone else read that?

Kelly: I read it

Dan: I read it

Paula: I read it

Erik: not convincing?

Kelly: no

Paula: any further discussion

Don: Yes, other concerns raised at last meeting. For instance, the delivery of the annual audit, I don't know if you would say directly effects the Island Manager. Should be at the discretion of the Board President rather than will participate.

Erik: Can we change will to may?

Paula: We have not changed that

Erik: I would be more in favor of that. Change it to may rather than will. Shall /will vs may are different animals. That means she has to- so Kim could say I am on vacation, I am too busy and then we say you will participate.

Dan: Is there a motion to amend the amendment?

Erik: Amend the second amendment to change "will" to "shall"... There might be reasons, who decides what directly effects the Island Manager, seven people who might have different opinions.

Dan: Is there a second on the amendment?

Erik: Shall equals must.

Don: there may an issue of say conduct of a Board member that is concerning. Seems reasonable to me that we would not want a situation where we would have to invite the Island Manager. The Board President ought to have the discretion. May participate would better handle a situation like these last two.

Don: I would like to make a motion to amend the amended motion – I guess that is part of Roberts Rules, to strike the word "will" and replace it with "may".

Erik: I second the motion to amend. It is not a vote on the motion is a vote to amend the motion.

Paula: Is there a discussion- I am reviewing the wording.

Don: I think we have had the discussion about this amendment, so there is no debate about that

Ray: Call for the question

Don: So calling for the questions I guess would be a vote.

Paula: I would like to propose another amendment to the amendment

Don: When the question is call for as I understand Roberts Rules there is no debate

Dan: Lets vote

Don: So this motion that I made and Erik second is now before the Board.

Paula: Any discussion on the second motion which changes motion from “will to shall”

Don: “May” (not shall)

Paula: Changes “will” to “may”. Concern it takes all the teeth out of it, it would be easy for the Island Manager to never be in the meeting. Consider majority of the Board ask that she not be included in order to exclude her.

Dan: can we have a call to a vote. We have had an amend to an amend to an amend.

Don: changing “will” to “may” is what we vote on first.

Paula: All in favor of the amended motion changing “will” to “may” In favor?

Paula: (did not explicitly vote)

Don - Yes

Erik: Yes

Dan: Call for roll

Dan: No

Ray: No

Kelly: No

Aimee: No

Paula: That did not pass

Paula: Propose a new amended motion.

The Island Manager is responsible to the Board of Trustees for the management of all activities of the Association. As such, let it be resolved the Island Manager will participate in Executive Sessions with exception of matters that directly affect the Island Manager or by majority vote of the Board.”

Aimee: Seconds

Erik: Can we put in in the chat window

Erik- that is a big amendment

Paula: is just adds, after the period “or by majority vote of the Board”.

Clarifying discussion between Paula and Erik

Paula: We have a second on that other discussion prior to vote- hearing none- roll call vote:

Aimee- Yes

Don- Yes

Erik -No

Ray- No

Dan- No

Kelly- No

Paula: Motion did not pass

Paula: Amendment changes to the motion

Dan: Can we call for a question on voting on the amended resolution

Erik: I believe he is trying to get back to the first amendment which takes out the section you proposed which takes out the majority vote

Group discussion: clarification on the amendment to discuss

Erik: For clarification:

The Island Manager is responsible to the Board of Trustees for the management of all activities of the Association. As such, let it be resolved the Island Manager will participate in Executive Sessions with exception of matters that directly affect the Island Manager.”

Ray: Correct

Erik: For clarity- why did the majority not vote to accept Paula’s amendment which gave wiggle room?

Ray: I am the maker of the motion. My sense the Board President calling Executive Session and indicate the Board that she/he has excluded the Island Manager for these reasons. Then Board discussion would occur. The President of the Board has that power.

Erik: What power?

Ray: The power to decide is the Island Manager should participate in the Executive Session or not.

Erik: I think that is a Board decision, not 100% with just the Board President- looking at the bylaws.

Ray: I do not think it excludes Board President beginning the Ex....

Erik: It does not exclude her..

Ray: No, let me finish

Don: Let him finish

Ray: I don’t think it excludes the Board President from starting an Executive Session and saying we are here to discuss this matter and I have asked the Island Manager not to be in attendance.

If the Board President, then says do you all concur in that situation, I am fine with that. As a matter of course I think the Board President has to make the call initially. It does not exclude the rest (of the Board). I do not think it has to be an absolute as part of the motion so that is why I did not support it.

Erik: So now we are voting on the Amended Amendment. Not to approve the motion, but to approve the Amendment to take away the CEO verbiage.

Ray: Correct

Dan: Then we will vote on the motion

Paula: We have a motion to amend motion as recently read

Paula- Do we have a second

Don: It already has been seconded

Paula: Read motion to amend again prior to vote

Erik: from first Amendment- cutting out the CEO portion motion to approve the amendment which reads as follows:

“The Island Manager is responsible to the Board of Trustees for the management of all activities of the Association. As such, let it be resolved the Island Manager will participate in Executive Sessions with exception of matters that directly affect the Island Manager.”

Paula: Roll call vote

Aimee -Yes

Paula- Yes

Don- No

Erik- No

Dan- Yes

Ray- Yes

Kelly Yes

Paula: Amended Motion passes

Erik: So now you vote for amended motion to pass to amended motion. Which is likely the same.

Paula: So, any further business on the agenda

General discussion: We have to vote on the motion

Paula motion to vote on the motion

The Island Manager is responsible to the Board of Trustees for the management of all activities of the Association. As such, let it be resolved the Island Manager will participate in Executive Sessions with exception of matters that directly affect the Island Manager.”

Kelly seconds.

Paula: Roll call

Aimee: Yes

Paula -Yes

Erik: No

Don: Yes

Ray- Yes

Kelly- Yes

Dan- Yes

Paula: Motion passes

Paula: It is going on 12:30pm, do I hear a motion to adjourn?

Dan: Yes

Erik: Seconds

Meeting ends at 12:30pm