

Agenda

Hat Island Community Association Finance Committee Presentation of the 2024 proposed Budget

3616 Colby Ave PMB 335
Everett, WA 98201
(360) 444-6611

Saturday, Sept 30, 2023

10:30am via ZOOM

Attendees:

20 total persons attended

14 in person

6 via Zoom

Attendees included (but not limited to)

Ray Stephanson – VP HICA	In-person
Kelly Dukes- Secretary HICA	Virtual
Roelof Burger- Trustee HICA	Virtual
Kim Gleason- Island Manager	In-person
Dan Jensen- Finance Committee	In-person
Larry Christianson- Finance Committee Community Chair	In-person

Meeting started at 10:30am

Agenda:

2024 Draft budget review

Ray Stephanson: Introduced Larry Christianson- Finance Committee Community Chair and gave a shout out to Dan Jensen for all his hard work on this, Dan recently retired from the Board.

Larry Christianson: Frequently asked questions have been prepared and this entire presentation will be posted on our website. Larry review the highlights of the proposed 2024 budget.

Attendee/Audience Questions:

Multiple clarifying questions about specific expenses- clarification provided.

Payroll: Discussed how it is allocated. Additional increase is additional employees such as the additional captain.

What is the purpose of adding additional ferry runs and another ferry captain?

Additional ferry runs: Multiple factors influenced additional ferry runs and captain. The results of the recent HICA retreat showed that additional ferry service/increased access to the island was a top priority for owners. The Vessel Committee made a recommendation to add Mondays as a trial last year, and the Monday runs are now as busy as the Thursday runs. Additional runs also needed for owners to make Dr appts

Additional Ferry Captain: The ferry captain is on salary. The captain has been working long hours and we have had difficulty securing relief captains, so our captain rarely can have a day off and has to perform maintenance on the boat on his days off. We need two captains to enable a rotation of the schedule, so no one has to work every holiday and every weekend. We continue to look for a relief captain, the hope is that we keep qualified and happy employees. It is not sustainable to have employees who work every holiday and weekend. We made a decision to buy a smaller ferry, and it carries less passengers. The island has grown substantially since then which means full /extra runs.

Current relief captains, do we pay a premium? We paid the relief captain a premium, if we have two captains that would be offset. Harris is getting his captain's license. Relief captain positions are hard to fill, some already have full time jobs. With two captains on staff them we can rotate the schedule and we would just need to hire deck hands. It looks like some people what daily ferry. Are we seeking to adjust the ferry departure time? The motivation to was to employee and keep future captains. There may come a day when we receive a subsidy from the State or County to provide the ferry service, but we are not there yet.

Discission: That we also will need a second ferry. We need to have a capital investment plan for that.

Why additional engine for \$60,000? Captain highly recommends that we purchase it to ensure we have access to it in the event that the ferry has another mechanical issue. The war in Russia and Ukraine has impacted the supply chain and lead times for mechanical metal parts have increased significantly. If we don't have a secured access to the parts and the boat goes down again, we will not easily be able to repair the boat and it would cost the community a lot.

Just completed audits- next steps?

The finance committee has this as a key objective. We have a Non-Disclosure Agreement (NDA) a consultant who worked with HOA's who understand our accounting principle. Working with professional who can help us and provide input.

Meeting adjourn at 10:10am