

**PARADISE COMMUNITY CLUB**  
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*"We are an Equal Opportunity Service"*

**General Membership Meeting Minutes**  
**June 3, 2012**

**Opening:**

The Annual Membership Meeting for Paradise Community Club was called to order at 10:17 AM on June 3, 2012, at the PCC Office – 151 Nisqually Way, Ashford, WA - PCC President, Bill Balcom presiding. At 10:18, with more than 40 members present or represented via mailed ballot, Bill Krause – VP - announced that the meeting had a quorum. The minutes of the 2011 Annual Membership Meeting were distributed in advance for review.

Bill Balcom had the Board and staff members introduce themselves. All guests were asked to sign the guest sign-in sheet as well. Bill Balcom made a “last call” for any outstanding ballots – none were forthcoming.

**Board Members Attendance:**

<b>Bill Balcom</b> (President)	<b>Bill Krause</b> (Vice President)	<b>Sonja Maddux</b> (Treasurer)	<b>Brett Anderson</b> (Secretary)
<b>Calvin Porter</b>	<b>Beth Marzano</b>	<b>Steve Olson</b>	<b>Sara Holmgren</b>
<b>Joan Williams</b> (Absent – 1st)			

**Staff Members Present:**

<b>Cecile Roy</b> (Office Clerk)	<b>Alvie Whitlock</b> (Water Manager)	<b>Jean Roy</b> (Water Operator) (Absent)
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The meeting attendees were all signed in (sign-in sheet on file).

**Fire Department Report** (Guest Speaker: Gary Olson – Fire Chief)

Chief Olson described how the fire department is funded and runs. He described that on a typical \$1000 call (ambulance), the fire district is reimbursed about 40% of those costs (via levy funds). He mentioned an Airlift NW insurance policy that you can buy as a family (\$87 per year). Interested families can pick up applications at the Pierce County Fire District #23 station in Ashford. He described that the responding EMT or Medic will determine whether injuries or condition warrant an airlift. He stated that an ambulance ride to Puyallup currently runs \$1,444.00. He was asked if the Fire Department had EKG equipment that could be used for

doctor-prescribed regular checks. The Chief stated that they did not have such equipment – but that they are very happy to take blood pressure reading for residents.

A member made a plea that the responding volunteers be compensated more significantly when they respond to calls, which can easily be life and death situations. The Chief described the limited compensation they do receive and said that the staff knows that the job is a “stepping stone” to positions in larger population areas that result in much higher forms of compensation. He stated that they own two houses where firemen are required to stay. One is in Ashford and the other is in Alder.

He went on to describe the condition of the Ashford Station equipment. The Ashford tender is currently aging and parked in Elbe, because the Elbe engine is not currently functioning. The Elbe engine is in need of repairs and those repairs are estimated at \$18,000. So the PCFD is requesting a grant to replace the Elbe engine. He stated that last year 6000 such grant requests were made but only 300 were granted. He further stated that over one half of the volunteers are now certified, which is helpful when soliciting grant money. Others are still working on their certification as the department strives to get as close to a 100% certified goal as possible. Gary also described a “Pierce Alert” service that you can sign up for that will notify you in the event of significant incidents (road closures, school lockdowns, etc.). Information on this program is available at the Fire Station. The fire station also has weather alert radios and smoke alarms that are available to lot owners at no cost.

Chief Olson then described the current financial status of the department, which has deteriorated significantly over the past several years, primarily due to the loss of timber tax revenue. He stated that PCFD #23 will definitely be asking for more funds (higher levy) from LCFD #17. Our current levy is at 67 cents/thousand and cannot be raised past \$1/thousand, as LCFD has no paid staff in our area.

For insurance purposes, we are a Class 8 “with tender credit” (one notch better than Class 8). Members are encouraged to make sure their homeowner’s insurance companies are aware of that fact.

Burn Ban status – Chief Olson informed the audience that the PCFD did NOT move to a fixed schedule for burn bans, something he indicated was a national trend for fire departments. Residents are therefore encouraged to watch for the burn ban signs or call if they have questions.

Bill Balcom asked if there were any questions or edits for the minutes from the 2011 Annual Membership Meeting - there were none. Beth Marzano motioned to accept the minutes as drafted. Motion was seconded by Calvin Porter. None Opposed. Motion Carried.

Sonja Maddux read the Treasurer's report and submitted the financial reports provided from our CPA. These reports and all financials are on file in the PCC office. Sonja also submitted a Quicken report that shows the balances of all PCC Accounts

<b>PCC Bank Balances</b>		
<b>Account</b>	<b>As of Date</b>	<b>Balance</b>
B of A Checking	5/31/2012	Closed
B of A Savings	5/31/2012	Closed
First Citizens Checking	5/31/2012	\$101,298.47
First Citizens CD	5/31/2012	\$17,144.92
Timberland CD	5/31/2012	\$5,900.88
First Citizens Savings	5/31/2012	\$30,535.07
<b>Total</b>		<b>\$154,879.34</b>

ARREARS: Five members are in foreclosure process owing a total of \$35,981.42 as of 4/30/12. Only three members remain with active property liens in place, totaling \$1,232.12 as of 4/30/12. All three properties with liens are making payments.

Beth Marzano motioned that the Treasurer's report be approved as read. The motion was seconded by Bill Krause. There were none opposed. Motion Carried.

### **Year in Review**

Bill Balcom reviewed the past year's highlights, which included:

1. The newly constructed picnic shelter at the big lake
2. Trout stocking in the big lake to allow residents some relaxing fishing time
3. Mothballing of two wells as recommended by the State inspector to save on testing expenses
4. The high marks given our water system and staff by the State inspector
5. Potential progress in securing materials for a replacement footbridge over Big Creek
6. Further improved cash flow for the past year – roughly \$30K left at EOY 2011
7. Decreased CPA fees due to better organized bookkeeping
8. Significant progress in working with members to clean up neglected lots

Bill also informed the audience that we could use a volunteer to monitor water levels and manage the diversion dam. No volunteers stepped forward during the meeting.

Bill further reported that an Otter pair is now visiting the big lake regularly and that he would contact a live trapper to try to get them relocated to another area.

At the request of some of our members, PCC has now created Membership cards, which were issued to those requesting them at the meeting. They will be in the office as well and will be sent to members in a regular mailing in an effort to control postage expenses. The cards cost less than 5 cents each to produce.

Bill asked about amenities that the members may want to see in the future. It was notable that there were no items requested (outside of replacing the footbridge if feasible).

The meeting was temporarily recessed for Lunch Break - Noon to 12:50pm.

The meeting was reconvened at 12:50pm.

Bill Balcom reminded the audience that free Yoga sessions are open to our members and held at 10:30am on Wednesdays – These sessions are led by Erika Broska.

Steve Olson informed the audience that we also host a free Artist Workshop on Fridays from 2pm to 4pm. Those wanting to spend time with others while Carving, Sewing, Drawing, etc. are welcome. Steve is also considering adding music appreciation in the future.

### **Water System Report**

Alvie described the lower costs we have enjoyed in support of our water system. He specifically thanked Roger Smith for his fuel donations, which alone have allowed us to eliminate an expensive delivery contract. Thank you very much Roger! Alvie further described maintenance efficiency methods that have been employed this past year, including “moth-balling” Well House #2. Placing this well house in offline standby mode means that we do not have to spend funds on continual water quality testing for that site, yet it remains ready to be reconnected quickly if needed in the future.

Alvie also described the in-house water tower cleaning that has been performed over the past 2 years. This in-house cleaning has saved PCC in excess of \$5,000. Alvie demonstrated the type of maintenance that is performed by our own staff (such as small pump and meter rebuilding), which saves us even more. Alvie also mentioned that water keys (shut-off wrenches) can now be purchased by members from the PCC Office for \$6.00. The cost can simply be added to your water bill balance.

The CCR (Consumer Confidence Report) is complete and has been distributed, as well as posted on the PCC website. Alvie explained the type of elements and pathogens that we test for in our water system. All levels are well below the maximum tolerable levels and our water is clean and safe to drink. He discussed how pricing is going up but that strict fiscal management and volunteer efforts by the Board, have kept our costs on a downward trend. Most all water companies are raising rates but we have held PCC Water rates steady since the new system was installed. He described two significant leaks that were discovered in August 2011, both of which were detected and resolved.

A member asked how many gallons of water could be pulled from our hydrant. This prompted a discussion regarding the difference between the Fire Department hydrant, the stand pipes that support the blow offs and the large stand pipe that pulls water from the big lake. Specific flow rates could not be stated without further research but a general overview of the appropriate uses of each was provided. The lake stand pipe is the most appropriate solution for use during

emergencies. The hydrant at the firehouse is meant to top off the tanker truck. The standpipes used for blow offs are not designed to support emergency tanker refill.

A member asked if Styrofoam was still needed by the water department. Alvie stated that we no longer needed any as ample supplies had been donated.

A member asked if we should put together a fund designed to protect us in the event of a catastrophic event. Brett explained that we had funds set aside to cover 1-year's payment of one of our loans (just over \$37K). In addition to that balance (which is required by the loan), the PCC Board has also approved building a second reserve (as recommended by the State) in the amount of \$30,000. To date \$15,000 has been moved into this reserve and the 2013 budget includes a provision to add \$5,000 more. Collectively, PCC has over \$53,000 in Savings and CDs on top of the Checking balance. Further, the Board has adopted a strategy of adding to this reserve as necessary for the next 5 years, while continually reviewing the appropriate amount of this reserve. Due to tight fiscal management, this reserve is being built up without any increase in dues or water charges to our members.

A member asked how many permanent residents we have currently in Paradise Estates. The question requires checking the records to be sure, so Cecile Roy agreed to research this number.

### **Community Watch Report**

Paul Nerge said that we had fortunately been somewhat quiet on the crime front but that folks on the Pierce County side of the Nisqually River have not been as fortunate. He further stated that he would be extending an invitation to the Pierce County side properties to join our Community Watch group. Paul will be placing flyers at a few establishments in Ashford that will help get the word out. He stated that the next Community Watch meeting would be held on Saturday, 6/30/2012 at 10 AM at the PCC office (151 Nisqually Way). All members are encouraged to attend.

### **Grounds Report – Steve Olson**

Steve Olson reported that he is currently mowing the fields and common areas on a volunteer basis. Additionally, this Spring's fish stocking at the lake is now complete. Bill Balcom added that the newly acquired swing set would hopefully be ready for use by the July 4<sup>th</sup> holiday.

### **Community Watch**

Paul announced that we will now hold the Community Watch meetings on the last Saturday of every even month (except December) at the PCC Office. The meetings begin at 10AM. Paul then spoke of a few highlights from the past year:

- 1) A meeting with 3 deputy Sheriff attendees
- 2) A new decision to extend the meeting invite to the Pierce County side of the river.
- 3) Break-ins in our community are down but there is more activity on the Pierce County side.

A member commended Paul for his efforts in this area and how it compared so favorably to the group at her other recreational property (Westport area).

A member asked whether or not Bavarian Retreat residents are allowed to fish in the lake. The answer is “not officially”. Paul spoke of thinking there was a long-ago gentlemen’s agreement that provided for that but nothing was ever documented. At the same time, some of the Bavarian residents have been good citizens in terms of keeping an eye on lake activities for us. Brett suggested that we work over the coming year to clarify any past history regarding our relationship with Bavarian Retreat.

**Voting Results**

The voting committee (Calvin Porter, Steve Olson, Paul Nerge and Linda Dorr), selected from the audience earlier and led by Calvin Porter, reported the results as follows:

President: Bill Balcom (66 votes)  
Vice President: Bill Krause (67 votes)  
Board Position #9: Sonja Maddux (64 votes)  
Board position #3: Joan Williams (64 votes)

2013 Budget (attached): Passed - 64 YES 5 NO  
By-Laws Updates: Passed - 63 YES 5 NO

**Good of the Order**

A member asked if First Aid and CPR Training could be made available in the area. Beth Marzano agreed to check with the Ashford Fire station.

A member commented on how much nicer the community looks now. That it is a very pleasant place to visit again.

Another member thanked everyone for attending.

With no other agenda items or member questions, the meeting was adjourned at 2:00pm. The Board was asked to stay behind for the post event meeting. The next regular Board meeting will be held at 1pm on Sunday, September 9, 2012 at the Paradise Community Club office.

Respectively submitted,

Brett Anderson, Secretary \_\_\_\_\_ Date \_\_\_\_\_

Attest: Bill Balcom, President \_\_\_\_\_ Date \_\_\_\_\_

**Paradise Community Club, Inc.**  
**Final 2011 Annual Meeting Election results**

<b>President</b>	<b>Votes</b>	<b>Passed/Elected?</b>	<b>Comments</b>
Bill Balcom	64	Yes	
<b>Vice President</b>	<b>Votes</b>	<b>Passed/Elected?</b>	<b>Comments</b>
Bill Krause	64	Yes	
<b>Board Position</b>	<b>Votes</b>	<b>Passed/Elected?</b>	<b>Comments</b>
Brett Anderson	67	Yes	
Bill Balcom	67	Yes	
Sara Holmgren	67	Yes	
Bill Krause	66	Yes	
Steve Olson	64	Yes	
<b>2012 Budget</b>	<b>64 Yes and 4 No</b>	<b>Yes</b>	

**Votes were counted from sealed envelopes and tallied by Calvin Porter, Cecile Roy, Sonja Maddux and Paul Nerge at the Annual Membership Meeting.**

## 2013 Proposed Budget with 2011 Actual

Total Projected 2013 Costs	Total Actual 2011 Cost	Total Difference
<b>\$185,860</b>	<b>\$163,662</b>	<b>\$22,198</b>

Forecasted 2013 Annual Income		2011 Actuals
<b>Membership Dues</b>	\$97,750.00	\$97,463.00
<b>Water Revenue</b>	\$88,456.00	\$88,276.00
<b>Interest Income</b>	\$125.00	\$130.88
<b>Total Annual Income</b>	<b>\$186,331</b>	<b>\$185,870</b>
<b>Forecasted EOY Surplus</b> (Projected income minus expenses)		<b>\$471</b>
		<b>\$22,208</b>

Office	Projected Cost	Actual Cost	Difference
Construction Expenses	\$2,000	\$13,383	(\$11,383)
Property Taxes	\$1,900	\$1,597	\$303
Phone/Fax/Internet	\$1,900	\$1,685	\$215
Utilities	\$4,900	\$4,720	\$180
	\$0	\$0	\$0
Office	\$3,500	\$4,316	(\$816)
Web Hosting	\$360	\$348	\$12
Greentree Software Support*	\$22,300	\$2,250	\$20,050
<b>Subtotals</b>	<b>\$36,860</b>	<b>\$28,299</b>	<b>\$8,561</b>

Employment	Projected Cost	Actual Cost	Difference
Water System Manager	\$12,731	\$12,360	\$371
Water System Assistant	\$6,365	\$6,180	\$185
Maintenance Worker	\$2,000	\$1,425	\$575
Office Administrative Clerk	\$12,173	\$11,818	\$355
Travel Reimbursements	\$3,000	\$2,625	\$375
Training Expenses	\$700	\$684	\$16
Treasurer Reimbursements	\$600	\$600	\$0
Secretary Reimbursements	\$600	\$600	\$0
Withholding Taxes	\$5,750	\$5,406	\$344
<b>Subtotals</b>	<b>\$43,919</b>	<b>\$41,698</b>	<b>\$2,221</b>

Professional Fees	Projected Cost	Actual Cost	Difference
Liability & Property Insurance	\$13,000	\$12,406	\$594
Accounting Expenses (CPA)	\$4,000	\$3,230	\$770
Legal Expenses	\$8,500	\$6,804	\$1,696
<b>Subtotals</b>	<b>\$25,500</b>	<b>\$22,500</b>	<b>\$3,000</b>

General Membership	Projected Cost	Actual Cost	Difference
Lake Stocking (1x per Year)	\$600	\$580	\$20
Recreational Events	\$250	\$0	\$250
Annual Meeting Expenses	\$150	\$200	(\$50)
<b>Subtotals</b>	<b>\$1,000</b>	<b>\$780</b>	<b>\$220</b>

Water System	Projected Cost	Actual Cost	Difference
Grounds/Maint/Fuel/Supplies/Lab & Repairs	\$12,500	\$12,026	\$474
Utility Taxes	\$250	\$0	\$250
Professional Memberships	\$250	\$0	\$250
Permits/Licenses (perm, ops, etc. etc.)	\$250	\$0	\$250
Contribution to Reserve Account	\$5,000	\$0	\$5,000
Misc. Water Expenses	\$500	\$528	(\$28)
<b>Subtotals</b>	<b>\$18,750</b>	<b>\$12,554</b>	<b>\$6,196</b>

Loans	Projected Cost	Actual Cost	Difference
Federal Loan	\$39,033	\$39,033	\$0
State Loan	\$18,798	\$18,798	\$0
<b>Subtotals</b>	<b>\$57,831</b>	<b>\$57,831</b>	<b>\$0</b>

Misc.	Projected Cost	Actual Cost	Difference
Tools/Equipment	\$2,000	\$0	\$2,000
<b>Subtotals</b>	<b>\$2,000</b>	<b>\$0</b>	<b>\$2,000</b>

### Totals Talled at Top

\* Increased Forecast is entirely due to the budgeted replacement of the Water Meter Reading and Billing System