

PARADISE COMMUNITY CLUB

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An Equal Opportunity Employer and Service

**PCC Board Meeting Minutes
March 9, 2014**

The meeting of the Paradise Community Club Board was called to order at 1:01 PM at the PCC Office – 151 Nisqually Way, Ashford, WA - PCC President, Bill Balcom presiding.

Bill Balcom had the Board members and staff members introduce themselves. All guests were asked to sign the guest sign-in sheet.

Board Members Attendance:

Bill Balcom (President)	Bill Krause (Vice President)	Sonja Maddux (Treasurer)	Brett Anderson (Secretary)
Calvin Porter	Beth Marzano	Steve Olson	Sara Holmgren Absent – 3rd
Joan Williams Absent – 2nd			

Staff Attendance:

Cecile Roy (Office Clerk)	Alvie Whitlock (Water Manager)	Maria Niesen (Water Operator) -Absent-
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The guests in attendance included: John Evans, Rod Glyzinski, Mitch Mittelstaedt, Paul Nerge, Chuck Mitchell, Darlene Krause, Dorothy Forsythe, Linda Dorr, Jeane Cochrane, Lori Ambergie, Mike Judge and Caro Sodorff (for Peter Sabin) - (apologies for any spelling errors in names)

Special Guest:

Fire Department –Lori Ambergie, formerly with Pierce County Fire Department was given the floor to brief the attendees on the Pierce County Emergency Management “PC Net” Program. This program is designed to provide process templates regarding a response to significant local incidents, including disaster response. She asked if we were interested in a meeting to start discussing a more formal response capability for such events. She would like us to email her with dates that would work for a discovery/planning session regarding implementing such a program within Paradise Estates. We indicated that we were just beginning discussions regarding stocking emergency rations and supplies at our community building as well. Bill Balcom indicated that we would like to be involved in leading this new initiative and that he would contact her with dates that could work to meet. Brett suggested that, in order to evangelize the cause further, Lori may want to attend the next Community Watch meeting, as

that meeting generally includes attendees from Echo Valley, Nisqually Park and the greater Ashford area. She said that she would be willing to attend such a meeting. Paul Nerge stated that the next meeting would be held on April 22nd.

OLD BUSINESS

Bill Balcom asked the Board to review the minutes of the January 12, 2014 Board Meeting. After review, there were no questions or discussion items, so Sonja Maddux motioned that the minutes be accepted as written. The motion was seconded by Steve Olson and there were none opposed. Motion carried.

UPDATES on ACTION ITEMS

1-Paint/Install New Door on Office Shed - Calvin Porter

Calvin reported that this item is still awaiting warmer weather before painting is feasible.

2-Caulk and Light Mounting Well House #4 - Alvie Whitlock

Reported as complete by Alvie.

NEW BUSINESS

WATER SYSTEM REPORT – Alvie Whitlock

Oral summary provided per the below:

1. Bottom Line up front: Our water system is in Green Status with the Washington State Department of Health. Our water is safe and we are in full compliance with all State and Federal regulations. We have completed and passed, all required water chemical and biological testing for the first three months of 2014.
2. All water meters in PCC were read on February 25th for billing. We had no problems with billing. No meters were locked during the last billing cycle for lack of payment.
3. Due to the extreme cold weather in January and February, two water lines froze and broke on the owner's side of the meter. This is down from seven in the prior reporting period. All owners have been notified and we are monitoring for repair compliance.
4. During this reporting period we have had one system problems. A one-inch line feeding two meters was damaged on Osborn when a large vehicle compressed a line between two rocks. Water was spotted coming up through the snow in the rut left by the vehicle. We ask all our members to stay alert for any signs of water leaks on or around their property, and notifying the water department as soon as possible if a problem is suspected.
5. Ongoing: We have a Fire Pumper Truck water withdrawal site in the west end of the Big Lake. The current Fire Department personnel have not trained with using this to fill the pump truck in case of a fire. There are concerns about sucking rocks or foreign matter into their pumps

and causing damage. With the lake being frozen over the site cannot be properly inspected at this time. We will continue to work this issue as the weather warms and more information can be gathered.

6. The motion detector security light has been reinstalled at well house #4 and the uncompleted caulking left by the contractor is now completed.

7. The Consumer Confidence and Water Quality Report for 2013 is being prepared and will be distributed soon, likely with the April water bills.

TREASURER'S REPORT

The Treasurer's Report was read by Sonja Maddux and stated all account activity and balances for the period ending 2/28/2014 as follows:

**PARADISE COMMUNITY CLUB, INC
MONTHLY TREASURER REPORTS
PERIOD ENDING: February 28, 2014**

Balances as of February 28, 2014

CD - Timberland	\$5,933.35
CD – First Citizens	\$31,925.38
Savings	\$20,851.09
Total	\$58,709.82

Checking Balance as of December 31, 2013 **\$38,518.24**

Deposits for the months of Jan-Feb 2014 + 92,478.17

Expenses for the months of Jan-Feb 2014 - 48,131.19

Check book balance as of February 28, 2014 **\$82,865.22**

Total Financial Assets **\$141,575.04**

The Treasurer's report was approved as read. Motion Beth, 2nd Calvin, none opposed - motion carried.

2014 Dues Payment Status – Sonja Maddux

Sonja and Cecile reported that payment of dues is significantly improved vs. the prior year.

Secondary Reserve Allocation – Brett Anderson / Sonja Maddux

Sonja stated that the deferred allocation of \$5,000 to our secondary reserve has now been completed. She further stated that our financial condition allows us to add the 2014 allocation as well, whenever the Board decides. Brett stated that he would prefer to make the 2014 allocation as soon as convenient so that it is behind us for the fiscal year. A brief discussion resulted in a motion by Beth, 2nd by Bill Krause to proceed with the 2014 transfer of \$5,000 to the secondary reserve when next at the Bank. There were none opposed; motion carried. Sonja will make the transfer when convenient.

OFFICE ISSUES

1-Accounts in Arrears – Sonja / Cecile

There are three properties with liens in place. All have now been sent demand letters from our attorney. Collectively these properties owe a total of \$4,682.14.

One member lost his lot to Lewis County via Tax Foreclosure, leaving three members' properties in the foreclosure process:

Lot 263 - will require approximately another 8-10 months to work through the complex title issues (not funded by PCC).

Lot 309 – Judgment has been made in favor of PCC and this lot will sold at auction via Sheriff's Sale in the near future.

Lots 221-224 – These lots are currently under Bank management and are believed to be near a mortgage foreclosure status. No action is warranted as we await this status change.

2-Other Office Issues? – Cecile Roy

None reported.

FIRE DEPARTMENT REPORT – covered by Guest Speaker (above).

Pumper Truck Filling – Alvie

This is still waiting for warmer weather to pursue testing the connection at the lake.

COMMUNITY WATCH - Paul Nerge

Paul Nerge reported that there has been some criminal activity lately and that the Sheriff's office is aware of those parties reportedly involved. A member also reported that law enforcement knows where the alleged perpetrators are staying (on Highway 706). Paul stated that the next Community Watch meeting is scheduled for 10am on 4/22/14 at the PCC office. Paul also offered to turn over the Community Watch leadership role to someone else, should they be

interested. There were no volunteers and Paul was informed that the position would likely be his for the foreseeable future.

FINANCE COMMITTEE – Calvin Porter

Calvin reported that the last Finance Meeting was held on 2/19/14. Once again, no financial discrepancies were found during the review. The next Finance Meeting is therefore scheduled for 10am on 4/16/14. Calvin invited anyone interested in attending to please do so.

The 2015 Proposed Budget was presented by Calvin and Brett. Brett walked through the logic and format behind the spreadsheet. Calvin explained that the budget is very similar to the prior approved budget but now included money to pay for mowing this year, should that be required. Steve Olson explained that while he has been volunteering to mow the grounds, his back simply can't sustain the jarring inherent with the activity. After further discussion, including ensuring that the budget was approved by the PCC Treasurer (Sonja Maddux), a motion was made by Bill Krause to approve the proposed budget as presented. The motion was seconded by Steve Olson and there were none opposed; motion carried. This budget (attached) will be presented to the general membership at the upcoming Annual Membership Meeting.

COMMUNITY RELATIONS – Cecile Roy/Sonja Maddux

Lot 280-281 – unleashed dogs – The lot owner reported a person walking with a flashlight (roughly 1 year ago), then he began to see bike riders and then bikes with tools (like axes). More recently he has seen bikes with dogs. He reported a concern regarding trails being built on DNR land. Bill Balcom recommended that he call the Sheriff if concerned about the safety of himself or his property. Brett asked if his concern was primarily for activity occurring on DNR land, to which he agreed. Bill Balcom informed him that the PCC Board has no jurisdiction regarding monitoring or enforcement on DNR land and that the lot owner would need to contact DNR with any such concerns.

Lots 207-208 – A lot owner sent an email to PCC that referenced a complaint to the PCC Board that they were ignoring her emails regarding a report of diseased trees on her neighbor's lot. No such emails were located but it was noticed that the owner addressed this email to an email address that cannot receive messages. The email asked why nothing had been done regarding the matter. The Board had responded that the owner should send a certified letter to the neighbor, to advise him of her concern and to send a copy of that letter to the PCC office for reference. Because the requested copy of the letter was never received, the Board viewed this issue as resolved. The Board cannot be responsible for such an Act of God, but as a courtesy, will send the neighbor a letter, requesting that he look into the matter. It is unclear at this time if another tree presents such a concern however.

Lots #250-251 - The PCC Office received a complaint regarding prolonged barking/whining by multiple dogs on these lots. Also reported was that the lot is in a state of disrepair and should be cleaned up and that a vehicle is parked too close to the roadway, affecting snow plowing. The Board had worked with this lot owner for a several month period more than 1 year ago and significant progress was made. PCC will send the owner a letter, requesting that the cleanup work be completed and let him know that a first complaint has been received regarding the dog noise.

Lot 141 - A member's mother attended the meeting and registered a complaint regarding a very messy state in this yard and some sort of rabbit farm activity adjacent to her daughter. Bill Balcom agreed to visit the property to look into the issue after the meeting.

GROUNDS / MAINTENANCE REPORT - Steve Olson

Brett reported that the "Keep off of Ice" signs had been posted at both lakes. Steve Olson was recognized (applause) for multiple years of voluntary service in mowing the field, roadways, entrance and lake areas within Paradise Estates.

Bill Balcom stated that, in an effort to defer the expense of new commercial grade picnic tables, Brett had volunteered to replace the boards on two of the metal-framed tables at the big lake but requested up to \$150 to buy the necessary materials. Bill also stated that the fencing around the big lake is really starting to decay and he would like funding to buy the materials necessary to replace it. Together, Bill requested \$2,000 to accomplish these projects and possibly purchase a commercial grade bench for installation at the lake. Beth motioned that the \$2,000 be approved. The motion was seconded by Bill Krause and there were none opposed; motion carried.

Bill Balcom stated that he would like to earmark funds for later in the year or even next year to preserve them for capital improvement projects. Potential projects were described as water line replacements in cul de sacs and improvements to our lake area. Steve Olson suggested that these funds could be used in time to replace the children's play systems at the big lake. After a review of finances, Bill Balcom made a motion to set aside \$19,000 to be used for capital improvement projects, sometime over the next 2 years. This figure represents one half of the funds PCC had left over in Checking as of 12/31/13. The motion was seconded by Bill Krause and there were none opposed – motion carried.

GOOD OF THE ORDER – Bill Krause

With no further issues reported, the meeting was adjourned at 2:47 PM (Motion Steve, 2nd Sonja, none opposed; motion carried). In order to avoid Mother's Day, the next regular PCC Board Meeting is scheduled a week later than normal (5/18/2014 at 1pm – PCC Office).

Respectfully submitted,

Brett Anderson, Secretary _____ Date _____

Attest: Bill Balcom, President _____ Date _____

2015 PROPOSED PCC BUDGET

Forecasted 2015 Income	Approved 2014 Budget	2013 Actual Income
Membership Dues	\$93,575	\$88,425
Water Revenue	\$95,000	\$91,911
Interest Income	\$50	\$8
Total Annual Income	\$188,625	\$180,344

EXPENSES

Total Projected 2015 Cost	Approved 2014 Budget	Total Actual 2013 Cost
\$169,695	\$171,459	\$216,804

Office

2015 Proposed	2014 Approved	2013 Actual
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Property Taxes	\$2,200	\$1,900	\$1,935
Phone/Fax/Internet	\$2,500	\$1,900	\$2,456
Utilities (incl. Street Lts & Well Pumps)	\$5,000	\$4,900	\$5,602
Office Equip/Supplies/Maint/Postage	\$4,500	\$5,000	\$4,370
Web Hosting	\$360	\$360	\$339
Greentree Software Support	\$2,250	\$2,250	\$2,250
Subtotals	\$16,810	\$16,310	\$16,952

Employment

Water System Manager	\$16,439	\$14,316	\$15,960
Water System Assistant	\$6,180	\$6,180	\$6,000
Maintenance/Snow Removal Contractors	\$2,000	\$2,000	\$260
Office Administrative Clerk	\$12,265	\$10,922	\$11,908
Travel Reimbursements	\$3,500	\$3,000	\$3,669
Training Expenses	\$400	\$700	\$456
Treasurer Reimbursements	\$600	\$600	\$600
Secretary Reimbursements	\$600	\$600	\$600
Withholding Taxes	\$6,374	\$8,700	\$6,188
Subtotals	\$48,358	\$47,018	\$45,641

Professional Fees

Liability & Property Insurance	\$13,750	\$14,000	\$13,420
Accounting Expenses (CPA)	\$3,000	\$4,000	\$2,836
Legal Expenses	\$5,500	\$8,500	\$4,413
Subtotals	\$22,250	\$26,500	\$20,669

General Membership Events

Lake Stocking (1x per Year)	\$625	\$600	\$457
Community Events	\$350	\$450	\$200
Subtotals	\$975	\$1,050	\$657

Water System

Grounds/Maint/Fuel/Supplies/Lab & Repairs	\$17,000	\$12,500	\$14,391
Utility Taxes	\$250	\$250	\$0
Professional Memberships	\$250	\$250	\$0
Permits/Licenses (DOH, DOR, Sec. St.)	\$250	\$250	\$94
Contribution to Reserve Account	\$5,000	\$5,000	\$0
Capital Improvement Projects ¹	\$0	\$0	\$60,777
Misc.	\$250	\$500	\$307
Subtotals	\$23,000	\$18,750	\$75,569

Note: Assumes Volunteer Mowing is not Available for 2015.

Note: Only payable if sufficient usage numbers are met - not typical.

Note: 2013 Contribution Delayed to Early 2014.

Mt. View Distribution Line Replacement	Initially	Final Cost
	\$45,422	\$60,777

¹ 2013 CAPITAL IMPROVEMENTS Approved

Note: Higher Amount caused by re-routing around 8' + boulder and changes in County excavation requirements. Capital Projects are Discretionary and vary in amount based on surplus account balances. Budget therefore does not reflect a predetermined amount for Capital Improvements.

Loans

State Loan	\$19,206	\$20,235	\$19,720
Federal USDA Loan	\$37,596	\$37,596	\$37,596
Subtotals	\$56,802	\$57,831	\$57,316

Misc.

Construction Expenses	\$500	\$2,000	\$0
Tools/Equipment	\$1,000	\$2,000	\$0
Subtotals	\$1,500	\$4,000	\$0

Totals Tallied at Top

Forecasted EOY Surplus (Projected income minus expenses)	\$18,930	\$8,885	(\$21,092)
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