



**PARADISE COMMUNITY CLUB, INC.**

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**PCC Board Meeting Minutes  
March 13, 2016**

The meeting of the Paradise Community Club Board was called to order at 1:00 PM at the PCC Office – 151 Nisqually Way, Ashford, WA - PCC President, Bill Balcom presiding.

All guests were asked to sign the guest sign-in sheet. Attendance is reflected below.

**Board Members Attendance:**

<b>Bill Balcom (President)</b>	<b>Brett Anderson (Secretary)</b>	<b>Sonja Maddux (Treasurer)</b>
<b>Calvin Porter</b>	<b>Joan Williams</b>	<b>Steve Olson</b>

**Staff Attendance:**

<b>Cecile Roy (Office Clerk)</b>	<b>Ben Pacatte (Water Manager)</b>
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The guests in attendance included: Paul Nerge, Erika Broska, Rod Glyzinski, Ben Anderson, Mark Temple, Chuck Mitchell and Julie Edwards.

**OLD BUSINESS**

Bill Balcom asked the Board to review the revised minutes of the January 24, 2016 Board Meeting. After review, Sonja Maddux motioned that the minutes be accepted as written. The motion was seconded by Calvin Porter and there were none opposed. Motion carried.

**UPDATES on ACTION ITEMS**

**1-Order of 40 Water Meter Registers** – Ben reported that the first 32 meters are now installed and working fine. The 40 meters from the last order are also expected to be installed before the April water billing cycle. He is focusing on full-time users first, part-time users next, and then lots that have little or no usage. Brett Anderson suggested that we pause before the last group to check our finances and consider the option of not installing meters on lots with no historic water use.

**2-Bavarian Village’s Use of Lake Holiday** – Bill Balcom had previously spoken with the Bavarian Village President (Luke Osterhaus) to understand why residents and guests of Bavarian Village felt they had rights to use and fish in our private lake. Luke indicated that there was a reported agreement (likely informal) in place between the two communities that allowed for such shared use. Luke could not produce any documentation of such an arrangement and to date, the PCC office has not located one either. PCC will look through the remainder of its old files to see if anything turns up and defer this issue to the next Board meeting.

**NEW BUSINESS**

**FIRE DEPARTMENT REPORT** – Paul Nerge

Beth Marzano was absent, so Paul Nerge reported that there is nothing of note going on with the Fire Department, except that the next Fire Commissioner’s Meeting is scheduled for March 23, 2016 at 7pm. Brett Anderson asked if it would be permissible for one or more of the PCC Board members to attend that meeting. Paul said that it would be fine. Bill Balcom and or Brett will try to arrange their schedules so that they can attend.

**TREASURER’S REPORT**

The Treasurer’s Report was read by Sonja Maddux and stated account activity and balances for the period ending 2/29/2016 as follows:

**PARADISE COMMUNITY CLUB, INC.  
MONTHLY TREASURER REPORTS  
PERIOD ENDING: February 29, 2016**

**Savings Account Balances as of February 29, 2016**

CD - Timberland (renewal date is 3/31/16)	\$5,945.23
CD – First Citizens	\$31,955.34
Savings	\$14,888.89
<b>Total</b>	<b>\$52,789.46</b>

<b>Checking Balance as of December 31, 2015</b>	<b>\$27,788.41</b>
Deposits for the months of Jan-Feb 2016	+\$99,100.51
Expenses for the months of Jan-Feb 2016	- \$53,960.73

<b>Checking balance as of February 29, 2016</b>	<b>\$72,928.19</b>
<b>Total Financial Assets</b>	<b>\$125,717.65</b>

A motion was made by Brett Anderson to accept the Treasurer’s Report as reported. The motion was seconded by Joan Williams. None Opposed – Motion carried.

Sonja Maddux noted that the Timberland CD is up for renewal on 3/31/16. Bill Balcom suggested, since the CD was for a relatively small amount (less than \$6,000) and because it required occasional trips to Morton, it would be more efficient to not renew and instead move the money to the PCC Savings account at KeyBank in Eatonville. After a brief discussion, Brett motioned that the CD be liquidated at maturity and deposited into the Savings account as outlined above. The motion was seconded by Calvin Porter and there were none opposed. Motion Carried. Sonja Maddux will contact Timberland Bank.

## **WATER SYSTEM REPORT – Ben Pacatte**

Ben Pecatte provided a brief status report regarding the Paradise Estates water system, which is functioning relatively well. He has had an outside firm from Puyallup review the backwash valves and filter media and is awaiting their report and recommendation to remedy. While the analysis is not yet complete, preliminary findings indicate that, at a minimum, 4 new backwash valves will be required, at an estimated cost of \$1200. The Board will await the recommendation from the vendor (no charge proposal).

Ben also brought up something that Alvie Whitlock has been exploring lately. As reported in prior meetings, the original water meters that were installed within Paradise Estates had a 10-year battery life. Since we are past the 10-year mark, the batteries have begun to fail in quantity. New meters cost approximately \$230 and replacing only the sealed register unit has reduced the cost per connection to \$165. Alvie however has located an engineer in our area who is proposing to open the old meters and replace only the battery module and then re-seal the unit. This is a bit labor-intensive but he is stating that he can complete this work for \$100 per register. This represents a significant savings when multiplied across the remaining meters (those not already upgraded). A discussion ensued regarding any potential risks (primarily financial and system warranty related) that this approach may inadvertently encounter. In the end the Board agreed to consider the proposal and at this time allow two old meters to be upgraded. The process of the upgrade would need to be witnessed by the Board as well.

Ben also stated that we will soon need to order 8 more cases of liquid chlorine. Brett has agreed to pick up the order in Auburn if a closer yet competitive supplier cannot be located. Brett will call some suppliers to see if there is a closer, more efficient alternative.

Ben stated that the driveway back to the WH#4 is becoming devoid of gravel. He would like to order a 12 yard truck of gravel to shore it up before it deteriorates further. Estimated price is \$350. Motion Brett, 2<sup>nd</sup> Balcom. Ben will order at his discretion.

## **OFFICE ISSUES**

### **1-Accounts in Arrears – Sonja Maddux/ Cecile Roy**

There remain three members with liens in place and the outstanding balance owed totals just over \$1,500. The property with the highest amount owed recently made a \$500 payment, which helped to bring this balance down.

Foreclosures have dropped to 3 members' properties and the total amount owed has dropped from \$35,180.33 in January to \$30,580.05 as of 2/29/16.

Lots 221, 222, 223 & 224 – Are still accruing late payments and we continue to wait for the mortgage foreclosure to complete. The property remains under the management of Bank America Corporation Field Services (866) 515-9759.

Lot 135 – This lot was sold at Tax Foreclosure auction. There were excess proceeds paid and we are now working with counsel to retrieve as much of the \$947 owed for water as we can. Unfortunately State law does not allow us to collect HOA dues and penalties after a tax foreclosure.

Lot 307 – We are receiving regular payments while this property remains listed on the MLS. Foreclosure is therefore currently suspended.

Lot 35 – This foreclosure action has been suspended as the owner is working to pay off the debt. The balance owed is currently \$562.55.

Lot 272 – This lot was “inherited” by PCC as there were no bidders at the Sheriff’s Sale. The PCC Board members have approved a motion (7 for, 0 against, 2 absent) recommending the listing of this parcel for sale once the deed has been received. The General Membership also approved this action via mail-in votes (110 Yes 1 No).

### **COMMUNITY WATCH – Paul Nerge**

Paul Nerge reported that the last Community Watch Meeting was held on 2/27/16 and was attended by roughly 15 people. No new reports of gasoline theft. Steve mentioned a significant theft occurred outside our community on Skate Creek Road. The next Community Watch meeting is scheduled for 10:00AM on Saturday, 4/30/16 (at the PCC Office).

### **FINANCE COMMITTEE – Calvin Porter**

Calvin reported that the last Finance Committee Meeting was held on 2/17/16. There were no financial discrepancies identified. The next Finance Committee Meeting is scheduled for 10am on 4/20/16. As always, anyone from the general membership or Board is encouraged to attend.

### **BUDGET 2017 – Calvin Porter**

Calvin shared a copy of the proposed 2017 budget with the Board and attendees. He walked through the numbers at a high level and asked for any questions. Brett mentioned that the budget included contributing \$5,000 to the capital reserves as well. With no questions from the attendees or Board members, Calvin motioned that the proposed budget (copy attached) be accepted by the Board and be presented to the general membership for approval during the Annual Meeting. Joan Williams seconded the motion and there were none opposed. Motion carried.

### **COMMUNITY RELATIONS – Bill Balcom**

#### **1 – Property Issues (Outstanding)**

Potentially hazardous chimney on Lot 117 – Our certified letter to the out of state lot owner was refused and therefore returned to our office. PCC’s attorney was consulted as to next steps. Her advice was that we NOT venture onto the property, which would expose those doing so to potential liability. Bill Balcom suggested that we drop the issue at this point, as we have offered a couple of ways to help, only to be turned down.

Ben Pacatte inquired to see if we are allowed to place speed bumps on the roads within our community. Brett replied that Lewis County maintained the roads and will not allow the implementation of speed bumps.

Steve Olson reported that there is renewed activity within the Lion's Club and that a core group of volunteers are working on building repairs and maintenance issues at the Lion's Hall. He encouraged everyone to support the fundraising efforts (e.g. burger stand) put on by the members of the club.

A member complained about the disconnected pickup bed that has been sitting on a trailer at the end of Paradise Drive for quite some time. Bill Balcom, Calvin Porter and Brett Anderson agreed to drive down to look at it following the meeting's adjournment.

Another member reported a couple of old mattresses on a property on the corner of Osborn Rd and Paradise Drive. This issue will be reported to the chairman of the Grounds committee.

## **2 – Property Issues (New)**

Cecile Roy reported that she had a complaint from a member regarding noise from a short-term rental property. The owner was notified however and resolved the issue promptly.

## **3 – Emergency Management – Steve Olson**

Steve reported that Pierce County Emergency Management has offered a free first aid class. Steve is hoping to schedule such a class on a Saturday in the near future. A handful of individuals showed interest in attending such a course. Steve will inquire as to the class length and if the 4/30 date (same date as Community Watch meeting) is feasible.

Steve also reported that there is a storm warning in place for this evening onward.

## **GROUND / MAINTENANCE REPORT – Bill Balcom**

**1 - Lake Inlet** – The inlet to the lake has accumulated a fair amount of silt, which is impeding the flow into the lake itself. Bill Balcom would like to explore a bid to dredge this clear, once funding and a permit from Fish & Wildlife are in hand.

**2 – Diversion Dam** - Bill Balcom and other Board members once again reported that the diversion dam seems to be functioning well, maintaining a safe water level in the small pond, despite very heavy rains.

**3 – Clean-up Day** – A member inquired as to when the next clean-up day would be scheduled and added that it would be best to avoid the heat of mid-summer. After some discussion, the next clean-up day will be held on Saturday May 14<sup>th</sup>. Volunteers should meet at the office at 9am that day.

**4 – Annual Picnic** – After discussing logistics, weather and other priorities, the Board decided to hold the 2016 Summer Picnic on 7/23/16 (11am – 1pm at the PCC office). Burgers, dogs and snacks will be provided.

**5 – Garbage Cans for Lake** – A member asked if we had secured heavier duty refuse containers for the lake because he has continued to see loose dogs getting into the current containers. Bill Balcom stated that we now have the containers but that they need to be painted with the PCC lettering once the weather warmed up. Rod Glyzinski volunteered to take the cans to his heated shop and get them painted, which was accepted and greatly appreciated.

**Audience:** A member asked if a fishing license was required to fish in our lake. Brett Anderson replied that, because the lake is private, no license is required. He did recommend that a membership card or parking hanger be utilized in case anyone asked about being a community lot owner.

**GOOD OF THE ORDER** – Bill Balcom

With no further issues reported, the meeting was adjourned at 2:31 PM (Motion Brett Anderson, Second Calvin Porter). Due to the normal date (May 8<sup>th</sup>) conflicting with Mother's Day, the next regular PCC Board Meeting will be held instead on Sunday, May 15<sup>th</sup>, 2016 at 1pm at the PCC Office.

Respectfully submitted,

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

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

# 2017 PROPOSED BUDGET

Forecasted 2017 Income	Approved 2016 Budget	2015 Actual income
<b>Membership Dues</b>	\$95,000	\$94,000
<b>Water Revenue</b>	\$94,000	\$92,500
<b>Interest Income</b>	\$20	\$20
<b>Other Income</b>	\$0	\$6,815
<b>Total Annual Income</b>	<b>\$189,020</b>	<b>\$186,520</b>

EXPENSES	Total Projected 2017 Cost	Approved 2016 Budget	Total Actual 2015
	<b>\$175,594</b>	<b>\$170,121</b>	<b>\$178,077</b>

Office	2017 Proposed	2016 Approved	2015 Actual
Property Taxes	\$2,500	\$3,000	\$2,169
Phone/Fax/Internet	\$2,400	\$2,700	\$2,213
Utilities (incl. Street Lts & Well Pumps)	\$8,000	\$6,500	\$7,085
Office Equip/Supplies/Maint/Postage	\$4,500	\$4,500	\$5,004
Web Hosting	\$360	\$360	\$348
Greentree Software Support	\$2,400	\$2,250	\$2,250
<b>Subtotals</b>	<b>\$20,160</b>	<b>\$19,310</b>	<b>\$19,069</b>

Note: \$500 allocated for new generator propane

Employment	2017 Proposed	2016 Approved	2015 Actual
Water System Manager	\$16,507	\$16,231	\$15,960
Water System Assistant	\$6,206	\$6,102	\$4,500
Maintenance/Snow Removal Contractors	\$2,000	\$2,000	\$0
Office Administrative Clerk	\$15,000	\$13,163	\$13,859
Travel Reimbursements	\$3,500	\$3,500	\$4,263
Training Expenses	\$400	\$400	\$818
Treasurer Reimbursements	\$600	\$600	\$600
Secretary Reimbursements	\$600	\$600	\$600
Withholding Taxes	\$8,000	\$6,845	\$7,739
<b>Subtotals</b>	<b>\$52,813</b>	<b>\$49,441</b>	<b>\$48,339</b>

1.7% COLA (per Federal Guideline)  
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Professional Fees	2017 Proposed	2016 Approved	2015 Actual
Liability & Property Insurance	\$11,500	\$12,000	\$10,506
Accounting Expenses (CPA)	\$3,200	\$3,200	\$2,806
Legal Expenses	\$8,000	\$6,000	\$13,884
<b>Subtotals</b>	<b>\$22,700</b>	<b>\$21,200</b>	<b>\$27,196</b>

General Membership Events	2017 Proposed	2016 Approved	2015 Actual
Lake Stocking (1x per Year)	\$625	\$625	\$625
Community Events	\$350	\$350	\$325
<b>Subtotals</b>	<b>\$975</b>	<b>\$975</b>	<b>\$950</b>

Water System	2017 Proposed	2016 Approved	2015 Actual
Grounds/Maint/Fuel/Supplies/Lab & Repairs	\$15,000	\$15,000	\$23,790
Utility Taxes	\$250	\$250	\$0
Professional Memberships	\$250	\$250	\$333
Permits/Licenses (DOH, DOR, Sec. St.)	\$250	\$250	\$1,341
Contribution to Reserve Account	\$5,000	\$5,000	\$0
Misc.	\$400	\$400	\$0
<b>Subtotals</b>	<b>\$21,150</b>	<b>\$21,150</b>	<b>\$25,464</b>

2017 CAPITAL IMPROVEMENTS <sup>1</sup>	Anticipated Cost
	(plus Tax)
Water Meter Register Replacements	\$8,500

2015 CAPITAL IMPROVEMENTS	Initially Approved	Final Cost
	(plus Tax)	

Loans	2017 Proposed	2016 Approved	2015 Actual
Federal Loan	\$37,596	\$37,596	\$37,596
State Loan	\$18,700	\$18,949	\$19,206
<b>Subtotals</b>	<b>\$56,296</b>	<b>\$56,545</b>	<b>\$57,059</b>

Frying Pan Water Line Upgrade	\$38,543	\$46,883
Rainier Place Water Line Upgrade	Incl.	Incl.
Tokaloo Place Water Line Upgrade	Incl.	Incl.
Nisqually Place Water Line Upgrade	\$20,414	\$15,987
Emergency Generator Purchase	\$3,500	\$3,406
<b>Totals</b>	<b>\$62,457</b>	<b>\$66,275</b>

Misc.	2017 Proposed	2016 Approved	2015 Actual
Construction Expenses	\$500	\$500	\$0
Tools/Equipment	\$1,000	\$1,000	\$0
<b>Subtotals</b>	<b>\$1,500</b>	<b>\$1,500</b>	<b>\$0</b>

<sup>1</sup>2017 Capital Projects are Discretionary and therefore vary in amount, based on surplus account balances. Budget therefore reflects only an estimated amount, based on forecasted revenue and expenses.

### Totals Talled at Top

<b>Forecasted EOY Surplus</b> (Projected income minus expenses)	<b>\$13,426</b>	<b>\$16,399</b>	<b>\$27,877</b>
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(The above Budget was approved for the June 2016 Annual Meeting ballot.)