

10 in attendance via Zoom (hosted by Jeff Miller)

**Board Members present:**

Jeff Miller (2012), President Telephone 253-639-1915

John Tomlinson (2013), VP

Janet Gundlach (even year), Treasurer

Andy Karmy (2017)

Mark Owens (2017)

Rex MacLean (2018)

Jo Wiggum (2020)

Kevin Mayes (2020)

**Members not present:**

Anum Ahmed (2021)

**Guests:**

Tara Owens

Matt Bristow

The meeting was brought to order at 7:34 PM by Jeff Miller.

**Motion: To accept the 2/28/2022 Minutes as written.**

Proposed by: John Tomlinson

Seconded by: Andy Karmy

Approved: Yes, unanimous

Jeff reviewed the goal of posting of meeting minutes to the FAHA website at the earliest convenience. The posting of the minutes will come after all Board members have an opportunity to preview the minutes with an email of the draft form prior to posting. The minutes are posted after email consensus. The final acceptance of the minutes comes at the next Board meeting.

Jeff relayed the estimate from AC Moate regarding the cost of asphalt repair at Crest Airpark. The purpose of the bid request was to inform the Board as to the Reserve requirements after airport ownership in 2025. The bid was at today's prices and informational only. There was no attempt to acquire competitive bids. The runway, taxiway, and parking lot were bid expecting a 2" overlay. Repair on the road from the bottom of the hill to the first corner (abeam Kurt Boswell's house) would be bid on a complete excavation and new asphalt to 2 inches.

1) Runway and Taxiway Overlay	\$398,188.00
2) Road and Parking Lot	\$244,543.00

Jeff reported that a draft revision of our FAHA Bylaws has been forwarded to Shasta Kelly at Ledger Square Law for a legal review prior to the full Board review and eventual presentation to the membership.

John led conversation on the agenda regarding the current inclusion of a “Contingency Loan” provision in the FAHA Purchase Participation Memorandum (PPM). The discussion continued quite a while before it became clear that some people were talking about outside financing and not the Contingency Loan topic. Once this confusion was resolved, the following issues with the Contingency Loan were identified and discussed:

- The Contingency Loan creates complexity in the documents. All relevant documents include language authorizing the board to accept the funding and clearly informing participants of the future payments to retire the loan.
- Although community members have frequently been told about the Contingency Loan, they have very likely not made the connection to the potential additional annual expense that would likely be more than \$1,500 per year on a per homeowner basis for a \$1,000,000 debt.
- A loan complicates planning for capital expenditures. Any assumed set aside for capital reserves would have to be reduced by the amount of the loan repayment, likely pushing out improvements by several years.
- Establishing the loan and obtaining the funds from homeowners willing to provide them adds more legal work and may be stepping into SEC required disclosure requirements.
- Eliminating the Contingency also removes any financial ‘cushion’ that could be used if the appraised price is higher than expected. This increases the importance of continuing to monitor real estate valuations and improve income and expense estimates.

The board came to a consensus that the usefulness of the loan was not sufficient to warrant diving into addressing the problems it created. It was also another impediment to completing the governance documents.

**Motion: To remove Contingency Loan from PPM and AA.**

Proposed by: John Tomlinson

Seconded by: Jo Wiggum

Approved: Yes, unanimous

During the discussion, Jo made an observation that there is an obvious shortage of hangars in Washington State. This was identified several years ago and is noted in the PPM as one of the reasons for preserving our community. We have nowhere to go!

**Motion: To adjourn at 8:53 pm**

Proposed by: John Tomlinson

Seconded by: Rex MacLean

Approved: Yes, unanimous

Respectfully submitted,  
Jeff Miller