

**Fairway Nine I Condominium Association
Board of Directors Meeting
March 2, 2018 3:00 p.m.
Ranch Clubhouse**

MINUTES

PRESENT: Bob Nicholson – President – Conference Call
Chuck Lockhart – Director - Present
Bert Hughes – Sec./Treas. – Conference Call
Sharon & Chuck Williamson -Managers

NOT PRESENT:
Nyle Brown – Vice President
Gary Burt – Director

CALL TO ORDER:

Bob called the meeting to order at 3:00 p.m.

ESTABLISH A QUORUM

A quorum was established with three (3) directors present. Nyle Brown and Gary Burt were not available.

READ AND APPROVE 11-10-17 MEETING MINUTES

MOTION: Bob Nicholson moved to waive the reading of the minutes of November 10, 2017 meeting of the Board of Directors and approve as presented, Bert Hughes seconded, motion unanimously approved.

FINANCIAL REVIEW

Review Current Financial Statement

Operational Budget: Chuck Williamson reported the following cash balances:

Cap. Reserve Savings – US Bank:	\$ 57,976.76	
Checking – US Bank:	\$ 91,505.83	
DL Evans – Operations CD:	\$101,203.39	
DL Evans – Capital Checking:	\$ 55,140.37	
Total Cash On Hand		\$415,471.96
Accounts Receivable:	\$39,089.77	

Chuck W. explained over budget line items as follows: Insurance Claims is over due to a loss in 2017 carried into the new fiscal year. A water supply line in 4382 developed a small leak from pipe deterioration in a bathroom ceiling. The loss amounted to \$9,278.54. Insurance proceeds reflects the amount paid (\$6,778.54) by the insurance carrier less the insurance deductible of (\$2,500.00). Freeze Detection System is over budget (\$2,933.61) due to the necessity of having to replace 2 dialers and reprogram all units to use the 208 prefix now required for all phone calls. Those present asked if the system has been functional. Chuck W. stated that the system has been responsible for reporting three no heat situations this winter season. Maintenance is currently at budget; however, \$1,100 was spent for sheetrock repairs associated with last winter roof leaks carried into 2017/18. Overall, total budget expenses are under for the year.

Capital Budget: No Report

Treasury Purchases: Management reported that current CD (Certificate of Deposit) rates remain very low varying between .1 and .4 percent. These low rates on funds, maintained in secure FDIC insured account, are not keeping up with inflation. Chuck explained that he recently initiated a 52 week Treasury Bill purchase program for SVEA. SVEA has purchased \$500,000 in Treasury Bills at an average rate of 1.7%. Another \$50,000 is scheduled for investment in the coming weeks. The secured Treasury returns represent earnings of 4 to 17 times higher than that achieved with current CD rates. Treasury Bills are fully backed by the US Government without the \$250,000 limitations FDIC insurance imposes on banking institutions. Interest on Treasuries is also non-taxable at State and local levels. Chuck W. suggested moving up to \$200,000 into Treasury purchases to maximize returns. After discussion the

following motion was made. ***MOTION: Chuck Lockhart moved to approve investing up to \$200,000 in Treasury Bill (T-Bill) purchases, Bob Nicholson seconded, motion unanimously approved.***

OLD BUSINESS

2017/18 - Insurance Coverage

Chuck W. reported that Mutual of Enumclaw has acknowledged that the Fairway Nine I Association has satisfied the insurance carrier requirements for interior plumbing upgrades in order to maintain current insurance coverage. An inspector was hired by the insurance carrier to verify the improvements have been completed. The final billing from the plumbing company has been sent to owners. The improvements when required ranged from \$200 to over \$1,000 per unit depending on the amount of work completed. The project took approximately 2 ½ months to complete. The general contractor provided an itemized report which included water heater installation dates. Chuck stated that management will be sending a letter to owners who have water heaters dated in the 70, 80 and early 90's. The letter will inform those owners that they should consider replacing the water heater as it has reached the end of its useful life according to industry standards.

Bob Nicholson suggested that whenever management enters a condominium they should double check to ensure that all work has been completed as indicated. It is possible some improvement could have been overlooked in the early stages of the project when appropriate supplies were not fully available.

Landscape Plan 2017/18

Chuck W. stated that management will be changing out the irrigation controllers in an effort to have more independent control on various sprinkler zone times. Those present asked about the trunk line replacement as suggested prior to replacing the asphalt. Chuck W. explained that due to the cost, Management wanted to try replacing the irrigation clocks and modify the existing system to see if better water management is possible utilizing the least expensive fixes. The trunk line replacement is still under consideration. If needed a sleeve could be placed under the asphalt so the trunk line installation does not require cutting the new asphalt at the time of installation. Chuck W. reminded those present about the natural grass area plan for the coming summer season. The natural grass areas in front of units 4317 thru 4334 will be cut back in June and then allowed to grow for the balance of the summer. The Board and owners will discuss the outcome at the next membership meeting in August and decide at that time how the Board might proceed with landscape renovations.

NEW BUSINESS

Asphalt Replacement

Bob Nicholson requested that the Board consider the installation of speed dips when the asphalt is replaced in the fall of 2018 or the spring of 2019. Bob expressed his concern about safety issues as a result of speeding through the association. Those present expressed this should be reviewed. Bob recommended that Board members review the speed dips in Weyyakin as an idea of what can be done.

Next Meetings: Board members scheduled the next meeting for June 9, 2018 at 10:00 a.m. The meeting will be held for the purpose of approving the 2018/19 budget.

ADJOURN

With no further business, ***Motion: Bob Nicholson moved to adjourn, Bert Hughes seconded, motion unanimously approved and the meeting adjourned at 3:55 p.m.***

Respectfully Submitted,

Chuck Williamson
Recording Secretary