

**FAIRWAY NINE I CONDOMINIUM ASSOCIATION
BOARD MEETING
Saturday, May 16, 2015**

MINUTES

AGENDA BUSINESS ITEMS

1. Confirmation of Officers
2. 4357 - Durels - Water Cooled Air Conditioner Application

IN ATTENDANCE

Board Members	Owners, Staff & Others
Bob Nicholson - President - Phone	Sharon Williamson
Nyle Brown – Vice President	Chuck Williamson
Bert Hughes – Secretary/Treasurer - Phone	
Gary Burt – Director – Phone	
Chuck Lockhart – Director – Phone	

MOTIONS

Confirmation of Officers
Minutes Approved 7-21-14
Establish Air Conditioner Installation Policy
Approve 4357 - Water Cooled Air Conditioner Application w Conditions

CALL TO ORDER

Nyle Brown, Vice President, called the meeting to order at 10:01 a.m. Bob Nicholson, President, joined the meeting via conference call at 10:05 a.m.

ESTABLISHMENT OF A QUORUM

A quorum was established with all Directors present.

CONFIRMATION OF OFFICERS

Chuck explained that in lieu of a board meeting directly following the annual meeting in August 2014, he was asking that the existing officers be reconfirmed for 2015. *Motion: Gary Burt moved to approve Bob Nicholson as President, Nyle Brown as Vice President and Bert Hughes as Secretary/Treasurer, Chuck Lockhart seconded, motion unanimously approved.*

READ AND APPROVE 7-21-14 MEETING MINUTES

Those present reviewed the July 21, 2014 Board meeting minutes. *Motion: Gary moved to waive the reading of the minutes and approve as presented, Nyle seconded, motion unanimously approved.*

FINANCIAL REVIEW

Chuck W. reviewed the current financial statements with those present and reported the following account balances:

Operational Funds:

Operational Checking - \$163,912.06
Operational Savings - \$133,848.20

Capital Reserve Funds:

B of West CD - \$22,594.20
US Bank CD - \$32,209.86
Cap.Savings - \$25,822.23

Accounts Receivable - \$5,929.01

All accounts are current in their dues payments at this time.

Chuck W. reported that approximately \$47,000 in Operational checking is identified as capital reserve collections yet to be transferred to capital reserve. Capital funds are currently being held in operations so the seal coating project can be paid from capital funds collected.

Those present reviewed the current profit and loss statement. Chuck W. reported that revenues were tracking as anticipated and operational expenses overall were \$38,374.92 under on the anticipated budget expenses at this time. Items noted include; General Repairs at \$10,940.99 is \$940.99 over budget. This item is high due to approximately \$5,000 spent on roof repairs to prevent leaking. Rec. Cleaning is higher than anticipated by \$676.54, however, this item could come back into line by yearend. Paver replacement and repairs budgeted at \$20,000 actually cost \$14,238.16 to complete.

OLD BUSINESS

Landscaping Status:

Tree Removal - Chuck W. reported he had received a few request for the removal of trees. Chuck Lockhart commented that the overgrowth of trees is detracting from the appearance of the Association property and the Board should review for tree removal throughout the Association. After discussion, Chuck W. requested that the Board members meet on the property, in late June or early July, and review the tree removal requests. Those present agreed with this action.

2015 Improvement Plan - Chuck W. stated that they have received a drawing from Rob King, landscape architect, for improvements to the common area in front of units 4317-4324. Prices are being gathered and should be ready for the Board to review very soon. The improvement plan proposed is in keeping with the overall master landscape plan approved by the Board. The gravel drainage areas in front of units 4344 through 4357 are also being addressed by the landscape architect.

Pool Furniture - Chuck W. reported that new pool furniture has been purchased for the coming summer season.

Pool Area Improvements:

Pool Coping, Patio & Shade - Chuck W. stated a bid has been received for the replacement of the pool coping and a new walkway and patio area. The estimated cost is approximately \$20,000. Chuck stated he still needed input from Fairway Nine II & VII before proceeding with these improvements.

NEW BUSINESS

4357 - Durels - Application for Water Cooled Air Conditioner Installation - Chuck W. explained that the Durels installed a water cooled air conditioning unit in the crawlspace below their condominium 4357. Upon a home inspection, as a pre-sales condition, the inspector noted the water cooled air conditioner installation and contacted management about its authorization from the Association. This lead to management's action of informing the Durels of the observed violation. Chuck W. requested that the Durel's either remove the air conditioning or submit an application to the Board seeking approval to install the water cooled air conditioning unit. Chuck reviewed the history involving the Fairway Nine II lawsuit and their use of water cooled air conditioning units within that condominium association. He explained the Durel's have submitted an application for approval of the water cooled air conditioner. Steve Durels informed management the potential buyer has conditioned the sale on the air conditioner acceptance by the Association. Those present expressed concern about unapproved alteration of the crawlspace by the unit owner. Chuck W. explained the unit installed does not appear to be a manufactured air conditioner unit. Requests have been made to both Fairway Nine II and the Durels for a manufacturers cut sheet or operations manual for the air conditioning unit installed. There does not seem to be any manufacturers safety data information describing the unit, its water consumption, its proper installation and any ongoing maintenance requirements. With no UC (Uniform Code) rating, owner's manual or appliance cut sheet commonly used for these types of appliances, it is difficult to know whether the unit installed is safe. Those present expressed the need for establishing a policy that

prohibits this type of air conditioning installation and if this particular application falls into disrepair, requiring replacement of the appliance, the owner would be prohibited from doing so. After discussion, ***Motion: Bob Nicholson moved to approve the Durels application for installation of the water cooled air conditioner, currently installed in the crawlspace of unit 4357, with the following conditions:***

1. The current and future unit owners (4357) will obtain liability insurance, naming the Fairway Nine I Association as co-insured, to protect the Association in the event the air conditioner causes a loss to any part of the structure or common area. The minimum amount of coverage will be \$2,000,000 per occurrence. To validate ongoing insurance coverage, the Association shall receive a certificate of insurance naming the Association as co-insured annually for as long as the air conditioning unit remains in the crawlspace of the condominium;

2. The current owner, and any future owner of condominium 4357, agree that if the air conditioning machinery ever malfunctions and requires replacement for its proper operation, the air conditioning unit will be completely removed and not replaced by the unit owner. If the condominium owner ever removes the air conditioning unit from the crawlspace area, the Association will be informed by the condominium owner. This condition will be filed with Blaine County and attaches to the condominium for full disclosure during title search;

3. All expenses associated with the care, maintenance, metering, water consumption, damage to the building or common area will be at the sole expense of the unit owner. All expenses incurred, and subsequent charges applied to the condominium owners account 4357, by the Fairway Nine I Association shall be collectable in accordance with the procedures for collecting members dues and/or special assessments described within the governing documents;

Gary Burt seconded, motion unanimously approved.

AIR CONDITIONING INSTALLATION POLICY

The Board instructed management to prepare a resolution for Board approval that regulates air conditioner installation. The Board policy shall state the following:

1. No crawlspace air conditioning units of any kind are permitted.
2. No window mounted air conditioning units are permitted.
3. No air conditioning units are allowed to be installed on any part of any common area.
4. Any air conditioning unit installed by the condominium owner must be wholly contained within the condominium and not visible from any part of the common area.
5. Noise associated with any air conditioning unit must be contained within the owners condominium and not heard by any other neighboring condominium.

Chuck W. will prepare the resolution for Board approval through the use of email in lieu of a special meeting.

ADJOURNMENT

With no further business, the meeting was adjourned by unanimous consent at 10:57 a.m.

Respectfully Submitted,

Chuck Williamson
Recording Secretary

Fairway Nine I Condominium Association
Board of Directors Meeting
July 20, 2015

Minutes

AGENDA BUSINESS ITEMS

1. Approve 2015/16 Capital and Operational Budgets
2. Water Cooled Air Conditioning - Request for Additional Information

IN ATTENDANCE

Board Members	Owners, Staff & Others
Bob Nicholson - President	Sharon Williamson
Bert Hughes – Secretary/Treasurer	Chuck Williamson
Chuck Lockhart – Director – Phone	Not Present
Gary Burt – Director – Phone	Nyle Brown – Vice President

MOTIONS/ACTION ITEMS

<i>Motion: Minutes Approved 5-16-15</i>
<i>Motion: Approve 2015/16 Operational and Capital Reserve Budgets</i>
<i>Action Item: Check Crawlspace for other air conditioning and other equipment installed in crawlspaces.</i>

CALL TO ORDER

Bob Nicholson called the meeting to order at 2:00 p.m.

ESTABLISH A QUORUM

A quorum was established with 4 Directors present. Nyle Brown, expecting to attend, was called away at last minute for a family emergency.

READ AND APPROVE 5-16-15 MEETING MINUTES

Those present reviewed the minutes of the May 16, 2015 meeting of the Board of Directors. With no corrections, additions or changes; *MOTION: Bert H. moved to approve the minutes as presented, Bob N. seconded, motion unanimously approved.*

FINANCIAL REVIEW

Review Current Financial Statements

Chuck W. reviewed the current financial statements with those present and reported the following account balances as of July 18, 2015:

Operational Funds:

Operational Checking - \$173,334.80
Operational Savings - \$133,848.20

Capital Reserve Funds:

B of West CD - \$22,594.20
US Bank CD - \$32,209.86
Cap. Savings - \$25,828.84

Approximately \$32,000 in Operational Checking are Capital Reserves funds not yet transferred to the capital account.

Accounts Receivable - \$11,135.32

All accounts are current in their dues payments at this time.

Approve 2015/16 Operational & Capital Budgets

Operational Budget

Chuck W. presented the 2015/16 Operational Budget for Board consideration and approval. Chuck W. prepared the budgets with assumptions for Board member review prior to the meeting. Items of note include the following: Member Dues will not be increased in 2015/16 as carry forward surpluses will cover the anticipated budget deficit; Management

fees will be increased to \$25 per unit per month, up from \$23, pursuant to notice given by management the previous fiscal year; Removal of the Cleaning Supplies category with expenses moved into Maintenance Supplies; Tree care funds moved from the 2014/15 fiscal year into the 2015/16 fiscal year to cover the cost of tree removal approved by the Board in June 2015; Snow Removal budget lowered based on historical averages.

Chuck W. requested the Board approve \$1,500 of the water main repair budget in 2014/15 be used toward a professional sprinkler audit to determine what future actions would be required to effectively cut landscape water consumption. Those present agreed with this action. Chuck asked the Board members whether or not they thought the flower boxes on the buildings should be continued. After discussion, those present expressed the flower boxes added to the overall building appearance and should be continued into the future.

Capital Budget

Chuck W. presented the 2015/16 Capital Budget for Board consideration and approval. Chuck reported the parking lot seal coating in 2014/15 was over budget due to pavement repairs and raising the manhole covers. The paver maintenance and repairs category is expected to be approximately \$17,000 at year end. Landscape improvement funding (\$60,000) in 2014/15 will be moved to 2015/16 as the landscape improvement are implemented in front of units 4317 to 4333. Chuck requested permission to move the hot tub replacement, totaling \$15,500, from 2016 to 2018 as the hot tub does not need replacing at this time. Those present agreed. The pool area improvements to include new pool coping, walkway replacement and patio expansion are proposed in fiscal year 2015/16.

After review and discussion of the proposed 2015/16 Operational and Capital budgets, *MOTION: Bert H. moved to approve the 2015/16 Operational and Capital Reserve Budgets as discussed and proposed, Bob N. seconded, motion unanimously approved.*

OLD BUSINESS

Landscaping - Status

Tree Removal - Chuck W. reported the Board members completed their walkthrough and identified several trees to be removed due to owner request, proximity to buildings, health of the trees and promotion of the master landscape plan. The improvement project in front of units 4317 to 4333 will begin this fall with many of the identified trees being removed at that time.

Pool Area Improvements

Pool Coping/Pool Patio & Shade Addition - These items are planned for 2015/16. Prices have been received and Chuck has requested that Fairway Nine II and Fairway Nine VII include these items in their next fiscal budgets.

4357 - Water-Cooled Air Conditioner - Chuck reported that this item has been addressed. There is a current City moratorium on water-cooled air conditioning units. Gary Burt requested that American Heating, when performing their furnace checks prior to the winter season, be asked to note any other equipment installations, or storage, by owners in the crawlspaces.

NEW BUSINESS

None

ADJOURN

With no further business, *MOTION: Bob moved to adjourn, Gary seconded, meeting adjourned at 3:00 p.m.*

Respectfully Submitted,

Chuck Williamson
Recording Secretary