

**Board of Directors Regular Monthly Meeting Minutes
Fairway Pines Estates Owners Association
Monday, October 24, 2016 @ 11 AM (MDT)
1183 Marmot Drive
Ridgway, CO 81432**

The meeting was called to order by President Mike Forstner at 11 AM. The Board members present were Tara Del Rossi and Sharon Kreutzen. Chris Carr, advisor, was present. Jerry Farrington, advisor, participated by phone. Recording secretary, Mary Ann Guilinger, was present.

1. Review and approval of minutes of September 12, 2016, Meeting

Sharon Kreutzen made a motion to accept the minutes of the September 12, 2016, Board Meeting. Tara Del Rossi seconded the motion. The motion was approved unanimously by the Board.

2. Member Comments(Limited to five (5) minutes per person)

None.

3. Reports

a. Compliance Violation Report and review of issues requiring Board action/approval

Compliance Officer Report – Violations were reviewed. Specific actions will be taken in the form of courtesy or violation letters.

b. President's Comments

Mike Forstner stated the Association will have a significant change to the monthly budget report. The Administrative Assistant will complete the monthly budget report instead of the Treasurer of the Board. This arrangement will make it easier for the Treasurer. The Treasurer will still review the monthly budget report.

c. Treasurer's Monthly Report as of September 30, 2016, and review changes to Yearly/Monthly Budget Descriptions going forward

Sharon Kreutzen reviewed the monthly budget report for September 30, 2016. The ending balance as of September 30, 2016, for the Operations Account is

\$7,593. The ending balance of the Road Operations Account is \$1,934. The ending balance as of September 30, 2016, for the Reserve Fund is currently \$170,623.

d. ARC update and review

Mike Forstner, as the ARC Board liaison, updated ARC business. The Gragg Land & Cattle Company, owner of Lot 150, 653 Marmot Drive, is replacing the front railing with a hogwire railing. The owner will complete a significant overhaul of the exterior wood surfaces of the house, including stripping, damaged wood repair, and a re-stain of the entire house in spring 2017.

The Saville's, owner of Lot 436, 112 South Badger Trail, requested ARC's approval for roof-mounted solar panels over the third-car garage on the west side of the house. The Association is required by Federal law to allow solar panels. The roof color will be changed to graphite for the black solar panels to blend in with the roof. There will be 12 individual panels, a total of 11 feet by 19.5 feet.

The Association has received two complaints about the Collins' home at 38 Antler Place, Lot 256, regarding possible changes of the square footage to under the minimum allowable 2,000 square feet. Mike Forstner has reviewed the Collins' plans that were approved by ARC and verified the square footage. The square footage was the same as the plans, and additionally, the Collins' have added an additional 322 square feet in a room above the garage, which does not require ARC approval.

Chris Carr is concerned that some lots with construction do not have dumpsters, covers on dumpsters, fire extinguishers, and multiple entries onto lots is causing shoulder and street damage, all of which are ARC requirements. Because of the recent winds, papers and miscellaneous trash are blowing from the construction sites. Due to the complaints to the Board, these specific areas have come to the attention of the Board. Therefore, the Board asks that ARC request Dan Choate contact the owners/contractors regarding immediate correction of the above issues.

4. Old Business

None.

5. New Business

a. Review of budget forecast requirements for 2017 Association Budget, and establishment of a “special” meeting date in November for final approval

Sharon Kreutzen reviewed the preliminary 2017 Association budget. The first change may be to increase the annual dues to \$388. The reason for the increase is to cover the costs for the administrative assistant to do more work on the monthly budget reports. Over the past five years, the Association has only raised dues twice at the maximum rate of 5 % per year allowed by the covenants. Possibly, the 2-2.5% increase each year instead of 5 % every other year is a better philosophy.

The second change will be to reduce the Reserve Fund assessment to \$50 per lot from the \$100 per lot which was transferred last year from the yearly dues. Scott Middleton has mentioned to Mike Forstner and Chris Carr that the Association’s Reserve Fund may need further review to remain within IRS guidelines. Chris Carr and Jerry Farrington have been asked by the Board to update Section 9 as it is out-of-date and has not been updated since 2011, and then submit to the Covenants Committee and Board for approval.

In the past, the Board voted to have no transfers to the Reserve Fund because of legal expenses for the litigation on the old clubhouse. After the clubhouse litigation, the transfer amount was \$150 per lot and then reduced to \$100 per lot several years ago.

Technically, the Association has approximately \$320,000 in value for the Association-owned properties that the Association foreclosed on because of unpaid HOA dues. As that revenue becomes available due to sales, the Board will review use of that revenue in relation to operation expenses.

Finance Committee will meet on November 4th at 3 PM at Sharon’s home, 642 Marmot Drive. The committee will discuss the proposed minor increase in annual dues and related changes to the monthly budget forecast and monthly summaries.

The Board will have a voice vote approving the 2017 budget after November 18th based on the Finance Committee’s recommendation as a November Board Meeting is not scheduled due to holidays and travel schedules.

b. Review of DCWC proposed rate increase and possible response of the Association of Dallas Creek Water Users and FPEOA

Chris Carr stated that Fairway Pines is waiting for the Dallas Creek Water Company's application for a water rate increase. This issue was discussed in executive session. In the November 2016 Newsletter, there will be an article about DCWC's rate increase.

c. Water Project Update, permit filing, and filing of Grant documents for 2017

The Association will be filing grant application to the Colorado River District at the end of January 2017. At this point in time, the amount and what will be requested is pending review.

d. Review of Association Lot Sales and related issues

Chris Carr stated that the offer for Lot 261, on Puma Lane along the 7th fairway, fell through because the buyer did not realize the carrying costs nor had read the Covenants regarding, golf course dues. Since it was a firm offer and the withdrawal of the offer was 10 days beyond the contract date, the Buyer forfeited the earnest money of \$5,000.

Sharon Kreutzen made a motion to pay \$1,091 for the interest on the Vanguard Ops Account loan. Tara Del Rossi seconded the motion. The Board passed the motion unanimously.

e. Review and discussion regarding prohibition of taping Board Meetings, Annual Meetings and Committee Meetings without prior written consent from the Board

Jerry Farrington is proposing adding to Section 15 of the Policies, Procedures and Rules, an additional section prohibiting the taping of Board meetings, semi-annual member meetings, and committee meetings without the express written permission of the Board. Jerry needs to contact the Association's attorney to get the specific statutory language for this provision. There is nothing in the Colorado Common Interest Ownership Act discussing taping of meetings, even though there is a specific Colorado state statute prohibiting taping without prior permission of those individuals present. Such unauthorized taping is considered a felony offense.

Mike Forstner made a motion authorizing Jerry Farrington to author a revision Section 15 for the Policies, Procedures and Rules. Section 15 will prohibit the taping of Board meetings, semi-annual member meetings, or committee meetings without prior written permission of the Board. Sharon Kreutzen seconded the motion. The Board passed the motion unanimously. After Jerry Farrington prepares a draft for the revision to Section 15, then the Covenants Committee and the Board will review and approve final revisions.

f. New Business

The following two motions relate to Lot V-612 A, B, C and Lot V-613 A, B, and C:

1) At the March 14, 2016, Board meeting, the Board approved liens on Lot V-612 A, B, C and Lot V-613 A, B, and C. Sharon Kreutzen made a motion to remove the liens from Lot V-612 A, B, C and Lot V-613 A, B, and C, per the Ouray County district court order in FPEOA versus Glen Forman. Mike Forstner seconded the motion. The Board passed the motion unanimously.

2) At the March 14, 2016, Board meeting, the Board approved the suspending of voting rights for the owner of Lot V-612 A, B, C and Lot V-613 A, B, and C. Mike made a motion to restore two votes to the owner of Lots V-612 and V-613. Sharon Kreutzen seconded the motion. The Board passed the motion unanimously.

Tara Del Rossi made a motion that the Board, in its sole discretion under Article 3, Section 6, Uniform Rate of Assessment, of the Covenants, for all future years, shall levy separate assessments on each unit within each cluster lot, the same as for individual residential lots, despite any other previous contrary interpretation of the covenants. Mike Forstner seconded the motion. The Board passed the motion unanimously. This motion and the related minutes are particularly important. In the future, each Board shall pass a similar motion and include it in the meeting minutes when the annual budget is approved each year going forward.

After the strong wind storm in mid-October, the sign post at Bobcat Court and Marmot Drive fell over due to dry rot. That post, along with two others was scheduled for replacement in 2017. The Association had saved three logs from work on the utility easement on Lot 121, an Association-owned lot, but someone took them from the lot without permission within the last thirty days. So now, instead of having posts at no costs, the Association will have to pay to cut down a tree on the golf course for the posts. The Association is selecting a dead and diseased tree that needs to be removed from club property. The cost to the

Association will be approximately \$600 to cut a tree to replace the three stolen logs.

Sharon Kreutzen made a motion for the Board to authorize approximately \$2,000 to replace sign posts at Bobcat Court and Marmot Drive and two other locations as time and weather conditions warrant. Mike Forstner seconded the motion. The Board passed the motion unanimously.

Chris Carr stated that the Association may have a new offer on the Association-owned Lot 261 on Puma Lane along the 7th fairway. The asking price is \$29,900.

Also, there has been interest in Association-owned Lot108 along Marmot Drive.

The Board discussed holding the 2017 Winter Member Meeting on Thursday, February 2nd, with the location to be announced; possibly at the Divide Ranch and Club clubhouse. Mike Forstner will check with Amy as to availability of the Club House.

Tara Del Rossi will be the chair of the Welcoming Committee for 2017.

6. **Executive Session**(Open only to members of the Board of Directors and Advisors as topics involve privileged and confidential matters protected by attorney/client relationship)

The meeting started with executive session at 10AM and adjourned to the regular meeting at 11 AM.

7. **Adjournment**

The meeting adjourned at 12:50 PM with a motion by Mike Forstner, seconded by Sharon Kreutzen and unanimously approved.

The next scheduled regular Board Meeting will be on Friday, January 13th at Sharon Kreutzen's house at 642 Marmot Drive at 10 AM, due to the holidays and Board Member work and travel schedules.

Respectfully submitted,

Mary Ann Guilinger
Recording secretary
October 29, 2016