

THREE FOUNTAINS CORPORATION

President: Jeff Rickard
Treasurer: Kathy Mehlmann
Member at Large: Cassandra Rocha

Vice President: Barbara Florey
Secretary: Barbara Griswold

MINUTES
January 22, 2019 @ 6PM

CALL TO ORDER / ESTABLISH QUORUM - 6PM

A. Homeowners Forum

1. Bill Wong wondered about a commercial vehicle parked continually near his unit. He does not see it as a problem but wondered if it is legal. Jeff will address parking under Old Business.

2. Cassandra Rocha wanted to encourage residents to close their garage doors since Three Fountains has had crime in the area in the past.

B. Approval of Minutes - Board of Managers Meeting - December 18, 2018 - approved
Executive Board Meeting - January 16, 2019 - approved

C. Updates and Reports

1. Treasurer's Report - from the December 31, 2018 Unaudited Financial Statements

STATUS OF FUNDS:

Cash in Bank, Operating Fund	\$ 134,372
Cash in Bank, General Reserve Fund	\$ 75,385
Investments, Capital Improvement Fund	\$ 910,363
Total Cash	\$ 1,120,120

ACCOUNTS RECEIVABLE:

Assessments Receivables	\$ 5,815
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CURRENT MONTH INCOME - OPERATING ACCOUNT:

Assessments	\$ 84,692
Other Revenues / Late Charges / Interest	\$ 5,167

MAJOR VARIANCES YTD ACTUAL TO YTD BUDGET PER THE CURRENT MONTH REPORT: Not a new favorable variance but one that should be highlighted again:

Total Salaries - Actual \$245,233 - Budget - \$281,840 - favorable variance \$36,607. Crew operating with one less member and receiving

favorable feedback from vendors and homeowners.

Overall Operating Account favorable budget variance is \$48,872.

AGING REPORT:

6 accounts are at 30 days, 2 accounts are at 60 days and 2 accounts are at 90 days and a large deposit was made on 1 account on 1-14-2019.

Prepared by: Kathy Mehlmann, Treasurer - January 18, 2019
The Treasurer's report was approved.

Unaudited Balance Sheet, Income Statement Budget Comparison, and Accounts Receivable Aging Reports - The Financial Statements are on file in the Property Manager's Office.

2. Property Manager's Report -

1. Barbara Florey asked Toby if the crew was over worked due to having 4 members instead of 5. Toby said that at this time they are good. In fact, he said that the crew has stepped up their work and commitment.

2. 3230 - There is a large pine tree planted very close to the foundation. The tree has been severely trimmed in the past due to breakage. Toby feels that the water damage that this unit sustained in the past, due to the drain being plugged with pine needles, could happen again unless the tree is removed. Due to the size of the tree, it will need to be removed by Affordable Tree Trimming. Toby will talk to them and see if the cost could be waived due to the crew trimming a tree that was scheduled to be trimmed by Affordable Tree Trimming this year. Phase 1 and 3 of their bid to Three Fountains has been completed. The second phase is to be done this year. The Board voted unanimously to remove the tree.

3. Finance Committee - no report

4. Landscape Committee - The Committee has contacted 2 vendors to get designs to start the plantings in front of the Clubhouse. The Committee will meet this week. Lora Witt has joined the Committee.

5. Pool Committee - Due to the back flash of chlorinated water from the swimming pools that is released into the sewers 2-3 times per week, Three fountains will have to replace the existing filters with two units instead on one unit as previously thought. The City of Denver regulates the amount of water that can be legally released. Two units may be cheaper than one but possibly less efficient. The budgeted pool covers will be ordered at the same time by the same vendor.

D. Unfinished Business

1. Parking - A letter was sent out to all residents with instructions on how to apply for the parking lottery. Four residents applied for the 20 spaces that are available. The cost is \$350 per year. One resident will be asked to apply due to continued parking infractions. Barbara Florey will be rewriting the Parking Rules and Regulations.

2. Roofs - The Board has evaluated the advantage of completing all of the remaining roofs and mansards. The reason this is being considered is clarified under Insurance Update. The Board in the 2019 budget has allowed for 5 buildings to be completed this year. The cost is \$242,000 for these buildings. Remaining to be done are 8 roofs at an additional cost of \$334,861. For the clubhouse, library and maintenance building, 6 mansards, and 2 mansards with garages, the cost is \$269,400. The total cost for all of the work that has not been budgeted is \$604,261. B&M Roofing held to their original price and will have the roofs completed in 2019. The Board feels that staying with B&M Roofing is important for maintaining the same warranty throughout the property.

3. Insurance Update - Herb Phelps presented to the Board, on behalf of Curt Henderson from Henderson Insurance Agency, Farmers willingness to insure Three Fountains for the next year. Five vendors turned Three Fountains down for insurance due to the shake shingles. The 2019 budget for insurance is \$110,000 and the actual cost from Farmers is \$116,000. Due to Insurance Agencies wanting to reduce the number of condominiums that they insure because of the increased hail damage which has been occurring in the area, Curt Henderson approached Farmers offering to find new insurance coverage for 2 of Farmers clients, that he also represents, if Farmers would take Three Fountains for 2019. The other condominiums do not have shake shingles and Curt knew that he could get them coverage. Farmers will insure Three Fountains for 2019 but the roofs have to be completed for further coverage. Jeff has contacted UMB Bank to get the cost of borrowing money and Three Fountains investment agent to evaluate using some of Three Fountains investments and the tax consequences associated with withdrawing this money. When Jeff has this information, he will contact the Finance Committee so that they can evaluate what they think is the best way to proceed. Jeff advises that no more than \$300,000 be taken out of the Investment/ Capital Improvement Fund leaving \$600,000. Jeff would like the Finance Committee to meet this month and present their evaluation at the February 26, 2019 meeting. Three Fountains investment agent would like to meet with the Board to discuss changing the investment portfolio because it is the most conservative portfolio of condominiums that he represents and he would like Three Fountains to consider AAA rated stocks.

4. Website Update - Barbara Florey hoped to be able to present the new website at this Board meeting but she has encountered several roadblocks. Cassandra Rocha has volunteered to help. There will be a link to LCM's website so that residents can access their personal accounts. Barbara will be sending the Board pictures that will be included on the site.

5. Potluck in February - A flier has gone to all residents inviting them to a Potluck on Sunday, February 17, 2019 from 5 to 6:30PM. All residents are invited to bring a dish. No RSVP is required.

E. New Business

Submitted by Barbara Griswold, Secretary

Next Regular Board of Managers Meeting
February 26, 2019 @ 6PM

