

THREE FOUNTAINS CORPORATION

Semi Annual Board of Managers Meeting

March 28, 2017

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

Vice President: Barbara Florey
Secretary: Barbara Griswold

MINUTES

1. Call to Order - meeting called to order @ 7PM
2. Roll call and Establish of Quorum - quorum present
3. Approval of Minutes - September 27, 2016, Annual Meeting - approved

4. Treasurers Report

This is an unaudited 2016 Balance Sheet ending December 31, 2016.

Cash:

Operating Cash	\$ 169,474
General Reserve (Long Term Projects)	330,395
Capital Reserve (Investments)	880,042
Total Cash	\$ 1,379,912

Accounts Receivable:

Net Accounts Receivable	\$ 35,365
increase due to invoices paid for property in foreclosure	

Fixed Assets:

Fixed Assets (net depreciation)	\$ 245,587
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This is an unaudited 2016 Income statement - Operating Fund

Revenue:

Assessments (\$400/mo)	\$ 1,016,299
Transfers to General/Capital	(305,957)
Net Income - Operating Fund	\$ 710,342

Expenses:

Grounds: Turf Management	\$ 35,927
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The Board approved moving to Keesen Landscape Management Co.

The Benefits of the move will be discussed later.

Administrative: LCM Management Co.	\$ 22,155
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LCM has not raised their fees in the 6 years the company has been providing accounting and advisory services to Three Fountains.

Audit review: Dix Barrett & Stinter P.C.	\$ 3,450
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A small but significant number as this is one more fiduciary control to ensure the integrity of the Three Fountains financial condition.

Insurance: American Family	\$ 84,915
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Board approved move to new provider - Farmer's Insurance Co. Costs are higher but Farmers will provide full replacement costs. Jeff stated that this move

will bring Three Fountains back into compliance with Three Fountains bylaws.

Salaries: Total salaries with taxes \$ 271,760

Staff given approximately a 3% increase in 2017

Landscaping: Landscape Spent 2016 \$ 17,629

Budget for 2017 - \$19,573

Overall Favorable Budget Variance for 2016 Operating Fund is \$ 20,714

This is an unaudited 2016 Income Statement - General Reserve Fund

Expenses:

Roof Replacements: 2016 - budget \$300K \$ 297,873

In 2017 Three Fountains will replace 5 buildings, one 6 unit building and four 4 unit buildings. The replacement project is to start in early May.

Metal Stairs: Replacements \$ 21,650

3 stairs and 4 partial stairs were completed in 2016. An additional \$20K was budgeted in 2017.

Overall Favorable Budget Variance for 2016 General Reserve Fund is \$11,721.

This is an unaudited 2016 Income Statement - Capital Reserve Fund

Revenue:

Assessment \$ 20,000

Dividends/Gains 54,631

Total Revenue \$ 74,631

Expenses:

Investment Fees \$ 7,870

Three Fountains investment account is held with UMB. It is a conservative platform. That means 15-40% can be held in stocks, 40-80% in Bond Funds and 20% in Money Market funds. Currently, Three Fountains has approximately 2% in money market funds, 39% in stocks and the remainder in bond funds. All bonds are investment grade.

Three Fountains has a \$400K line of credit with UMB which was not used in 2016.

5. Committee Reports - Jeff asked for homeowners to volunteer for committees

1. Finance - Mimi Karsh asked for new members to the committee that have finance experience. They are looking into long range plans for 2017. She talked about the committee's work on the 2017 budget, working with the landscape committee and meeting with the Board and the UMB investment advisor. Becky Richmond agreed to join the committee after the meeting. Cassandra also asked Abby Marsh to join the committee.
2. Landscape - Three companies bid on our turf management and Keesen was selected. It is an increased cost but they will have expanded duties. They will be able to assess the areas of turf and fix the sprinklers for better care. There is a price cap on this service and if they go above it, they need to talk to Chris. It is now a 12 month contract. We had a 7 month contract with Brightman. Keesen will also advise on our trees and recommend sprays etc.
3. Pools - The pools will open on Saturday, May 27, 2017. Pool passes will be given out at 3 times in the clubhouse, Saturday, April 22, 2017 from 9-12AM; Sunday, April 30, 2017 from 1-4PM and Saturday, May 20, 2017 from 1-4PM. Fliers to announce this will be sent out by Chris on April 14, 2017. It has been recommended by outside pool services that the pools be closed twice this summer to clean and service them to help eliminate the algae problem Three Fountains has had in the past. The approximate dates for pool cleanings is Monday and Tuesday, June 26 - 27 and Tuesday and Wednesday, August 15 - 16.

4. Social - There is not a permanent committee in place at this time but Deb Norris and Jill Wisheart want to host the summer party. They are looking for caterers with a barbecue theme in mind. The date reserved is Saturday June 24, 2017 from 3 - 7PM. After the meeting Bruce Spear and Martha Blanton volunteered to help. Betty Serota volunteered to advise.
5. Nominating - We need people on this committee since there will be elections to the Board at the annual meeting on September 26, 2017. There will be a Meet and Greet again this year for the nominees before that date.
6. Welcoming - There is an opening on this committee.
7. Directory - Marjie Clark encouraged homeowners to get their directory. Chris has them in his office.

6. Unfinished Business

1. Herb Phelps, a homeowner and agent for our new insurance, Farmers, talked about how we as homeowners need to properly insure our units. He referenced our by laws and encouraged owners to show Three Fountains by laws to their personal insurance agent to properly protect the unit owner from an ASSOCIATION LOSS ASSESSMENT. Make sure the loss assessment coverage will cover an association assessment for a wind or hail claim deductible on the master association policy. The HOA is responsible for the dry wall out for each unit but the owner is responsible for interior repair such as the paint, fixtures, carpet etc.

2. 3285 - Three Fountains has a lien on the property covering the flood abatement for \$17,000, the asbestos removal for \$17,000 and the delinquent HOA fees. Three Fountains receivership forced the bank to foreclose. The bank would like Three Fountains to remove our liens because they are losing so much money. Three Fountains would not agree.

3. 3200 - Two bids were received to fix the problem of the heaving floor. The Board approved a bid which will cost between \$8,000-10,000.

4. Three Fountains will foreclose on another property to place a lien to recover delinquent HOA fees. There is equity in this property.

7. New Business

1. Comcast - A contract has been signed to give an easement to Comcast onto Three Fountain's property to maintain their equipment. It is estimated to be about \$37,000. It has not been received yet.

2. Email and texts - To better inform and reach a homeowner in an emergency, the Board and Chris are encouraging everyone to get their cell phone numbers to Chris.

3. Parking - The parking situation is causing concern again. Homeowners and renters are encouraged to read the rules and regulations regarding parking and to get parking passes from Chris if you need extended parking outside of your garage.

8. Homeowners Forum

1. 6985 & 6987 - are needed for the bare area - on the list for Keesen

2. Exercise equipment was requested again.

3. Comcast - There is no discount to homeowners who have Comcast service with the contract that has been signed.

4. A homeowner is concerned about the ice in the lanes in cold weather.

5. A homeowner is concerned about snow removal and Jeff said that he and Kevin Haight and Abby Marsh along with Toby and Chris walked the property to look for areas to put the snow that has been removed from lanes but there are no other options than the ones already being used.

6. A homeowner is concerned about rental properties within Three Fountains. Jeff said that the Board is very aware of the situation but we cannot control or limit it. A homeowner said

that it is due to the Fair Housing Act. Another homeowner who has been in the mortgage business said that some condos require that an owner live in a property for the first year.

9. Set Date for Annual Homeowners Meeting - September 26, 2017

10. Adjournment - 7:56PM

Submitted by Barbara Griswold, Secretary

Next Annual Homeowners Meeting September 26, 2017 @ 7PM