

THREE FOUNTAINS CORPORATION

Board of Managers Meeting

December 20, 2016

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

Vice President:
Secretary: Barbara Griswold

MINUTES

Call to order / Establish Quorum - 6PM

- A. Approval of Minutes
1. Board of Managers Meeting - November 29, 2016 - approved
 2. Executive Session - December 8, 2016 - approved
- B. Updates and Reports - All committee reports will be addressed in the monthly Board of Managers Meeting January 24, 2017
1. Property Manager - addressed email work
 - a. 6975B - 2 bids were received to do balcony work. A-1 construction was the cheaper bid - approved by email
 - b. 7045 - Chris approved the replacement of white windows
 - c. In the 2016 budget, \$20,000 was budgeted for stairs. 3 stairs and 4 partial stairs were completed for \$21,165 - approved by email
 - d. 3285 - asbestos abatement is costing \$16,994
- C. New Business
1. Board Member Resignation
 - a. Kevin Haight resigned as Vice President December 7, 2016 by email to the Board. An Executive Board session was held December 8, 2016 to replace him. The nominations were:
 1. Linda Donnelly
 2. Barbara Florey
 3. Marjorie ClarkBarbara Florey was appointed to continue Kevin's term as VP until September 2017.

The Board feels that she will be a tremendous help evaluating bids for turf management companies since she is on the Landscape Committee. She also was on the Board in the past when a receivership was required on a property.

 - b. Jan Hiatt resigned as Member at Large December 12, 2016 by email to the Board. She also resigned from the Pool Committee, the Landscape Committee, and the Social Committee. The remaining Board again considered nominations:
 1. Linda Donnelly
 2. Marjorie Clark
 3. Cassandra RochaCassandra Rocha was elected by email vote to continue Jan's term as Member at Large until September 2017. Since her background is in construction and dealing with contractors, the Board feels that her experience will help with the two

large projects that the community has to address next year. She is an active member of the Finance Committee.

The Board felt strongly that whomever serves on the Board should attend the Board meetings on a regular basis. Both Barbara and Cassandra attend regularly.

2. Board Decisions

- a. 3200 - The heaving floor is getting worse and this problem needs to be addressed next year. An estimated cost is \$40,000 plus. Herb Phelps has volunteered to help Cassandra Rocha get bids for this work since he has insured contractors.
- b. 3285 - December 10, 2016, there were 4 water line breaks in the unit. Water was 4 feet deep in the basement and pouring out the front door. The owner passed away 2 years ago and the second mortgage company that holds a lien on the property has not foreclosed. The son has been living in the property and not paying costs. 3F has stepped in to solve the immediate needs. The costs so far have been \$17,000 for drying out and \$17,000 for asbestos removal. 3F has a \$25,000 insurance deductible on the unit. 3F attorney and LCM have advised 3F not to force the unit into foreclosure but to apply for a receivership instead. The attorney appointed will go to court stating a concern for health and safety. New locks then can be put on the doors keeping the son out. The funds to cover this continuing expense can be drawn from:
 - (1) operating budget is \$35,000 under budget as of November 2016
 - (2) \$30,000 is left over on the roof replacement
 - (3) \$20,000 is in the emergency fund
 - (4) \$12,000 is left over on the lock replacement
 - (5) UMB line of credit

D. Presentation of 2017 Budget

The majority of the Board of Managers approved the 2017 budget at the November 29, 2016 Board meeting. The budget was prepared by members of the Three Fountains Finance Committee. Below are the highlighted areas:

Revenue: assessment fees \$1,016,299 with homeowners dues of \$400 per month

Reserve transfers:

- (1) general reserve transfer \$248,549
- (2) capital reserve transfer \$20,000 - beginning in the second quarter at \$5000 per month for 4 months

Operating expenses: Administration

- (1) management fee - \$22,160 to LCM, a licensed professional management company that has been providing accounting services to 3F for 8 or 9 years with no fee increases.
- (2) CPA/tax prep - \$3,450 Auditors Dix Barrett Stiltner The report will be provided near May 2017. This provides one more control to ensure financial viability checks, another check and balance.
- (3) insurance - property/liability - \$84,000 Reviewing policy and coverage provided by American Family and potentially Farmer's. Both policies are being reviewed by an outside 3rd party.

Total: \$130,344

Payroll expenses: \$281,054 Chris Fox our property manager is a licensed community association manager.

Grounds:

(1) asphalt rep/seal coat - \$18,100 - do 4 lanes in 2017

(2) turf management - \$38,775 - reviewing change in vendor

Total: \$103,476

Buildings: Total: \$26,493

Recreation: Total \$10,580

Utilities:

(1) water and sewer - \$89,440 - increased due to correcting meters in mid 2016 -stable now

Total: \$152,230

Total operating expense - \$704,177

Operating projects:

(1) landscape restoration/upgrade - \$12,573

(2) sprinkler engineering report - \$7,000

Total landscape budget: \$19,573

Total: \$43,573

Total - Operating Expense and Project Expense - \$747,750

Capital projects - from Reserve Fund

(1) shake roof replacement - 5 buildings - \$230,000

(2) metal stair replacement - 3 full replacements - \$20,000

(3) emergency fund - \$18,500

Total: \$268,500

E. Homeowner's Forum

1. Renata Ozkan asked why Linda Donnelly was not elected to the board since she ran for the board in the September 2016 elections and is well qualified. Jeff addressed it by stating why the board elected Barbara Florey and Cassandra Rocha.
2. Irene Carlow reminded the board that if we go with Farmers insurance there would be a \$6000 increase to the budget.
3. Barbara Florey asked what year the shake shingles on the roofs would be done. 16 out of 51 roofs have been done. They are chosen based on need. Jeff said it would be at least 5 more years. Abby Marsh said that after 6 roofs were completed it saved \$8000 in insurance costs. Herb Phelps reminded the homeowners that insurance still considers the aluminum wiring issue a negative.
4. Abby Marsh thanked the crew for coming in on two weekends to shovel snow.
5. Barbara Florey also thanked the crew for the ice removal on Lane 11.

Submitted by Barbara Griswold, Secretary

Meeting adjourned at 6:38PM
Next Regular Board Meeting January 24, 2017 @ 6PM