

THREE FOUNTAINS CORPORATION
Joint Meeting of the Board of Managers and the Finance Committee

October 6,2016

The meeting was called to order at 4pm.

A preliminary budget for 2017 was presented to the finance committee from Bob Weiss at LCM Property Management Company after having been adjusted by Chris Fox our property manager.

The meeting was opened by Mimi Karsh, President of the finance committee. She welcomed the homeowners that were present.

1. Follow up on items discussed at our previous meeting

Cassandra Rocha is going to try to get 3 new bids from insurance companies for the roofs. She is also going to try to get information on contractors who would be interested in bidding on the foundation work that is needed on 3200.

2. Current status of work on 2017 budget

The finance committee is requiring a third bid on the entrance landscaping work to the lanes. They would like 3 bids on turf maintenance and possible pool maintenance. Designs by Sundown, Keeson and Brickman were suggested. Jeff Rickard, President talked to Chris Fox to have the crew trim the shrubs because they have done such a fabulous job in the past. He suggested that we get bids to do the fountains as well. He is estimating that it will cost about \$30,000 for pool maintenance. Toby Bargas, maintenance supervisor, has estimated that it takes about 7 man hours per day to maintain the pools. Chris is proposing that if another company is hired to maintain the pools then his staff can do more maintenance around the complex especially the fences. The painting budget would have to be increased if this happens.

3. FC's involvement with future contracts process and review

The finance committee would like to be involved in any finance review of bids and proposed contracts from selected vendors over \$5000. Chris will continue to select the vendors.

4. 2017 budget preparation as of October 6, 2016

Irene Carlow presented the proposed budget for 2017. She presented each line item explaining what was involved in the description and why that amount of money was allocated. Chris's revised budget is highlighted in yellow.

Line item #93 - Water and Sewer The increase in the budget is do to the malfunctioning water meters. Jeff is going to talk to LCM and have them refigure the estimate based on a normal month not the summer usage months and those same months where we were trying to catch up on the bill. All 3 meters are working.

Line item #95 - Phone/cable/internet The finance committee feels that the \$480 we are paying a month is too high. They recommend that we get comparisons from other vendors.

Line item #112 - Mailings - Finance committee wants to explore ways to reduce mailing costs by reviewing Postal Service regulations regarding placing non-mailed items in mail slots. Also a possible owner survey involving a email list for sending newsletters, construction notices, and agendas.

Line item #122 - Wages/salaries - maintenances - The finance committee was concerned that the increase to salaries had been 10%. Kathy Mehlmann, Treasurer, explained that it was only 3% due to a miscalculation.

Line item #135 and #137 - Landscape upgrades and sprinklers - Landscaping was given a \$373 increase over the 2016 budget and sprinklers remains the same as the 2016 budget.

The finance committee requested that someone research the potential budget impact regarding the Denver Water Board tier-pricing which was instituted in the summer of 2016 and the new rates for storm drain fees approved by the Denver City Council as well. This may cause a significant increase to our costs. They asked that someone research this and report to the board meeting on October 25, 2016. Jeff said he would look into it.

After the proposed budget was presented, Jeff said that we need to start using electronic checks. He said that American Family Insurance stated that we had \$30,000 worth of damage to our roofs due to the hail storm in July. It was on the metal toppings on the roof and the gutters. He requested that we increase the gutter repair budget to add \$3000 and \$2000 to roof repair incidentals. He recommended \$5000 more for fence paint.

Equipment for the exercise room was discussed. There was very little response to the request to homeowners regarding what they wanted in the room. Kevin Haight, Vice President, is going to read the bylaws to see if it is stated that we are required to have an exercise room.

We discussed the lamps throughout the complex and their need for replacement and that could come out of the general fund.

Jeff checked on the budget for the stairs. We have 13 stairs. Three are expected to be done this year and that will use almost all of the \$20,000 budgeted. There are 6 more stairs that will be put in the rotation for the 2 years after next year.

The meeting concluded at 6pm.

Submitted by Barbara Griswold, Secretary