

**VILLAGE OF FOUNTAINVIEW COMMUNITY MEETING AT  
THE NEWARK SENIOR CENTER AND VIA ZOOM  
NOVEMBER 8, 2023**

President Carrie Bolen called the meeting to order at 6:31 pm.

**ROLL CALL**

**PRESENT:** Linda Malm, Kelly Piel, Deborah Ingram, Carrie Bolen, Paula Kelly, Bill Anderson, Mary Ellen Fish (Zoom), and Lisa Bolin (FSR).

**Audience:** 22, Zoom: 14

**INSURANCE:** Brandon Grizzel, our insurance broker, came to explain why the insurance has escalated. Brandon works for AssuredPartners and has represented VOF since 2014. He is well acquainted with the past problems in Bldg. 2000, and the THs and knows our policy inside and out. With the water loss in Bldg. 3000 earlier in the year, renewal was extremely tough. There are claims of about \$8.1 million of loss, and it does not look good when trying to remarket coverage to other carriers especially when Travelers decided not to renew our policy. Brandon sought out more than 50 insurance carriers. The only solution available was a layered property coverage with seven different carriers picking up almost \$36 million in property coverage for the buildings and townhouses. Bldg. 3000 was the biggest challenge and hurdle; 3000 will have a very large deductible with the other buildings having large water deductibles. Brandon said we are probably at the worst point now. Before we move forward, Bldg. 3000 will have to be completed before we can look at other carriers who will look at VOF as a whole policy. Every year there will be remarketing till a better solution is found. A lot of information will be required from Sobieski in regards to the sprinkler systems because this is not the first time this has happened. Bldg. 2000 suffered an almost \$1 million water loss in 2017. So our track record is not good. Brandon brought information about the proposals that were put together. When the numbers are put together, the overall loss ratio including this upcoming year is somewhere around 919 percent. Historically carriers like that number to be

about 30 - 40. The final dollar amount for the insurance is \$516,000; it was barely \$60,000 last year. Yuval questioned if that was because the sprinkler system is in question, and Brandon said it was. A split that went directly down the middle of the pipe caused the flooding, but it is still unknown as to what happened. For that reason we cannot say it will not happen in Bldg. 1000 as it did in 2000 in 2017. The buildings were built closely in time, and the same materials were used. Brandon said Travelers is not going to let this go without investigating it fully; they are not going to pay out \$8 million without getting to the bottom of it. Brandon said he has not received a straight answer as to what happened. We also may be dealing with vendors and manufacturing companies that are no longer in existence. Lisa clarified that any money received from subrogation will go back to Travelers, and Brandon confirmed that. Carrie questioned that if we get an answer as to the cause and if it is something that can be fixed in 1000 and 2000 to prevent another loss, can we go back to the insurance company for further consideration. Brandon said the more information we get from Sobieski as to the why, then the more fire power we will have with different insurance companies. There also are other things to consider such as automatic water shut offs to help bolster our case in moving forward. Lisa said we have added a monthly churn, and Brandon said that was beneficial to obtaining any company.

Yuval suggested that we get a third party engineering company in addition to Sobieski to evaluate the sprinkler system; that it would be money well spent.

Carrie asked that if we don't have another claim in another year or two, do we have a chance of having the premium reduced or getting another company. Brandon said this increase would not last forever, but Bldg. 3000 will have to be completed. He said one of the biggest hurdles was having a vacant building under construction. As to Yuval's suggestion, Lisa said Council would have to hire someone and approve the cost to do that.

TREASURER'S REPORT: Kelly Piel read the September 2023 report.

MOTION: Deborah Ingram made the motion to accept the Treasurer's Report as read. Paula Kelly seconded it. All were in favor. The motion passed. The

Treasurer's Report will be posted on the website and on the bulletin boards.

## NEW BUSINESS

**BUDGET:** Cam Vu, a former Council Treasurer, (Bldg. 1000) has been helping Council with the 2024 budget. Cam said that the 2023 dues was \$590,747. Those fees will be \$1,089,960 for 2024 – an increase of \$499,203. The big increase is coming from the insurance premiums. Last year the budget for insurance was \$63,000. For 2024, insurance will cost \$519,500 (an increase of 725%). All the other budget items come to \$42,703.

The insurance for the buildings alone is \$476,161 and that was due Oct. 29, 2023. Kelly borrowed \$89,000 from the Reserves to make the down payment, but the remainder would need to be borrowed. If that money is borrowed from the bank, the interest is 10.95% which is nearly \$20,000. We have that same needed amount sitting in the Reserves. Cam proposed to the board that we borrow the whole amount from ourselves (the Reserves) and then pay it back with HOA dues. When we borrow the money from ourselves, we promise to pay it back within the year at a zero interest rate and eliminate the \$20,000 in interest from a bank.

Cam also proposed a one time deficit spending. In last 15 years, VOF has had some money leftover each year. She suggested that we use the surplus to pay the insurance. We can use the \$100,000 in deficit spending to reduce the top line, and everyone's dues will come down proportionately. It is extra money that is sitting there that is earning almost nothing.

Lisa said that if residents do not ratify the budget then we will be stuck with last year's budget; that leaves us without any money for insurance and without insurance we are in violation of our documents. Council could decide to have a special assessment and that would require that the money be paid upfront instead of over a 12-month period. If the special assessment doesn't go, there is a slim chance that Council could be replaced with a Receivership. They would be in charge of the community, and could charge whatever dues they want. If the board approves Cam's proposals tonight, Lisa will send out a

mailer next week. The budget ratification will take place on Dec. 6<sup>th</sup> at 6:30 pm. Dean has written a letter explaining what will happen if the budget is not passed, and Carrie will be emailing this tomorrow. Copies also will be sent out with the ballots. Nancy Balogh pointed out that Fountainview has been under a receivership before, and it was disastrous.

The new dues will begin January 1. But Lisa wants residents to understand that because we vote on the budget in December, it takes 4 to 5 weeks for FSR to process all the coupon books. It will be in the system Jan. 1<sup>st</sup>, but residents will not receive any communication regarding this until after 30 days. The actual amount owed will go out in the mailing.

**MOTION:** Deborah Ingram made the motion that we move forward with the budget to help us compensate for the extreme increase in our HOA budget for the coming year; that we do a one-time deficit spending of \$100,000 from our surplus fund and that we move forward with borrowing from the Reserves for the total amount of the balance for the insurance and pay it back over the course of 10 months without any interest.

Mary Ellen Fish seconded it. All were in favor. The motion passed.

After Council approved Cam's proposals, Cam gave the new quarterly HOA dues.

Units A &B:	\$626.15
Unit C:	\$941.20
Unit D:	\$967.68
Unit E:	\$1,331.98
TH/V:	\$2,474.86

Also starting the first of the year, the water bill will be brought down for most residents: it will now be \$34 across the board.

Then after the first of the year, the water payments will be adjusted for Bldg. 3000.

## ELECTIONS

There is currently one seat open, and one resume was received. The vote will be one week after the budget ratification – December 13<sup>th</sup>. The election results will be announced at the end of the Council meeting.

## COUNCIL OPEN FORUM

Jim Millin (TH) was concerned about the HOA payment date. It will be posted on Jan. 1<sup>st</sup>. But for those who don't have email or read the mailer, they will have 60 days to pay it.

Pat Hagan (Bldg. 3000) questioned if the \$42,000 will be enough to cover all the other yearly expenses.

## ADJOURNMENT

Kelly Piel made the motion to adjourn the meeting. Paula Kelly seconded it. The meeting was adjourned at 7:15 pm.

Respectfully submitted,

Paula F Kelly  
Secretary